

INFORMATION SECURITY  
OVERSIGHT OFFICE

# 2010

REPORT TO THE  
**PRESIDENT**



## AUTHORITY

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Executive Order (E.O.) 13526, "Classified National Security Information," E.O. 12829, as amended, "National Industrial Security Program," and E.O. 13549, "Classified National Security Information Program for State, Local, Tribal, and Private Sector Entities." The Information Security Oversight Office (ISOO) is a component of the National Archives and Records Administration (NARA) and receives its policy and program guidance from the National Security Advisor.

## MISSION

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ISOO oversees the security classification programs in both Government and industry and reports annually to the President on their status.

## FUNCTIONS

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- » Develops implementing directives and instructions.
- » Reviews and approves agency implementing regulations.
- » Maintains liaison relationships with agency counterparts and conducts on-site and document reviews to monitor agency compliance.
- » Develops and disseminates security education materials for Government and industry; monitors security education and training programs.
- » Receives and takes action on complaints, appeals, and suggestions.
- » Collects and analyzes relevant statistical data and, along with other information, reports them annually to the President.
- » Serves as spokesperson to Congress, the media, special interest groups, professional organizations, and the public.
- » Conducts special studies on identified or potential problem areas and develops remedial approaches for program improvement.
- » Recommends policy changes to the President through the National Security Advisor.
- » Provides program and administrative support for the Interagency Security Classification Appeals Panel (ISCAP).
- » Provides program and administrative support for the Public Interest Declassification Board (PIDB).
- » Reviews requests for original classification authority from agencies.
- » Chairs the National Industrial Security Program Policy Advisory Committee under E.O. 12829, as amended.
- » Chairs the State, Local, Tribal, and Private Sector Policy Advisory Committee under E.O. 13549.

## GOALS

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- » Promotes and enhances the system that protects the national security information that safeguards the American people and their Government.
- » Provides for an informed American public by ensuring that the minimum information necessary to the interest of national security is classified and that information is declassified as soon as it no longer requires protection.
- » Promotes and enhances concepts that facilitate the sharing of information in the fulfillment of mission-critical functions related to national security.
- » Provides expert advice and guidance pertinent to the principles of information security.

# LETTER TO THE PRESIDENT

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April 15, 2011

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I am pleased to submit the Information Security Oversight Office's (ISOO) Report to the President for Fiscal Year (FY) 2010.

This report provides information on the status of the security classification program as required by Executive Order 13526, "Classified National Security Information" (the Order). It provides statistics and analysis concerning key components of the system, primarily classification and declassification, and coverage of ISOO's reviews. It also contains information with respect to industrial security in the private sector as required by Executive Order 12829, as amended, "National Industrial Security Program."

FY 2010 was a notable year for the security classification program. The initial implementation of Executive Order 13526 began in earnest and remains ongoing. To comply with your direction that a government-wide implementing directive be issued within 180 days, we led an interagency working group that developed 32 C.F.R. Part 2001 which became effective and binding on all appropriate Executive branch agencies on June 25, 2010.

However, we are concerned about delays in the issuance of agency regulations implementing the Order. Despite the preparation of agency drafts and the completion of our review last Fall, many agencies failed to issue their regulations in final form by December 2010 and many have yet to issue them as of the date of this letter. Regardless, we believe that the implementation of the Order is actually more advanced than it has been in the past following the issuance of major revisions of policy in this area and that the foundation being built is strong. We will continue to monitor agency progress, with a special focus on implementing regulations, security education and training programs, self-inspection programs, and measures designed to hold personnel accountable.

FY 2010 also saw the issuance of Executive Order 13549, "Classified National Security Information Program for State, Local, Tribal, and Private Sector Entities." In response to this, we established the State, Local, Tribal, and Private Sector (SLTPS) Entities-Policy Advisory Committee (PAC) which is now operational and providing valuable advice to the implementation process.

Respectfully,



William A. Cira  
Acting Director

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# SUMMARY OF FY 2010 PROGRAM ACTIVITY

## Classification

- » Executive branch agencies reported 2,378 original classification authorities (OCA), a 7 percent reduction from FY 2009 and the lowest number reported to date.
- » Agencies reported 224,734 original classification decisions.
- » Agencies reported using the ten-years-or-less declassification instruction for 74 percent of original classification decisions, the highest percentage of use to date.
- » Executive branch agencies reported 76,571,211 derivative classification decisions; a 40 percent increase from FY 2009. This is an expected increase due to revised reporting requirements intended to better capture classification activity in the electronic environment.
- » Twenty-five percent of the classification guides reported as being currently in use had not been updated within the past five years as required, an improvement over last year's reported number of forty-six percent.

## Declassification

- » Under automatic declassification, agencies reviewed 45,386,491 pages and declassified 24,238,273 pages of historically valuable records.
- » Under systematic declassification reviews, agencies reviewed 5,797,022 pages, and declassified 4,630,410 pages.
- » Under discretionary declassification reviews, agencies reviewed 1,903,832 pages, and declassified 181,607 pages.
- » A total of 53,087,345 pages were reviewed for declassification and 29,050,290 pages were declassified.
- » Agencies received 9,686 initial mandatory declassification review (MDR) requests.
- » Agencies reviewed 331,782 pages under MDR, and declassified 213,425 pages in their entirety, declassified 96,268 pages in part, and retained classification of 22,089 pages in their entirety.
- » Agencies reported carrying over 9,542 initial MDR requests into FY 2011.
- » Agencies received 302 MDR appeals and processed 231 appeals.
- » Agencies reviewed 3,330 pages on appeal, and declassified 1,308 pages in their entirety, declassified 1,057 pages in part, and retained classification of 965 pages in their entirety.



