

Hearing on Security Clearance Reform
before the
Intelligence Community Management Subcommittee
of the
House Permanent Select Committee on Intelligence

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Ambassador Eric Boswell
Assistant Deputy Director of
National Intelligence for Security

STATEMENT FOR THE RECORD BY THE
ASSISTANT DEPUTY DIRECTOR OF NATIONAL INTELLIGENCE
FOR SECURITY
BEFORE THE
HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE
SUBCOMMITTEE ON INTELLIGENCE COMMUNITY MANAGEMENT
OPEN HEARING ON SECURITY CLEARANCE REFORM
FEBRUARY 27, 2008

Introduction

Chairwoman Eshoo, distinguished Members of this subcommittee: Thank you for the opportunity to discuss security clearance reform and the role it plays in strengthening this nation's security. I am pleased to be joined by my colleagues from the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM), two critical partners in this initiative to reform the security clearance process.

Security Clearance Reform

As this subcommittee is well aware, the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 established the first ever legislated measures of success with regard to the timeliness of security clearance processing, with goals for 2006 and more ambitious goals for December, 2009. While helpful, those measures include only the investigation and adjudication segments of the process, and do not on their own provide for end-to-end process performance measures, nor capture all of the opportunities for improvement that would result in a timelier,

less burdensome process for applicants. While the Intelligence Community (IC) agencies that conduct their own investigations and adjudications are compliant with current IRTPA goals, the existing process is not, in our estimation, likely to allow those agencies to achieve the additional efficiencies needed to meet the 2009 objectives. Recognizing that transformational change will be required to meet such future needs, the Director of National Intelligence (DNI) has identified security clearance reform as a top priority. His 100- and 500-Day Plan improvements focus on security clearance reform both across the Intelligence Community and in the national level context where the Department of Defense (DoD), the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and other agencies are also engaged.

The DNI's call for improvements to the security clearance process is matched by the Secretary of Defense, who has placed security clearance reform as one of the Department's Top 25 Priorities. I note that the Intelligence and Defense partnership on this issue is a driving force in shaping the efforts to achieve meaningful change. Together these senior leaders established the Joint Security Clearance Process Reform Team (Joint Team), charging this expert group to develop a transformed, modernized, fair, and reciprocal security clearance process for the Intelligence and Defense communities, that would ultimately be applicable across the Executive Branch. The Joint Team conducts its activities with oversight and concurrence of OMB, and the participation of other agency partners. Most notable in this regard is OPM, whose Director has joined the DNI, DoD and OMB as a Champion of a newly integrated Security and Suitability reform effort. This expanded partnership highlights the finding that the processes for determining eligibility for access to classified information, suitability for Federal employment, eligibility to work on a Federal contract, and granting access to Federally-controlled facilities

and information systems rely on very similar background data; however, the processes for collecting and analyzing that data are not sufficiently coordinated. Therefore, the overall scope of the reform effort now encompasses aligning security clearances and federal employment suitability, to ensure the Executive branch executes these authorities within a framework that maximizes efficiency and effectiveness. The importance of this project was underscored on February 5, 2008, when the President issued a memorandum acknowledging the work of this combined group and directing the heads of executive departments and agencies to provide all information and assistance requested by the Director of OMB in this important endeavor. The memo also directs the Director of the OMB, the Director of the OPM, the Assistant to the President for National Security Affairs, the DNI, and the Secretary of Defense, to submit to the President an initial reform proposal not later than April 30, 2008, that includes, as necessary, proposed executive and legislative actions to achieve the goals of reform.

Returning to the topic of Joint Team activity, in its first phase, concluding in August 2007, the Joint Team delivered a proposal for a transformed security clearance system that would meet the IRTPA timeline goals, while ensuring quality and cost are balanced to serve the enterprise of clearance transactions. The Joint Team is currently executing a series of demonstration projects to validate the key innovations that comprise the transformed process. The primary innovation driving the transformation is the use of new technologies that aim to significantly reduce processing times across the security clearance lifecycle by eliminating manual, time-intensive processes. The new process proposes the use of modern investigative tools, an end-to-end information management system, an enlightened risk management philosophy, and efficient, standardized business practices. Given the importance of the security

clearance process in controlling access to information that affects national security, the demonstration projects will assess these new technologies for their ability to reduce processing times without compromising rigorous standards for those who hold security clearances.

Upon completion of these demonstrations, and in accordance with the President's direction, the Joint Team will evaluate the results and make adjustments as appropriate to the process. In parallel with the demonstration projects, the Team will identify and recommend relevant policy, statute and executive order changes that will be needed to enable the implementation of the transformed security clearance process. While the Joint Team will make every effort to identify and recommend deployment of near-term improvements, it is equally important to note that end-to-end transformation across the Government will take time, resources and the concerted efforts of all implementing agencies.

The Joint Team's process has been inclusive of government and industry expertise, and has taken into account the existing base of research and recommendations for improving the process. We routinely provide status briefings to national industrial security working groups and associations and have received positive feedback and support for our efforts to date.

Additionally, modifications to IC hiring policies are being made to allow for the hiring of first and second generation, or heritage, American candidates. This effort includes careful consideration of ways to balance risk while increasing opportunity for such citizens to be considered by the clearance process. We have studied existing programs within the Community that may offer a model for other IC agencies to build upon. We fully expect the near-term

outcome of this DNI-level policy change to result in more applications from heritage Americans and ultimately a more robust mission capability within the IC.

I am confident that sufficient executive commitment exists to ensure that security clearance reform will be achieved. In addition to those testifying here today, senior government officials—DNI McConnell, DoD Secretary Gates, OPM Director Springer among them—are the driving forces behind this reform effort. These leaders have imposed an aggressive timeline for the reform process. Their leadership, their commitment of their time and attention, will keep security clearance reform a top priority.

Conclusion

Chairwoman Eshoo, thank you for the opportunity to discuss this important matter today. We are deeply committed to this joint reform effort, and because of your interest and the commitment from the senior leadership within the Administration to this initiative, I believe we can maintain our aggressive posture to ensure the effective, efficient and timely completion of security clearance reform.