

April 2, 1999

SECY-99-104

FOR: The Commissioners

FROM: William D. Travers /s/
Executive Director for Operations

SUBJECT: MODIFICATION OF THE NRC PERSONNEL SECURITY PROGRAM

PURPOSE:

To obtain Commission approval of recommended modifications to the NRC personnel security position-sensitivity criteria that will significantly reduce the number of "Q" security clearances and investigative costs without reducing NRC's operational effectiveness.

SUMMARY:

The Office of Administration reviewed the NRC Personnel Security Program and determined that the number of costly "Q" security clearances could be reduced without reducing NRC's operational effectiveness. The recommended revisions to NRC's position-sensitivity criteria would provide the investigative coverage and level of security clearance necessary for incumbents to meet the functions and classified access requirements of their positions. The implementation of the new criteria by NRC offices could result in an overall annual investigative cost savings of approximately \$275,000 to \$413,000.

BACKGROUND:

In the Attachment to the Chairman's September 4, 1998, memorandum to the CFO, "FY 2000 Budget and Performance Plan," the staff was directed to provide a proposal to significantly reduce the number of "Q" clearances agency-wide.

The intent of the NRC personnel security process is to screen personnel for access to classified information consistent with the requirements of Section 145b. of the Atomic Energy Act of 1954, as amended (AEA), and to screen personnel for sensitive positions of high public trust

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consistent with the requirements of Executive Order (EO) 10450, "Security Requirements for Government Employment." The AEA provides in Section 145b. that "...no individual shall be employed by the Commission nor shall the Commission permit any individual to have access to Restricted Data until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to Restricted Data will not endanger the common defense and security." EO 10450 sets the minimum investigative and security suitability standards that must be met by an individual to be employed by the Federal Government. EO 10450 and its implementing regulations require that employees in sensitive positions of high public trust undergo a full field background investigation as a condition of employment.

When NRC was established in 1975, all employees were deemed to be in high public trust positions and were granted "Q" security clearances based on their access or potential access to Restricted Data and other classified information. In 1976, the Commission approved new position-sensitivity criteria that limited the granting of "Q" clearances to those employees who had access to higher levels of classified information or were in positions of high public trust. All other employees were granted "L" clearances under Section 145b., AEA. This dual use of the clearance process to screen for access to classified information and for sensitive high public trust positions is reflected in the current position-sensitivity criteria that determine whether a position requires a "Q" or "L" security clearance. These criteria, which were approved by the Commission in 1982, are described in Management Directive 12.3, "NRC Personnel Security Program."

Federal agencies without the statutory authority contained in Section 145b., AEA, make separate decisions concerning the security suitability of an individual for employment under EO 10450 and for security clearance eligibility under EO 12968, "Access to Classified Information." EO 12968, issued August 2, 1995, states, "The level at which an access approval is granted for an employee shall be limited, and relate directly, to the level of classified information for which there is a need for access." EO 12968 prohibits requesting or approving eligibility for access in excess of actual needs. Although the order makes an exception for agencies such as NRC where eligibility for classified access is a condition of employment, the intent of the order is clear, to limit the granting of a security clearance to the lowest level of classified information for which there is a need.

Currently, approximately 1,529 NRC employees have "Q" security clearances and 1,505 employees have "L" clearances. This ratio of approximately 50/50 has remained relatively constant during the past 10 years.

NRC "Q" security clearances are normally based on a Single Scope (full field) Background Investigation (SSBI) conducted by the Office of Personnel Management (OPM) costing approximately \$2,700 per investigation. NRC "L" security clearances are normally based on the less extensive Access National Agency Check and Inquiries (ANACI) investigation costing \$132. Incumbents of "Q" positions are reinvestigated every five years at a cost of \$1,550 per investigation. Incumbents of "L" positions are currently reinvestigated every 10 years at a cost of \$102 per investigation. Attachment 1 describes the investigation scopes that serve as the bases for "Q" and "L" security clearances.

DISCUSSION:

On the basis of a comprehensive review of the current position-sensitivity criteria and security clearance requirements, we recommend that the position-sensitivity criteria be revised as described in the recommendation section of this paper and discussed in more detail in Attachment 2. The most significant change in these criteria would be to require an "L" clearance with an SSBI for positions that require high public trust but do not require access to sensitive classified information, such as Secret or Top Secret Restricted Data or Top Secret National Security Information. Additionally, individuals occupying positions of high public trust would be reinvestigated at the "L" level every 5 years. The implementation of the new criteria could result in an overall annual investigative cost savings of approximately \$275,000 to \$413,000. This change would bring NRC more in alignment with other Federal agencies which limit the issuance of security clearances to the lowest level required. Attachment 3 identifies the minimum security clearance required for access to the different types and levels of classified information. Attachment 4 presents the projected number of "Q" and "L" security clearances by office under the revised criteria. At the request of the Inspector General (IG), Office of Inspector General (OIG) personnel have not been included in the breakout of "Q" and "L" security clearances. The IG, consistent with his statutory authority, will determine the level of clearance required for OIG personnel.