# AGENCY IMPLEMENTATION OF E.O. 13526

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On December 29, 2009 President Obama issued a Memorandum for the Heads of Executive Departments and Agencies entitled "Implementation of the Executive Order, "Classified National Security Information." In this memorandum, the President said he expects personal commitment from the heads of departments and agencies, as well as their senior officials. He also stressed the importance of effective security education and training programs, self-inspection programs, and measures designed to hold personnel accountable.

The memorandum also directed all heads of departments and agencies to conduct a review to ensure that all delegations of original classification authority are limited to the minimum necessary to implement the Order and that only those individuals with a demonstrable and continuing need to exercise such authority shall have it. In following up on this requirement, ISOO determined that all agencies had completed this review. Data received from the agencies revealed a seven percent reduction in the number of officials with original classification authority.

The President's memorandum also directed all agencies that create or handle classified information to issue regulations implementing the Order in final form within 180 days of ISOO's publication of the government-wide implementing directive for

ISOO has stressed to the remaining agencies the importance of updated regulations, which serve as the foundation for the classification system.

the Order. Each agency was also directed to provide a draft of their regulation to ISOO for review prior to issuance. Over a period of three months the ISOO staff reviewed and provided comments on 41 draft regulations. This was perhaps the most fruitful effort of the implementation process because it gave ISOO the opportunity to point out many important requirements of the Order that were either missing or out of date in the drafts.

As of March 15, 2011, only 19 of 41 agencies have issued their implementing regulations in final form: the Departments of Commerce, Housing and Urban Development, Justice, Labor, Transportation, and Veterans Affairs; the Federal Communications Commission; the Federal Maritime Commission; the Federal Reserve System; the Federal Trade Commission; the General Services Administration; the National Archives and Records Administration; the Nuclear Regulatory Commission; the Office of the Director of National Intelligence; the Overseas Private Investment Corporation; the Small Business Administration; the Selective Services System; the U.S. International Trade Commission; and the U.S. Postal Service. The

Department of Energy has issued 1 of 3 of its regulations.

ISOO has stressed to the remaining agencies the importance of updated regulations, which serve as the foundation for the classification system. Given that less than half of agencies have issued implementing regulations in the 15 months since the President issued the order and the 9 months since ISOO revised the government-wide implementing regulations for the order, it is clear that the means by which agencies modify and issue implementing regulations are not sufficient to accommodate changes in national security policy. ISOO sees this as the biggest impediment to implementing the reforms called for by the President and as a real threat to the efficient and effective implementation of the overall classification system.

Agencies are reminded of the need to conduct other actions to implement the President's direction, the status of which will remain a focus of ISOO's oversight in FY 2011:

- » Updating component or local issuances implementing the Order, the Directive, and agency-issued regulations.



- » Updating classification guides to include the means by which the requirement to incorporate original classification decisions will be met.
- » Conducting an initial “Fundamental Classification Guidance Review” under section 1.9 of the Order for those agencies with original classification authority.
- » Updating security education and training program content and, if appropriate, providing required training to original classification authorities and derivative classifiers.
- » Conducting self-inspections, to include the regular review of a representative sample of your agency’s original and derivative classification actions.
- » Compliance with section 5.4(d)(7) of the Order to ensure that personnel that work with classified information are held accountable.
- » Establishing a secure capability to receive information, allegations, or complaints regarding over-classification or incorrect classification and to provide guidance to personnel on proper classification as needed.
- » Updating electronic marking tools and document templates to reflect changed or new requirements, such as the identification of persons who apply derivative classification markings.

# CLASSIFICATION

## Original Classifiers

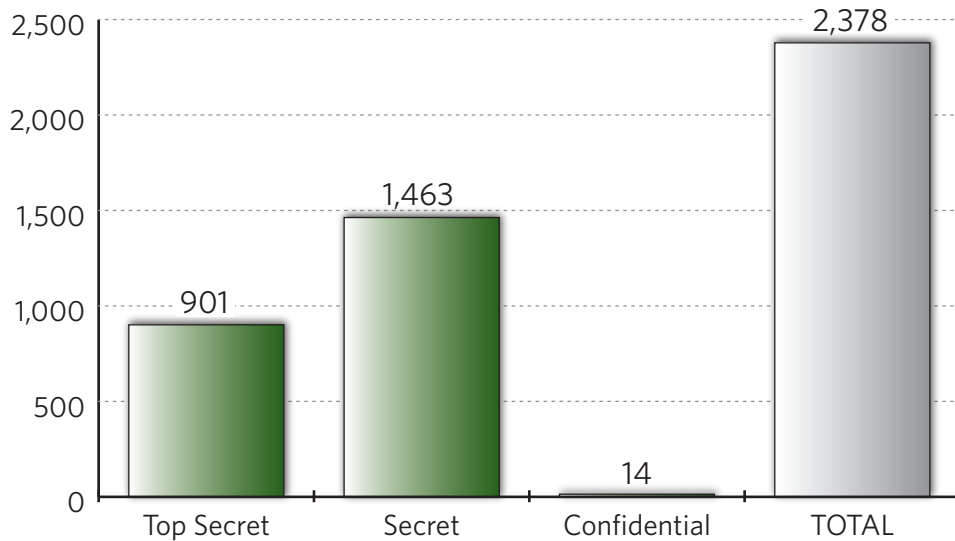
Original classification authorities, also called original classifiers, are those individuals designated in writing, either by the President, by selected agency heads, or by designated senior agency officials with Top Secret original classification authority, to classify

information in the first instance. Only original classifiers are authorized to determine what information, if disclosed without authorization, could reasonably be expected to cause damage to national security. Original classifiers must be able to identify or describe the damage.

