



DoD INSTRUCTION 5220.31

NATIONAL INDUSTRIAL SECURITY PROGRAM

Originating Component: Office of the Under Secretary of Defense for Intelligence and Security

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Incorporates and Cancels: DoD Instruction 5220.22, “National Industrial Security Program (NISP),” March 18, 2011, as amended

Approved by: Ronald S. Moultrie, Under Secretary of Defense for Intelligence and Security

Purpose: In accordance with the authority in DoD Directive (DoDD) 5143.01, this issuance establishes policy and assigns responsibilities for administering the National Industrial Security Program (NISP), in accordance with Executive Orders 10865 and 12829, as amended, and Part 2004 of Title 32, Code of Federal Regulations (CFR).

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to:

a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

b. Non-DoD executive branch departments and agencies that have industrial security services agreements with DoD (see <https://www.dcsa.mil/about/agreements/> for list of agreements).

1.2. POLICY.

a. The DoD:

(1) Issues and maintains Part 117 of Title 32, CFR, also known and referred to in this issuance as the “National Industrial Security Program Operating Manual (NISPOM),” in consultation with all affected agencies, with the concurrence of the Secretary of Energy, the Nuclear Regulatory Commission, the Director of National Intelligence, and the Secretary of Homeland Security, and in consultation with the Information Security Oversight Office Director.

(2) Prescribes specific requirements, restrictions, and other safeguards necessary to protect classified information that may be, or has been, disclosed to or developed by current, prospective, or former contractors, licensees, or grantees of U.S. agencies.

(3) Enters into agreements with any other Executive Branch department or agency to provide industrial security services required for safeguarding classified information disclosed to, or developed by, industry by these departments or agencies.

b. DoD Components and the non-DoD executive branch departments and agencies that have industrial security services agreements with DoD, in accordance with those agreements, must follow DoD policies, practices, and procedures to protect classified and foreign government information that the U.S. Government is obligated to protect in the interest of national security.

SECTION 2: RESPONSIBILITIES

2.1. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY (USD(I&S)).

In addition to the responsibilities in Paragraphs 2.4. and 2.5., the USD(I&S):

a. On behalf of the Secretary of Defense, establishes policy and management of the NISP for non-DoD executive branch agencies who enter into interagency security agreements with DoD to provide industrial security services required when classified information is disclosed to contractors in accordance with Executive Order 12829, as amended and Part 2004 of Title 32, CFR.

b. Certifies and approves changes to the NISPOM through:

(1) Consultation with all affected agencies.

(2) Obtaining concurrence of the Secretary of Energy, the Chairman of the Nuclear Regulatory Commission, the Secretary of Homeland Security, and the Director of National Intelligence and in consultation with the Information Security Oversight Office Director.

c. Consults with the NISP Policy Advisory Committee government members and the non-DoD executive branch departments and agencies that have industrial security agreements with DoD on all proposed changes to DoD NISP policy in accordance with Executive Order 12829.

d. Establishes policy to ensure that appropriate background investigations and security eligibility determinations are provided for contractor personnel requiring access to classified information, in accordance with DoD Manual (DoDM) 5200.02 and DoDD 5220.6.

2.2. DIRECTOR, DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY (DCSA).

Under the authority, direction, and control of the USD(I&S) and in addition to the responsibilities in Paragraphs 2.4. and 2.5., the Director, DCSA:

a. Administers the NISP as a separate program element code, on behalf of the government contracting activities (GCA), DoD Components, and the non-DoD executive branch departments and agencies that have industrial security service agreements with the DoD.

(1) This administration includes functioning as the DoD cognizant security office to provide security oversight for cleared companies requiring access to classified information for legitimate U.S. Government requirements.

(2) DCSA is relieved of this oversight function for DoD special access programs when a carve-out provision is approved by the Secretary of Defense or the Deputy Secretary of Defense, in accordance with DoDD 5205.07.

- b. Conducts and maintains assessments, authorizations, and oversight of contractor information systems used to process and store classified information in the system of record in accordance with applicable Federal information system security and cybersecurity policies.
- c. Proposes updates to the NISPOM and DoDM 5220.32 to the USD(I&S) for approval.
- d. In coordination with the USD(I&S), prepares, coordinates, and approves industrial security letters for approval and publication in accordance with Part 339 of Title 32, CFR, or subsequent DoD guidance. The industrial security letters provide clarification, interpretation, and guidance to cleared companies and GCAs in carrying out their responsibilities under the NISP.
- e. Budgets for, funds, and administers the NISP for the DoD and the non-DoD executive branch departments and agencies that have industrial security services agreements with DoD.
- f. Plans, programs, and budgets for the personnel security requirements of NISP contractors under the security cognizance of the DoD through the use of:
 - (1) Surveys.
 - (2) Modeling.
 - (3) Trend and historical analysis.
 - (4) Other planning tools.
- g. Provides security education, training, and awareness to contractor and GCA personnel.
- h. Provides background investigation services and determines eligibility for access to classified information by cleared company personnel under DCSA cognizance in accordance with DoDD 5220.6.
- i. Maintains a record of eligibility determination in the DoD system of record for cleared company personnel who are under DCSA cognizance requiring access to classified information.
- j. Establishes and maintains the DoD system of record for facility clearances, also known as entity eligibility determinations.
- k. Establishes and maintains procedures and tools for timely communication with NISP contractors and GCAs.
- l. Consults with the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) or DoD Component heads, as appropriate, on U.S. Government requirements for contractors or contractor personnel to have access to classified information.
- m. Develops, manages, and maintains the NISP Contract Classification System (NCCS) for classified contracts that require classified work, performance, or access.