By adopting the recommended position-sensitivity criteria, the agency will achieve the following:

- The "Q" security clearance and associated SSBI requirement will be eliminated for an estimated 386 to 690 NRC positions. The incumbents of these positions will be granted "L" clearances.
- The SSBI will remain as the initial investigation for approximately 343 positions that involve the highest degree of public trust, but do not require access to "Q" level information. These include resident inspectors, criminal investigators, and certain senior-level policy, information technology, and financial control positions. Individuals in these positions will be granted "L" security clearances and will be subject to the less costly "L" re-investigation at 5 year intervals.
- "Q" security clearances based on the SSBI will be limited to the incumbents of approximately 496 to 800 positions requiring access to Top Secret Restricted Data, Top Secret National Security Information, Secret Restricted Data, and certain Naval Reactors Confidential Restricted Data.
- The remaining 1,505 NRC positions will remain at the "L" clearance level based on an ANACI.

The following tables show investigative costs and savings that could be achieved depending on the final number of "Q" clearances eliminated. Table 1 provides a breakdown of the initial and re-investigation cost of each type of clearance. Table 2 provides estimates of the annual cost and savings for two cases, case 1, which would be an ambitious reduction in the number of clearances estimated in attachment 3, and case 2, provided for comparison to show that substantial saving could still be achieved with more modest reductions. The actual change in

the number of clearances will be determined by applying the criteria in attachment 2 to the job requirements of each position.

Table 1 - Cost of Each Investigation			
Investigation	Q	L with SSBI	L
Initial	\$2,700	\$2,700	\$132
Re-investigation	\$1,550 every 5 years	\$102 every 5 years	\$102 every 10 years

Table 2 - Estimated Savings			
Type of Clearance	Number of Staff with Clearances		
	Current	Case 1	Case 2
Q	1,529	496	800
L with SSBI	0	343	343
L	1,505	2,195	1891
Total Clearances	3,034	3,034	3,034
Annual Cost of Investigations	\$748,959	\$336,449	\$474,428
Annual Savings*	-----	\$412,510	\$274,531

* Assumes 6% turnover per year requiring new investigations

The staff evaluated the background investigations proposed for resident, regional, and headquarters inspectors to ensure comparability with licensee programs. Under the recommended proposal, inspectors (including resident inspectors) and their supervisors would receive an "L" clearance in most cases. NRC inspectors who require access to "Q"-level classified information and resident inspectors would continue to receive the SSBI, which is the national standard for "Q"/Top Secret level information. The SSBI exceeds the scope of investigations normally conducted by power reactor licensees. The ANACI, which all other inspectors would undergo, is the national standard for "L"/Secret level information and would be expanded, as necessary, to cover derogatory information developed. The ANACI is equivalent to the background investigation normally conducted by power reactor licensees. Although NRC employees are not subject to a psychological assessment or a behavioral observation program as licensee employees are, they are subject to NRC re-investigation program requirements that can develop information on psychological problems or adverse behavior traits of the employee.

The staff believes that the recommended criteria will provide the investigative coverage and level of security clearance necessary for incumbents to meet the functions and classified access requirements of their positions. Administrative procedures will be undertaken to assure that reassignments and promotions of NRC employees into positions requiring a more extensive investigation are not delayed or restricted. However, in some instances, newly promoted or reassigned employees may not be able to assume all duties of the position (e.g., access to Secret Restricted Data) until the required investigation is conducted and evaluated and a "Q" security clearance is granted. In those instances where a person has an "L" clearance based on an SSBI, the clearance could be administratively upgraded to a "Q" upon request if the SSBI is current, i.e., completed within the last five years. If the SSBI is not current or the "L" clearance is based on an ANACI, the SSBI could be expedited and the "Q" granted normally within 35 to 50 days.

NRC employees requiring access to Sensitive Compartmented Information (SCI) are subject to the personnel security criteria established by the Director of Central Intelligence. An SSBI will continue to serve as the basis for SCI access.

All contractor positions will continue to be subject to an OPM investigation appropriate to their duties and the type and level of classified information for which access is required.

RESOURCES:

Implementation of the recommendations of this paper would result in an estimated annual savings in a range of \$275,000 to \$413,000 depending on the number of "Q" clearances that are eliminated.