In response to the President's memorandum of December

29, 2009, agencies undertook a special effort to review their delegations of OCA which resulted in a reported decrease of 179 OCAs. The reported number of 2,378 OCAs in FY 2010 is yet another decrease in a downward trend, and the lowest number to date. In FY 2009, agencies reported 2,557 OCAs and in FY 2008 this number was 4,109.

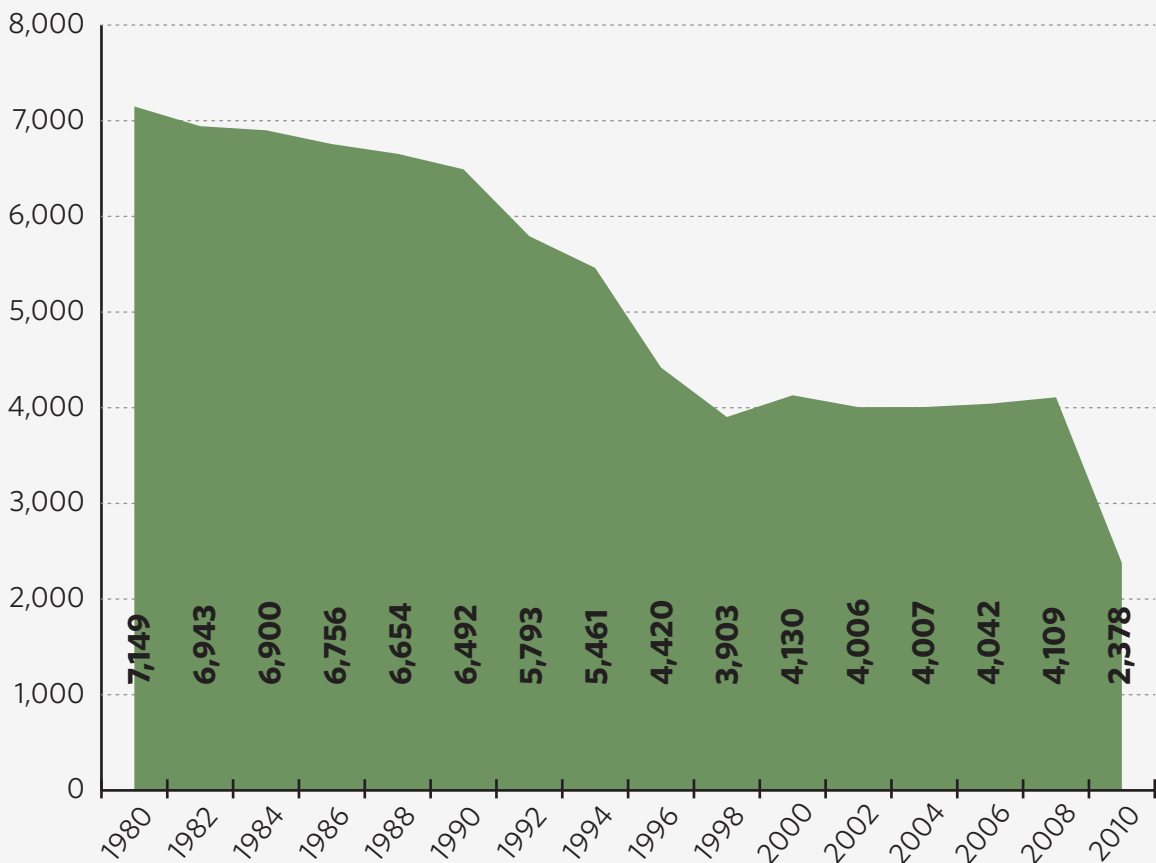
Original Classification Authorities, FY 2010







Number of Original Classification Authorities, FY 1980 - FY 2010



# CLASSIFICATION

## Original Classification

Original classification is an initial determination by an OCA that information owned by, produced by or for, or under the control of the United States Government requires protection because unauthorized disclosure of that information reasonably could

be expected to cause damage to national security. In essence, these are the only new “secrets.”

