



Department of Energy
Washington, DC 20585

JM CHRON
JM REC'D - 7/28/10
OUT FOR REVIEW - 7/30/10
DRB DISCUSSION - 8/12/10

MEMORANDUM FOR INGRID KOLB
DIRECTOR
OFFICE OF MANAGEMENT

THROUGH: KEVIN T. HAGERTY
DIRECTOR
OFFICE OF INFORMATION RESOURCES

FROM: GLENN S. PODONSKY
CHIEF HEALTH, SAFETY AND SECURITY OFFICER
OFFICE OF HEALTH, SAFETY AND SECURITY

SUBJECT: Notice of Intent to Modify DOE M 470.4-5, *Personnel Security*,
August 26, 2005, and Convert the Manual to a DOE Order

PURPOSE: This memorandum seeks approval to convert the Department of Energy (DOE) Manual (M) 470.4-5, *Personnel Security*, to an Order. In addition to the format conversion, significant changes will be included in the proposed Order which will allow the Department to adopt existing national personnel security standards currently being utilized across the Federal government. By adopting the national standards in the proposed Order, the personnel security program within DOE will: 1) more effectively address the vulnerabilities posed by insider threat, 2) allow maximum flexibility for sites to make personnel security program funding and operational decisions, and 3) align the Department's personnel security clearance processes and procedures with the program reform goals established by the Office of Management and Budget to increase the effectiveness and efficiency of Personnel Security Programs throughout the Federal government.

JUSTIFICATION:

Background: The Personnel Security Order is vital to the efficient, effective and mission-focused operation of DOE's various personnel security offices. The order provides uniform instruction that will permit DOE to comply with Government-wide expectations and performance milestones driven by the Office of Management and Budget (OMB) and Congress, and fulfills the mandate in Executive Order 12968, *Access to Classified Information*, section 1.2.(b) that agency heads are to "[establish]...and [maintain] an effective program to ensure access to classified information by each employee is clearly consistent with the interest of the national security." DOE has maintained a Personnel Security directive since 1966.

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Summary of Development Process: This process began in 2007 with the establishment of a team of personnel security professionals from throughout the complex who produced an initial draft manual in January 2008. In May 2008, the Office of Departmental Personnel Security (HS-1.4) used the draft manual as a basis against which to analyze the requirements of national-level drivers and as the foundation of the current draft order. After incorporating the national standards in the draft order, HS-1.4 provided comprehensive briefings on all proposed changes to site security personnel; the Offices of Environmental Management, Science, and the National Nuclear Security Administration, the Energy Facility Contractor's Group; the National Laboratory Director's Council; and the Office of Health, Safety and Security's senior leadership. The Department's personnel security professionals were provided opportunities to comment informally on the draft. Based upon these briefings and comments solicited from the sites, modifications were made to the draft.

Applicability: DOE personnel security offices, program officials responsible for requesting security clearances, DOE security clearance holders and applicants for security clearances (both contractors and Federal employees) and DOE individuals occupying national security sensitive positions are covered by this Order. Incorporation of the proposed changes and conversion to an order will not substantially change this applicability.

Major Changes. This order proposes:

- Adoption of existing Federal standard security clearance designations (Top Secret, Secret and Confidential) to afford access to classified national security information, while retaining Q and L access authorizations to specifically permit access to RD/FRD/SNM;
- Introduction of one-time, short-term security clearance upgrades to permit DOE to respond more rapidly to emergency situations not expected to be of a recurring nature which is in accordance with Executive Order 12968;
- Introduction of the concept of National Security Determinations to allow for the investigation of persons who occupy positions not requiring access to classified information, but whose position could adversely impact national security;
- Introduction of Limited Access Authorizations (LAAs) to permit foreign nationals, whose expertise is critical to DOE programs or goals, access to classified national security information after a rigorous review process and subject to strict controls.
- Elimination of security clearance "extensions" between DOE site offices and the introduction of the concept of a Departmental security clearance identifiable and traceable in the Department's personnel security database.

Recommended Development Schedule. The standard schedule for directives development is recommended; however, due to the significance of the major changes, a 45 day comment resolution period and a 15 day final draft preparation period is proposed.

IMPACT: The extent to which conversion to the current order format specified in DOE O 251.1C will impact other existing directives or requirements will be resolved during the revision process. This order will provide uniform and consistent policies and procedures for the more effective and efficient operation of DOE's Personnel Security Program and will allow DOE to operate under the same national level guidance as other Executive Branch agencies. The adoption of the Federal security clearance standard will allow DOE to more accurately and precisely permit access to RD/FRD/SNM, where needed, and will therefore increase the security and protection of RD/FRD/SNM.

Slight costs may be incurred due to education and outreach needed on the part of the Office of Departmental Personnel Security to fully communicate and assist with the implementation of these changes throughout the complex. Cost savings are expected to be realized through the elimination of certain administrative procedures. Additionally, savings can be realized through decreased investigative costs to the Department if, as a result of these changes, some employees are issued a Secret security clearance instead of a Q clearance.

Additionally, the conversion to an Order will incorporate the two existing DOE Notices (470.4, *Reciprocal Recognition of Existing Personnel Security Clearances and Access Authorizations*, January 9, 2009, and 470.5, *Implementation of Section 1072 of the National Defense Authorization Act for Fiscal Year 2008*, August 12, 2009) and permit their cancellation.

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Concur: *K. King* Non-concur: _____ Date: *8/12/10*
For Ingrid Kolb

Timeline: Schedule for Directives Development	<u>Standard</u> (Days)	<u>Proposed</u> (Days)
Draft Development (Writer)	60	60
Process/Post (MA-90)	5	5
Review and Comment (Interested Parties)	45	45
Comment Resolution (Writer)	30	45
Process/Post (MA-90)	5	5
Concurrence (Writer)	15	15
Preparation of Final Draft (Writer)	5	15
	165	190

Request additional time for comment resolution + preparation of final draft, recommend approval.

K. King