

SUPPORTING STATEMENT - PART A

Personnel Security Investigation Projection for Industry Census – 0705-0007

1. Need for the Information Collection

DoD Directive 5220.22 governs NISP implementation of Executive Order (EO) 12829, "National Industrial Security Program (NISP)", dated January 7, 1993, stipulates that the Secretary of Defense shall serve as the Executive Agent for inspecting and monitoring the contractors, licensees, and grantees who require or will require access to, or who store or will store classified information; and for determining the eligibility for access to classified information of contractors, licensees, and grantees and their respective employees. EO 12829 also authorizes the Executive Agent to issue, after consultation with affected agencies, standard forms that will promote the implementation of the NISP.

As part of the ongoing review of the personnel security clearance process within the Department of Defense (DoD), it was determined that DoD required a more effective method of projecting personnel security investigation (PSI) and clearance requirements for defense industry. This information collection is used to budget for the resources necessary to meet future demands within defense industry. The information will be used to compile future workload estimates that will be submitted to the Office of Secretary of Defense each year.

2. Use of the Information

Department of Defense Directive, 5105.42, "Subject: Defense Security Service", delineates the mission, functions and responsibilities of DSS (Now DCSA). In accordance with this Directive the Defense Counterintelligence and Security Agency (DCSA) was an Agency of the Department of Defense under the authority, direction, and control of the Assistant Secretary of Defense (Command, Control, Communication and Intelligence) (ASD (C3D)). Subsequently, Deputy Secretary of Defense Memorandum, Subject: Implementation Guidance on Restructuring Defense Intelligence - and Related Matters, dated, May 8, 2003, created and transferred the Industrial Security and Personnel Security responsibilities of ASD (C3D) to the Office of the Undersecretary of Defense for Intelligence (OUSD (I)). As such DCSA was also transferred under the management and control of OUSD (I). In April 2019, personnel security investigations were transferred from the Office of Personnel Management to DCSA, pursuant to Executive Order 19869. As it pertains to this request for authority to collect information, DCSA is currently responsible for the following:

- (a) Administer and implement the Defense portion of the National Industrial Security Program (NISP) for DoD and 35 other non-DoD agencies pursuant to EO 12829 (reference (e)).
- (b) Exercise authority delegated to the Secretary of Defense for issuance of security clearances to contractor employees, pursuant to EO 12829.

The Fiscal Year 2001 Defense Authorization Bill, under 10 U.S.C. 1564 directed the Department of Defense (DOD) to establish a process for expediting the completion of background investigations for DOD personnel as well as DOD contractor employees engaged in sensitive duties that are critical to the national security. A required feature of this legislation is quantification of the requirement for background investigations necessary for grants of security clearances.

Executive Order (EO) 12829, "National Industrial Security Program (NISP)", dated January 7, 1993, stipulates that the Secretary of Defense shall serve as the Executive Agent for inspecting and monitoring the contractors, licensees, and grantees who require or will require access, to or who store or will store classified information; and for determining the eligibility for access to classified information of contractors, licensees, and grantees and their respective employees. EO 12829 also authorizes the Executive Agent to issue, after consultation with affected agencies, standard forms that will promote the implementation of the NISP.

Contractor entities are responsible for completing contractual requirements. Based on guidance contained in their contracts, they must identify which personnel will require background investigations for clearances in order to complete those contracts. Therefore, in order to comply with the terms of the Fiscal Year 2001 Defense Authorization Bill as they pertain to quantifying background investigation requirements and to ensure sufficient funding for these background investigations for clearances, DCSA must solicit input from the contractor entities regarding the numbers of each type of investigation they require for contract performance requiring access to classified information.

A web-based survey tool within the National Industrial Security System (NISS) hosts the PSI Data Collection. The PSI Data Collection (0705-0007) has a separate Control Number distinct from the NISS IT System (0705-0006). In the future, the plan is to update the NISS IT System Control Number (0705-0006) to include the PSI Data Collection; and discontinue the 0705-0007 data collection. The facility must have an active company account and permanent CAGE Code to access the PSI Data Collection. The PSI Data Collection must be completed during the reporting period, which covers a four-week period. Authorized users for each of these facilities will receive email notifications at the launch of the reporting period, as well as weekly reminders during the reporting period to those facilities yet to submit their projections. Authorized users for these facilities have full access to submit PSI projections during the reporting period. They may continue to edit and resubmit their responses during the reporting period. The Statistician cleans up the data; separates responses and non-responses; performs missing imputation using K-NN algorithm; and performs regression to correct overestimated forecast. The data is used to project case and cost estimates, integral to planning and programming for NISP personnel security investigations across the Fiscal Year Defense Plan.

In 2019, DCSA transitioned to utilizing the National Industrial Security System (NISS) to conduct the PSI census to industry. The census response rate averaged 51% since the transition to NISS. Ongoing system modifications continue to improve NISS and decrease latency issues. Although this is a census, this is a voluntary request, and we can encourage

but not mandate participation. We are continuing to encourage participation in this survey.

3. Use of Information Technology

The use of information technology has been considered appropriate for the purposes of this collection. One hundred percent of NISP Facilities Security Officers (FSOs) who are authorized and registered within DCSA's National Industrial Security System (NISS) will receive email notifications at the launch of the collection as well as occasional follow-up reminders during the reporting period to submit PSI projections within NISS.

4. Non-duplication

DCSA performs the Personnel Security Investigation Projection for Industry Census annually and the information is not collected elsewhere. Representatives from various government and industrial security organizations such as Army, Air Force, Navy, Central Intelligence Agency, Department of Commerce, Department of State, National Industrial Security Program Policy Advisory Committee, Aerospace Industries Association, Industrial Security Working Group, National Classification Management Society, and Contractor SAP Security Working Group were advised of DCSA's intent to collect this data.