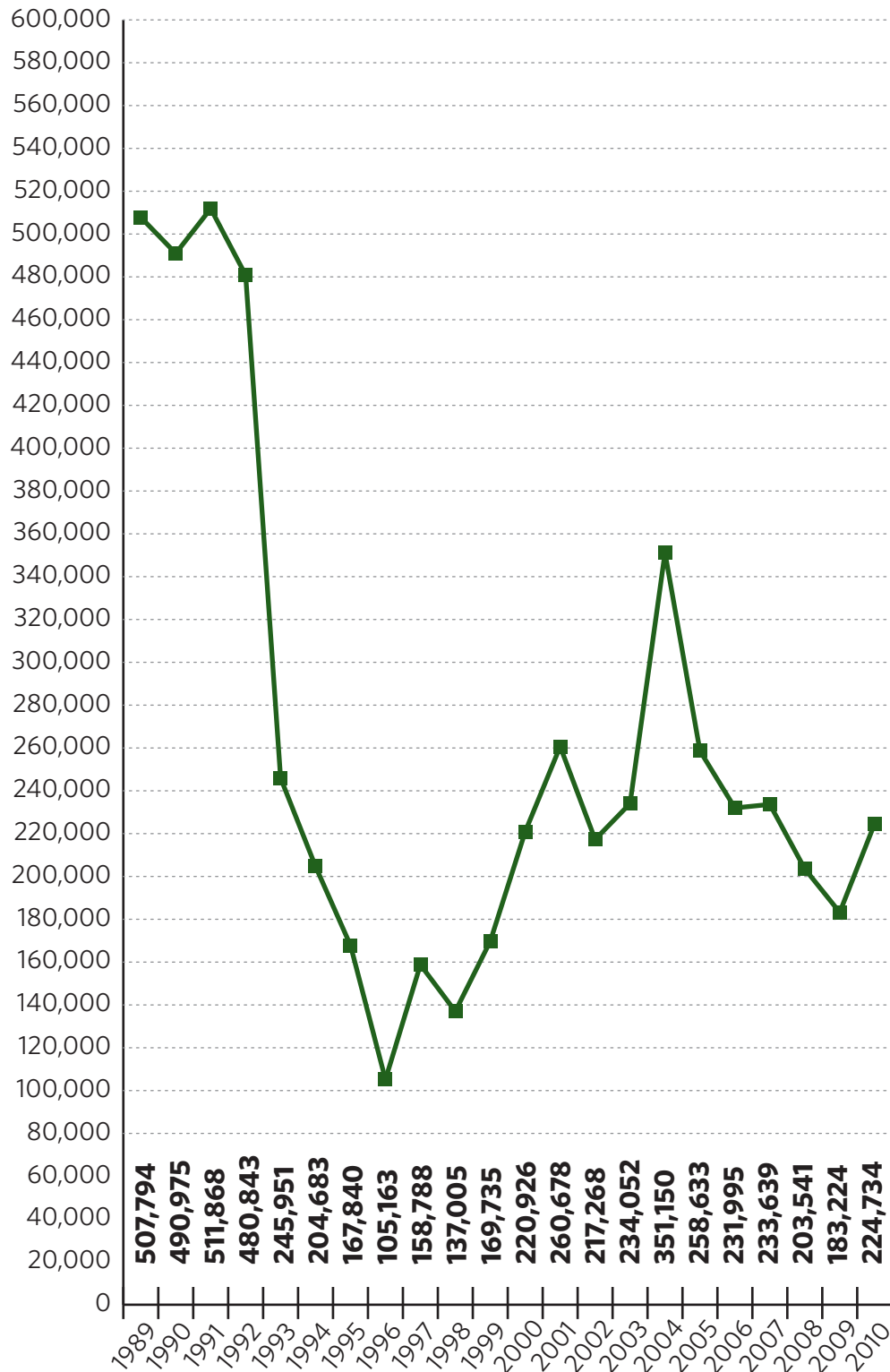
The process of original classification must always include a determination by an OCA of the concise reason for the classification that falls within one or more of the authorized

categories of classification, the placement of markings to identify the information as classified, and the date or event when the information becomes declassified. By definition, original classification precedes all other aspects of the security classification system, including derivative classification, safeguarding, and declassification.

Original Classification Activity, FY 2010



## Original Classification Activity, FY 1989 - FY 2010



# CLASSIFICATION

## FY 2010 Original Classification Activity by Agency

Department of State	154,872
Department of Justice	47,910
Department of the Army	13,057
Department of Defense	4,442
Executive Office of the President	3,346
Department of the Air Force	936
Department of the Navy	99
Department of Homeland Security	49
Office of the Director of National Intelligence	8
Millennium Challenge Corporation	8
Central Intelligence Agency	5
Department of the Treasury	1
Department of Commerce	1
<b>Total</b>	<b>224,734</b>

Agencies reported 224,734 original classification decisions for FY 2010, which is a 22.6 percent increase from the 183,224 decisions reported in FY 2009. From FY 1996 through FY 2010, the annual average of original classification decisions is 212,702.

Last year, we asked all the reporting agencies to either start or expand their counting of classification decisions in the electronic environment and most of them were able to comply with this request, resulting in a large increase in the number of derivative

decisions reported. This year, the new emphasis on counting electronic decisions has led to an additional increase of reported decisions in the original category.

The large number of original classification actions is of concern, particularly at the Departments of State, Justice, and Army, which have consistently reported high numbers over time. We question whether many of these are truly original decisions. From a policy perspective, there should be little original classification activity and agencies should instead be

relying upon classification guides. The Order now states that all original classification decisions must be incorporated into classification guides.

For the sixth year in a row, the majority of original classification decisions were assigned declassification dates of ten years or less. In FY 2010, the ten-year-or-less declassification instruction was used 74 percent of the time, an increase over the 67 percent reported in FY 2009 and the highest percentage to date.