RECOMMENDATION:

That the Commission approve the following criteria for clearances:

1. "Q" Positions of a High Degree of Importance or Sensitivity based on an FBI SSBI
 - The Chairman
 - An NRC Commissioner
 - Any other individual so designated by the Commission (Under this criterion, the Commission had previously designated Commissioners' assistants who have access to Sensitive Compartmented Information.)

(Note: This criterion is unchanged from current criterion.)

2. "Q" Positions of a Critical and Sensitive Nature based on an OPM SSBI
 - Access to Secret or Top Secret Restricted Data or Top Secret National Security Information

- Access to Confidential Restricted Data involving broad naval nuclear propulsion program policy or direction (e.g., preliminary safety analysis reports, final safety analysis reports, and amendments thereto)

(Note: This is changed from the current criterion #2 by limiting “Q” clearances to only those that have a need for access to certain types of classified information.)

3. “L” Positions That Require High Public Trust based on an OPM SSBI

- Final approval of plans, policies or programs that directly affect the overall operations and direction of the NRC
- Responsibility for the planning, direction, and implementation of a computer security program; major responsibility for the direction, planning, and design of a computer system, including the hardware and software; or the capability to access a computer system during its operation or maintenance in such a way that could cause, or that has a relatively high risk of causing, grave damage; or the capability to realize a significant personal gain from computer access
- Resident inspectors
- Criminal investigators
- Such other duties requiring high public trust as determined, as the need arises, by the Deputy Executive Director for Management Services (DEDM)

(Note: This is a new criterion that specifies positions of high public trust that do not require access to “Q” level classified information.)

4. “L” Positions of a Noncritical-Sensitive Nature

People in any NRC position not covered by Category (1), (2), or (3) require an NRC “L” access authorization based on an ANACI.

(Note: This criterion is similar to the current #3.)

COORDINATION:

The Offices of the Chief Financial Officer and Chief Information Officer concur with this paper. The Office of the General Counsel has no legal objection to the recommendation.

William D. Travers
Executive Director for Operations

Attachments:

1. Investigation Scopes
2. Proposed NRC Position Sensitivity
Criteria and Analysis
3. Minimum Clearance Required for
NRC Employees
4. Projected Clearance Level Changes
by Office

PROPOSED NRC POSITION SENSITIVITY CRITERIA AND ANALYSIS

The proposed position sensitivity criteria will significantly reduce and limit the number of costly “Q” access authorizations (security clearances) to those positions that require access to Secret or Top Secret Restricted Data, Top Secret National Security Information, or to Confidential Restricted Data involving broad naval nuclear propulsion policy or direction. This meets the intent of Executive Order 12968, “Access to Classified Information,” which states in Section 2.2, “Level of Access Approval,” (a), “The level at which an access approval is granted for an employee shall be limited, and relate directly, to the level of classified information for which there is a need for access.” The executive order prohibits requesting or approving access in excess of actual requirements.

POSITION SENSITIVITY CRITERIA

These criteria determine whether a person in a particular NRC position requires “Q” security clearance based on a Single Scope Background Investigation (SSBI) by the Federal Bureau of Investigation (FBI) or the Office of Personnel Management (OPM), or an “L” security clearance based on, at a minimum, an Access National Agency Check With Inquiries (ANACI).

“Q” Positions of a High Degree of Importance or Sensitivity (1)

People in positions of a high degree of importance or sensitivity require an NRC “Q” access authorization based on an FBI SSBI pursuant to Section 145f. of the Atomic Energy Act of 1954, as amended. These positions include the following:

- The Chairman (a)
- An NRC Commissioner (b)
- Any other individual so designated by the Commission (Under this criterion in the current criteria, the Commission had designated Commissioners’ assistants who have access to Sensitive Compartmented Information.) (c)

Analysis---Category 1, “Q” Positions of a High Degree of Importance or Sensitivity, has not been changed from the existing position sensitivity criteria. Items (1)(a) and (1)(b) of the proposed criteria continue to require that the positions of the NRC Chairman and Commissioners undergo an FBI SSBI under Section 145f., Atomic Energy Act of 1954, as amended (AEA). People in these positions receive an FBI SSBI by virtue of their Presidential appointment at no cost to NRC. Item (1)(c) also remains the same and reserves to the Commission under Section 145f., AEA, the authority to certify any NRC position as being of a “High Degree of Importance or Sensitivity.” FBI SSBIs cost \$4,500 for an initial investigation and \$3,000 for a re-investigation. Generally, FBI investigations average 3 to 4 months to complete with little or no capability to expedite them.