DCSA annually provides reminders of the census at various government and industry security organization meetings. These organizations and government activities are aware that this is an annual request, slated to occur in the spring of each calendar year to align with the budget cycle.

Historical data cannot be used as the sole basis for budgeting and resourcing determinations. Reliance on annual PSI projection census results more accurately addresses year to year variances in personnel security investigative demands for contractor clearances.

5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

6. Less Frequent Collection

If this data is not collected annually, DCSA's and the Department's ability to budget for projected annual workload and out year demand pertaining to personnel security investigation and clearance requirements within industry will be significantly degraded.

7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice (FRN) for the collection published on Monday, May 20, 2024. The 60-Day FRN citation is 89 FR 43831

No comments were received during the 60-Day Comment Period.

A 30-Day Federal Register Notice for the collection published on Friday, August 16, 2024. The 30-Day FRN citation is 89 FR 66702.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the Federal Register was conducted for this submission.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

Information provided by the responding population are handled by DCSA as "Controlled Unclassified Information," sensitive commercial information. Respondents are provided with sufficient information to be assured of their privacy, and clearly understand their privacy rights when accessing the system. The log-in screen to the system explicitly provides the Privacy Act Statement. A copy of the Privacy Act Statement has been provided with this package for OMB's review.

The NISS IT system does not meet the definition of a Privacy Act System of Records; therefore, there is no requirement to establish a NISS standalone System of Records Notice. When data is retrieved from NISS, the records are not retrieved by PII of key management personnel. Data is only retrieved by company name or cage code associated with a NISP facility. Records are company based, and the data unique to key management personnel is contained within the company's record. Further, there is no functionality in NISS to search by individual user information or SSN.

The NISS PIA was approved on 28 March 2023.

Retention and purging of electronic and hard copy files are in compliance with guidelines identified in schedule NC1-446-81-2 Item 2, "Industrial Security Facility Case Files." Records Schedule: DAA-0446-2022-0013 was submitted to NARA and approved.

11. Sensitive Questions

No questions considered sensitive are being asked in this collection.

12. Respondent Burden and its Labor Costs

Part A: ESTIMATION OF RESPONDENT BURDEN

1) Collection Instrument(s)

Personnel Security Investigation Projection for Industry Census

- a) Number of Respondents: 7,999
- b) Number of Responses Per Respondent: 1
- c) Number of Total Annual Responses: 7,999
- d) Response Time: 40 minutes
- e) Respondent Burden Hours: 5,332.7

2) Total Submission Burden (Summation or average based on collection)

- a) Total Number of Respondents: 7,999
- b) Total Number of Annual Responses: 7,999
- c) Total Respondent Burden Hours: 5,333

Part B: LABOR COST OF RESPONDENT BURDEN

1) Collection Instrument(s)

Personnel Security Investigation Projection for Industry Census

- a) Number of Total Annual Responses: 7,999
- b) Response Time: 40 minutes
- c) Respondent Hourly Wage: \$56.71
- d) Labor Burden per Response: \$37.81
- e) Total Labor Burden: \$302,415.53

2) Overall Labor Burden

- a) Total Number of Annual Responses: 7,999
- b) Total Labor Burden: \$302,416

The Respondent hourly wage was determined by using the OPM 2024 General Schedule for Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, GS-13 Step 1 which better fits the pay level for the occupation of Facility Security Officer and it can be found at: _

https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB_h.pdf

13. Respondent Costs Other Than Burden Hour Costs

There are no annualized costs to respondents other than the labor burden costs addressed in Section 12 of this document to complete this collection.

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT

- 1) Collection Instrument(s)
Personnel Security Investigation Projection for Industry Census
 - a) Number of Total Annual Responses: 7,999
 - b) Processing Time per Response: .02 hours
 - c) Hourly Wage of Worker(s) Processing Responses: \$64.04
 - d) Cost to Process Each Response: \$1.28
 - e) Total Cost to Process Responses: \$10,245.12

- 2) Overall Labor Burden to the Federal Government
 - a) Total Number of Annual Responses: 7,999
 - b) Total Labor Burden: \$10,245.12

The weighted average wage is \$64.04 which is based on 25 hours @ \$75.95 for GS-14 Step 5, and 180 hours @ \$62.38 for GS-13 Step 4 using OPM 2024 General Schedule for Washington-Baltimore-Arlington, DC-MD-VA-WV-PA and can be found at:

https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB_h.pdf

Part B: OPERATIONAL AND MAINTENANCE COSTS

- 1) Cost Categories
 - a) Equipment: \$0
 - b) Printing: \$0
 - c) Postage: \$0
 - d) Software Purchases: \$0
 - e) Licensing Costs: \$0
 - f) Other: \$0

- 2) Total Operational and Maintenance Cost: \$0

There are no operational and maintenance costs that come as a result of this collection, as no new equipment, printing, postage, software purchases, licensing costs, or other costs are involved.

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT

- 1) Total Labor Cost to the Federal Government: \$10,245

- 2) Total Operational and Maintenance Costs: \$0

- 3) Total Cost to the Federal Government: \$10,245

15. Reasons for Change in Burden

There has been no change in burden since the last approval. The only change is the estimated average hourly wage of respondents and workers has been increased to reflect 2024 figures, rather than the 2020 figures used in the prior submittal.

16. Publication of Results

The results of this information collection will not be published. The data collection is primarily evaluated by DCSA to administer and implement the NISP, pursuant to Executive Order 12829. Congressional reports are provided on an annual basis with the total number of cleared facilities within the NISP, aggregate security vulnerability assessment ratings, and information system accreditation timelines.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to “Certification for Paperwork Reduction Submissions”

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.