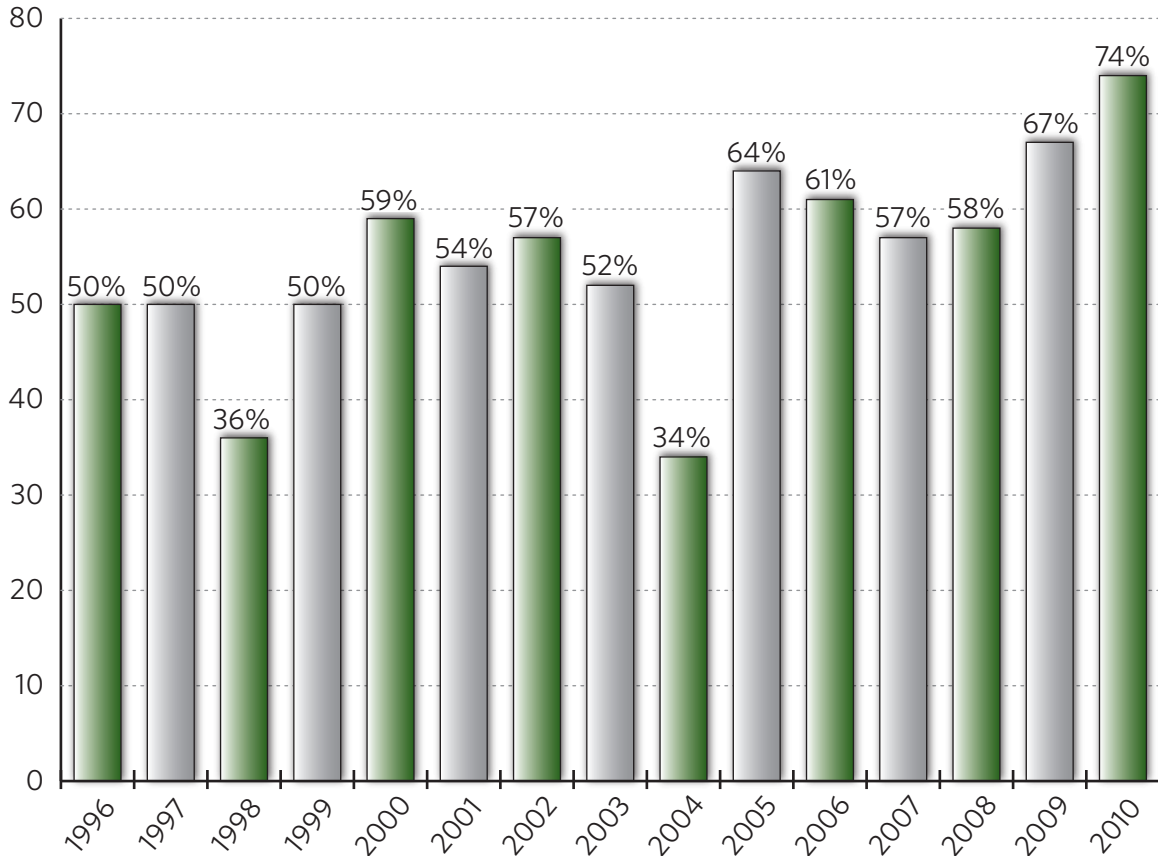
## Derivative Classification

Derivative classification is the act of incorporating, paraphrasing, restating, or generating in new form information that is already classified and, therefore, are not considered new “secrets.” Information may be derivatively classified in two ways: (1) through the use of a source document, usually correspondence or publications generated by an OCA; or (2) through the use of a classification guide. A classification guide is a set of instructions issued by an OCA which identifies elements of information regarding a specific subject that must be classified and establishes the level and duration of classification for each such element.

Derivative classification actions utilize information from the original category of classification.



## Use of the "Ten-Years-or-Less" Declassification Category



Since every derivative classification action is based on information whose classification has already been determined, it is essential that the origin of these actions be traceable to a decision by an OCA.

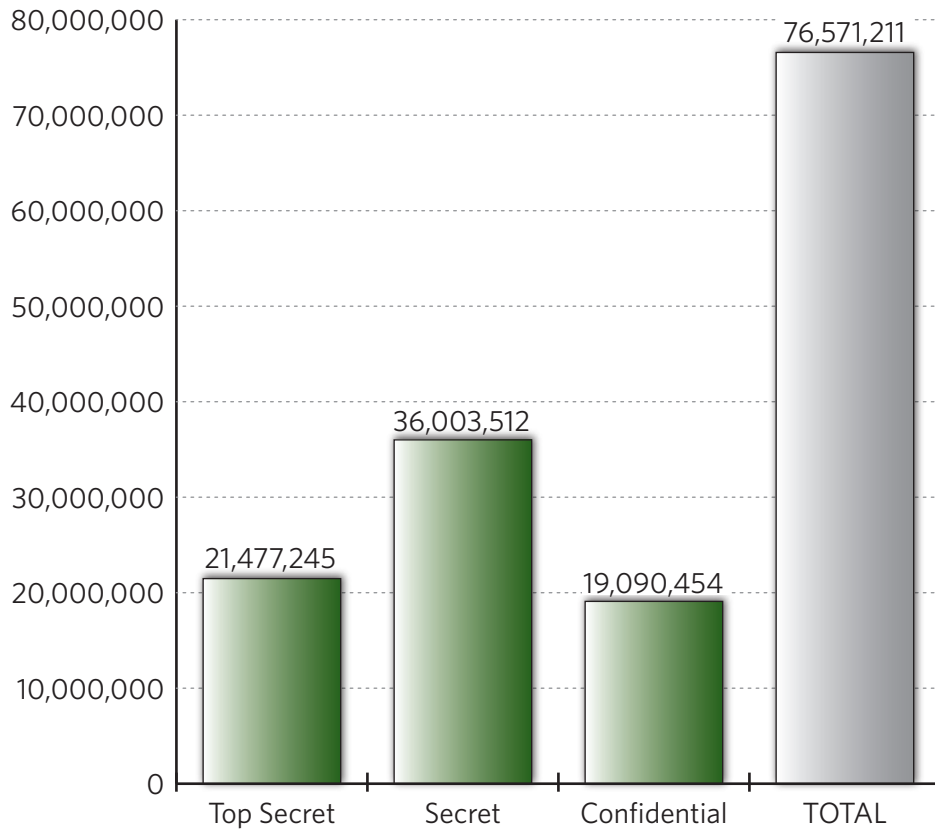
Agencies reported a total of 76.6 million derivative classification decisions in FY 2010. Agencies reported 54.7 million derivative classification actions in FY 2009, and 23.2 million in FY 2008. Methods for communicating classified information

electronically have expanded significantly, to include classified web pages, blogs, wikis, bulletin boards, instant messaging, etc. In FY 2009, ISOO issued new guidance that asked agencies to focus on counting classification decisions wherever they might occur. This naturally led to a large reported increase in the number of derivative decisions. As we explained in our FY 2009 Annual Report, this was expected to have an immediate impact and that this number would

continue to increase as agencies continued to refine their ability to count in the electronic realm. One notable example was the Department of State who told ISOO last year they would need more time to develop their ability to count electronic decisions, and they have now succeeded in doing that for this report. We do not expect the reporting in this category to stabilize until perhaps FY 2011, at which time we will hopefully have a new baseline for counting.