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“Q” Positions of a Critical and Sensitive Nature (2)

People in critical-sensitive positions must have an NRC “Q” access authorization based on an OPM SSBI. Functions considered critical-sensitive have one or more of the following characteristics:

- Access to Secret or Top Secret Restricted Data or Top Secret National Security Information (a)

- Access to Confidential Restricted Data involving broad naval nuclear propulsion program policy or direction (e.g., preliminary safety analysis reports, final safety analysis reports, and amendments thereto) (b)

Analysis---Category 2 positions are limited to those positions in which the incumbent requires access to “Q” level classified information.

“L” Positions That Require High Public Trust (3)

People in positions of high public trust require an “L” access authorization based on an OPM SSBI. The types of functions considered to be of high public trust include one or more of the following characteristics:

- Final approval of plans, policies or programs that directly affect the overall operations and direction of the NRC (a)
- Responsibility for the planning, direction, and implementation of a computer security program; major responsibility for the direction, planning, and design of a computer system, including the hardware and software; or the capability to access a computer system during its operation or maintenance in such a way that could cause, or that has a relatively high risk of causing, grave damage; or the capability to realize a significant personal gain from computer access (b)
- Resident inspectors (c)
- Criminal investigators (d)
- Such other duties requiring high public trust as determined, as the need arises, by the Deputy Executive Director for Management Services (DEDM) (e)

Analysis---Category 3, items (a) through (d), “L” Positions That Require High Public Trust, includes positions with duties that are critical to NRC and its program missions but do not require access to “Q” level classified information. People in such positions are managers with approval authority for plans, policies or programs that directly affect the overall operations and direction of the NRC; most regional managers; and senior-level information technology and computer security positions. This category also includes other positions of high public trust such as resident inspectors and criminal investigators. Under item (3)(e), the DEDM would determine, as the need arises, if the functions of other “L” positions warrant an SSBI requirement. Individuals in positions of high public trust will be reinvestigated at the “L” level

every 5 years. People in this category, such as resident inspectors or criminal investigators, may be granted a “Q” clearance if they also fit into Category 2, above.

Fourteen Federal agencies and departments were surveyed to determine, among other things, the types of investigation used for comparable high public trust positions. Most of the agencies contacted used the SSBI or another type of field investigation of a lesser scope. On balance, the staff believes the SSBI provides adequate assurance of the incumbent’s suitability, trustworthiness, and reliability for these positions of high public trust.

“L” Positions of a Noncritical-Sensitive Nature (4)

People in any NRC position not covered by Category (1), (2), or (3) require an NRC “L” access authorization based on an ANACI.

Analysis---Category 4, "L" Positions of a Noncritical-Sensitive Nature, are NRC positions not covered by the first three categories of functions. Category 4 includes, among other positions, region-based and headquarters inspectors and most license reviewers.

PROJECTED CLEARANCE LEVEL CHANGES BY OFFICE

The following projections for each type clearance are for planning purposes and are based on application of the proposed criteria in Attachment 2. A determination of the actual number of clearances for each office or region will require a more intensive review of individual needs.

Office	Current		Projected Changes		
	“Q”	“L”	“Q”	“L” SSBI	“L”
Office of the Commission	37	0	37	0	0
Office of the Secretary of the Commission	18	0	18	0	0
Office of Congressional Affairs	8	1	6	0	3
Office of the General Counsel	33	55	17	0	71
Office of Commission Appellate Adjudication	0	4	0	0	4
Office of International Programs	27	1	20	0	8
Office of Public Affairs	15	1	4	0	12
Advisory Committee on Reactor Safeguards	33	17	22	3	25
Atomic Safety and Licensing Board Panel	29	8	10	14	13
Office of the Chief Financial Officer	19	87	3	26	77
Office of the Chief Information Officer	54	128	12	52	118
Office of the Executive Director for Operations	18	6	18	0	6
Office of Administration	47	80	30	0	97
Office of Human Resources	7	60	0	3	64
Office of Small Business and Civil Rights	3	4	0	2	5
Office for Analysis and Evaluation of Operational Data*	72	29	27	0	74
Office of State Programs	2	17	0	0	19
Office of Enforcement	7	9	0	2	14
Office of Investigations	45	0	23	17	5

Office of Nuclear Regulatory Research	38	145	10	0	173
Office of Nuclear Material Safety and Safeguards	159	189	120	0	228
Office of Nuclear Reactor Regulation	186	445	60	0	571
Region I	186	65	10	64	177
Region II	174	52	24	61	141
Region III	170	60	15	53	162
Region IV	142	42	10	46	128
TOTAL	1529	1505	496	343	2195

NOTE: OIG personnel are not included. The IG will determine, consistent with its statutory authority, the level of clearance required for OIG personnel.

* 27 AEOD personnel are assigned to Incident Response Operations and require "Q" clearances. Security clearance requirements for the remaining personnel previously assigned to AEOD will be assessed on the basis of their current duties.