2.3. USD(A&S).

In addition to the responsibilities in Paragraphs 2.4. and 2.5., the USD(A&S):

- a. Establishes acquisition policy, procedures, and guidance, in coordination with the USD(I&S) and Under Secretary of Defense for Policy, to facilitate DoD Component compliance with DoD NISP policies when classified information is disclosed to, or developed by, contractors.
- b. Directs DoD Components to establish and maintain records documenting the need for contractors and contractors' personnel to access classified information.
- c. Advises the USD(I&S) on developing and implementing acquisition-related policy that affects the NISP.
- d. Directs DoD Components to use NCCS for classified contracts that require classified work, performance, or access.

2.4. OSD AND DOD COMPONENT HEADS.

The OSD and DoD Component heads:

- a. Enforce the use of the National Industrial Security System or its successor system to initiate and administer facility clearance requests, and related actions for all DoD classified contracts that require contractor access to classified information.
- b. Coordinate with DCSA on NISP-related oversight and implementation requirements when cleared contractors are under DoD Components' security cognizance.
- c. Enforces the use of NCCS to process all submitted Department of Defense Form 254, "Department of Defense Contract Security Classification Specification," located at <https://www.esd.whs.mil/Directives/forms/>.

2.5. OSD AND DOD COMPONENT HEADS AND HEADS OF NON-DOD EXECUTIVE BRANCH DEPARTMENTS AND AGENCIES.

In addition to the responsibilities in Paragraph 2.4., the OSD and DoD Component heads and the heads of those non-DoD executive branch departments and agencies that have industrial security services agreements with DoD, in accordance with this issuance and supporting guidance:

- a. Ensure that their subordinate organizations review all classified contracts before award to determine if releasing classified information is necessary for contract performance.
- b. Include a "Security Requirements" clause in the classified contract as required by Sections 52.204-2 and 4.404 of the Federal Acquisition Regulation in solicitations and contracts that may require access to classified information.

- c. Process all submitted Department of Defense Form 254 using the NCCS unless a non-DoD executive branch agency has an existing electronic information system of record.
- d. Provide security classification guidance to contractors.
- e. Propose updates to the NISPOM and DoDM 5200.32 to the USD(I&S) for approval.

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
CFR	Code of Federal Regulations
DCSA	Defense Counterintelligence and Security Agency
DoDD	DoD directive
DoDM	DoD manual
GCA	Government Contracting Activity
NCCS	National Industrial Security Program Contract Classification System
NISP	National Industrial Security Program
NISPOM	National Industrial Security Program Operating Manual
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD(I&S)	Under Secretary of Defense for Intelligence and Security

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
access	Defined in Part 117 of Title 32, CFR.
carve-out	Defined in DoDD 5205.07.
classified contract	Defined in Part 117 of Title 32, CFR.
classified information	Defined in Part 117 of Title 32, CFR.
contractor	Defined in Part 117 of Title 32, CFR.
GCA	Defined in Part 117 of Title 32, CFR.
information system	Defined in Part 117 of Title 32, CFR.
NISP Policy Advisory Committee	Defined in Executive Order 12829.

TERM

DEFINITION

NISPOM

Policy and procedures maintained as a Federal regulation in Part 117 of Title 32, CFR. The NISPOM sets national standards for the protection of classified information that is developed or disclosed to contractors of the U. S. Government in accordance with the provisions of Executive Order 12829 and Part 2004 of Title 32, CFR.

REFERENCES

Code of Federal Regulations, Title 32
DoD Directive 5143.01, “Under Secretary of Defense for Intelligence and Security (USD(I&S)),” October 24, 2014, as amended
DoD Directive 5205.07, “Special Access Program (SAP) Policy,” July 1, 2010, as amended
DoD Directive 5220.6, “Defense Industrial Personnel Security Clearance Review Program,” January 2, 1992, as amended
DoD Manual 5200.02, “Procedures for the DoD Personnel Security Program (PSP),” April 3, 2017, as amended
DoD Manual 5220.32, “National Industrial Security Program,” date varies by volume
Executive Order 10865, “Safeguarding Classified Information Within Industry,” February 20, 1960, as amended by Executive Order 10909, January 17, 1961
Executive Order 12829, “National Industrial Security Program,” January 6, 1993
Executive Order 12866, “Regulatory Planning and Review,” September 30, 1993
Federal Acquisition Regulation, current edition