# CLASSIFICATION

## Derivative Classification Activity, FY 2010

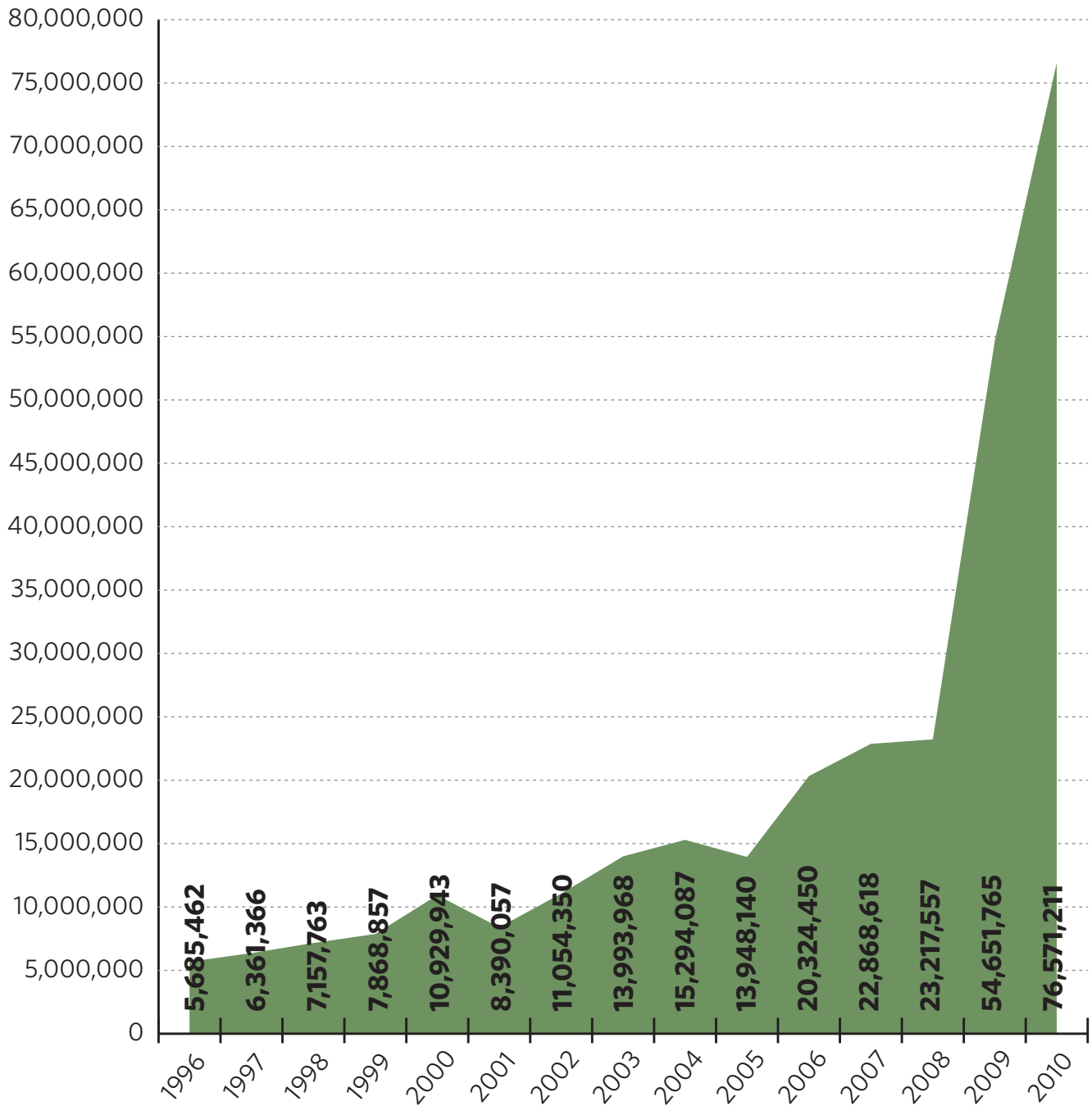


*In the 1970s, classified products were produced on single pieces of paper on typewriters.*



*In today's environment, classified products are produced in many electronic formats.*

## Derivative Classification Activity, FY 1996 - FY 2010



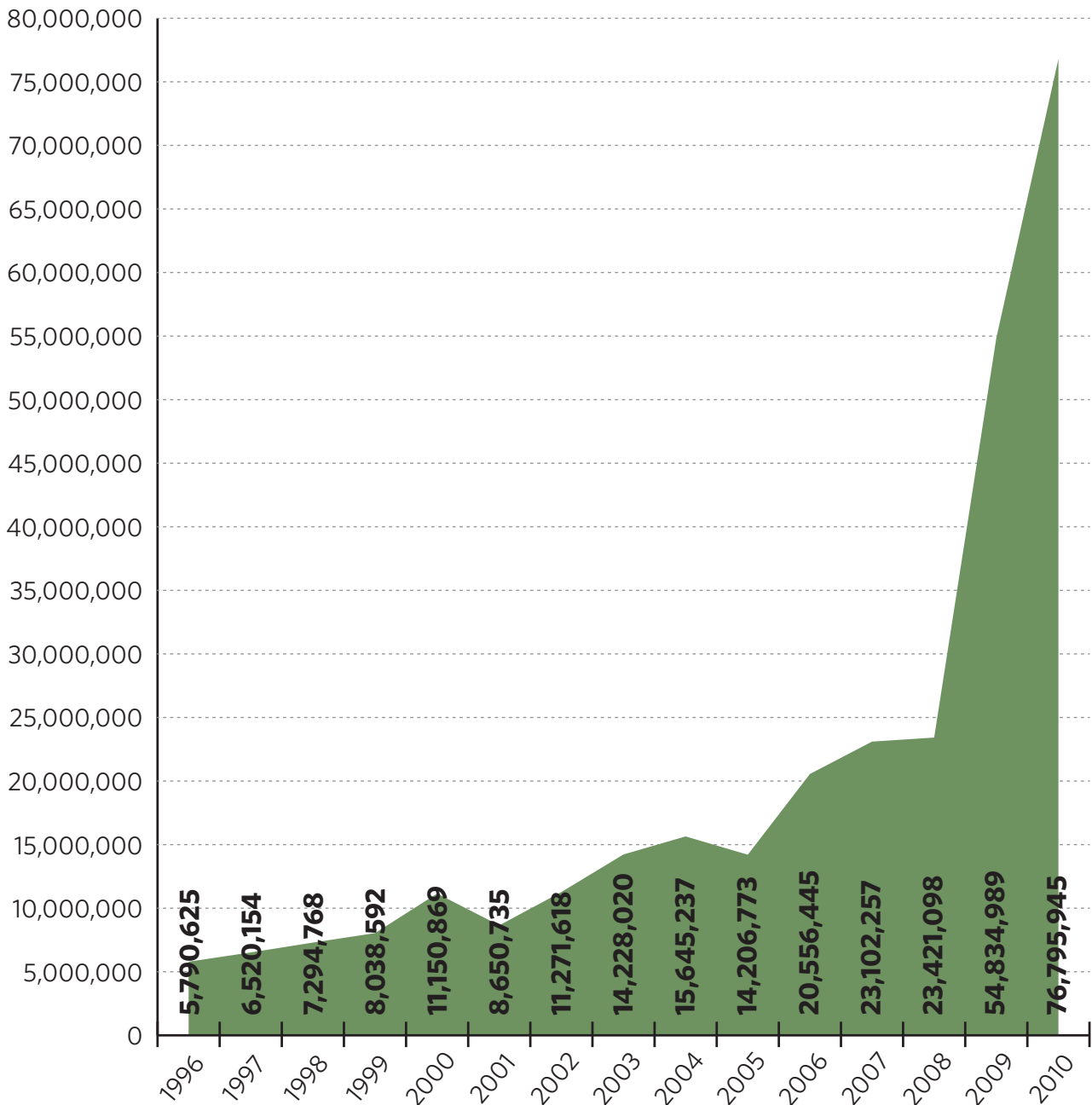
# CLASSIFICATION

## Combined Original and Derivative Classification Activity

Together, original and derivative classification decisions make up the combined classification activity. In FY 2010, the reported

combined classification activity is 76.8 million decisions, an increase of 22 million over the 54.8 million decisions reported for FY 2009.

Combined Original and Derivative Classification Activity, FY 1996 - FY 2010







## Classification Challenges

Classification challenges provide a mechanism to promote sound classification decisions. Authorized holders of information who, in good faith, believe its classification status is improper are encouraged and expected to challenge the classification status of that

information. Classification challenges are handled both informally and formally, and provide individual holders the responsibility to question the appropriateness of the classification of information.

ISOO's program reviews have revealed that many authorized holders of classified information are not aware of this provision, and therefore, do not challenge classification

decisions as much as should be expected in a robust system.

Agencies reported 722 formal challenges in FY 2010, which is a significant increase over the 356 reported in FY 2009. It was also reported that of these 722 challenges, 84 percent were fully affirmed at their current classification status with the remaining 16 percent being overturned either in whole or in part.

# DECLASSIFICATION

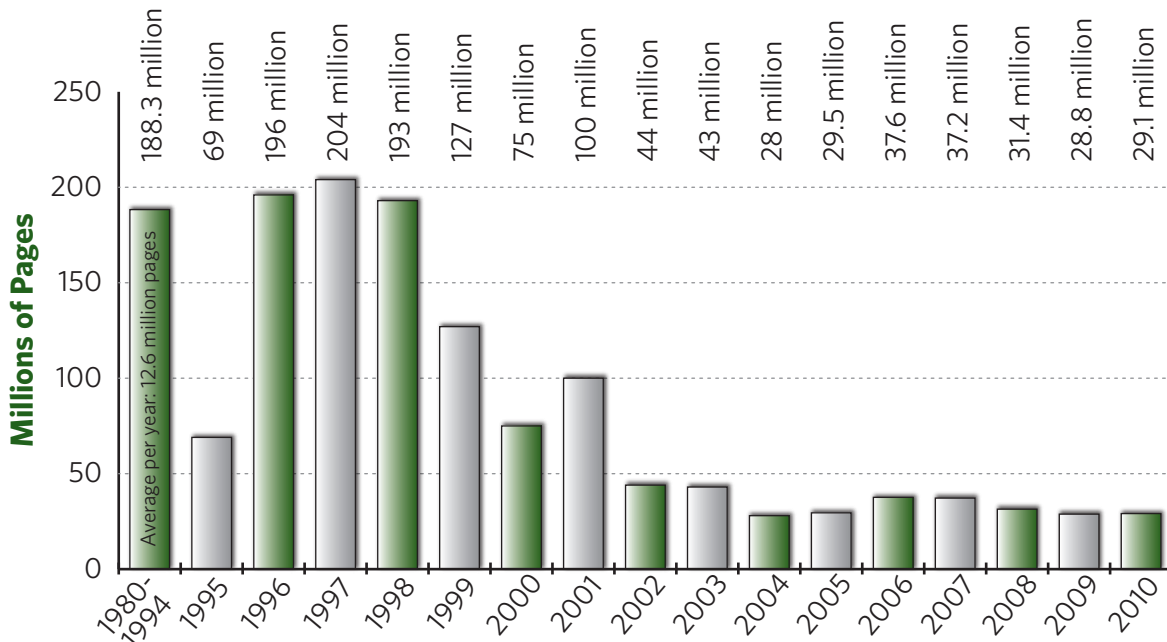
## Background

Declassification is defined as the authorized change in status of information from classified to unclassified and is an integral part of the security classification system. There are four declassification programs within the Executive branch: automatic declassification, systematic declassification review, discretionary declassification review, and mandatory declassification review. Automatic declassification removes the

classification of information at the close of every calendar year when that information reaches the 25-year threshold. Systematic declassification review is required for those records exempted from automatic declassification. Discretionary declassification review is conducted when the public interest in disclosure outweighs the need for continued classification, or when the agency feels the information no longer requires protection and can be declassified earlier. Mandatory declassification review provides

for direct, specific review for declassification of information when requested. Since 1996, statistics reported for systematic declassification review and automatic declassification were combined because the execution of both programs is usually indistinguishable. This year, however, automatic, systematic, and discretionary declassification numbers were reported separately. Together, these four programs are essential to the viability of the classification system and vital to an open government.

1.46 Billion Pages Declassified, FY 1980 - FY 2010\*



\*Excluding Mandatory Declassification Review



## Pages Reviewed and Pages Declassified

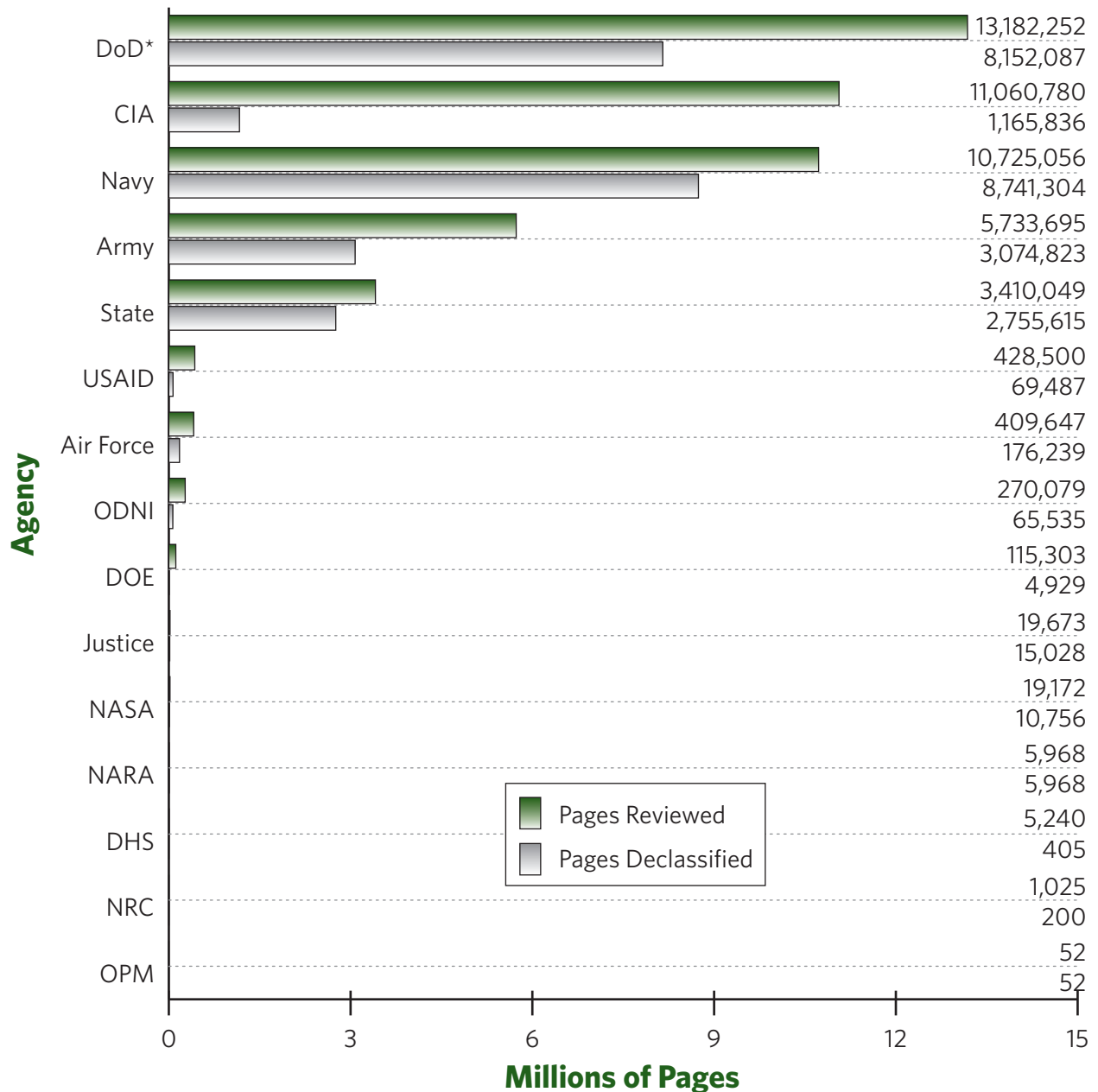
**D**uring FY 2010, the Executive branch reviewed 45.4 million pages under the automatic declassification provisions and declassified 24.2 million pages.

Under systematic declassification review, agencies reviewed 5.8 million pages and declassified 4.6 million pages. Under discretionary declassification review, agencies reviewed 1.9 million pages and declassified 181,607 pages. A total of 53.1 million pages were

reviewed for declassification and 29.1 million pages (55.4 percent) were declassified. This remains consistent with FY 2009 data which showed that 52 million pages were reviewed and 28.8 million pages (54.8 percent) were declassified.

# DECLASSIFICATION

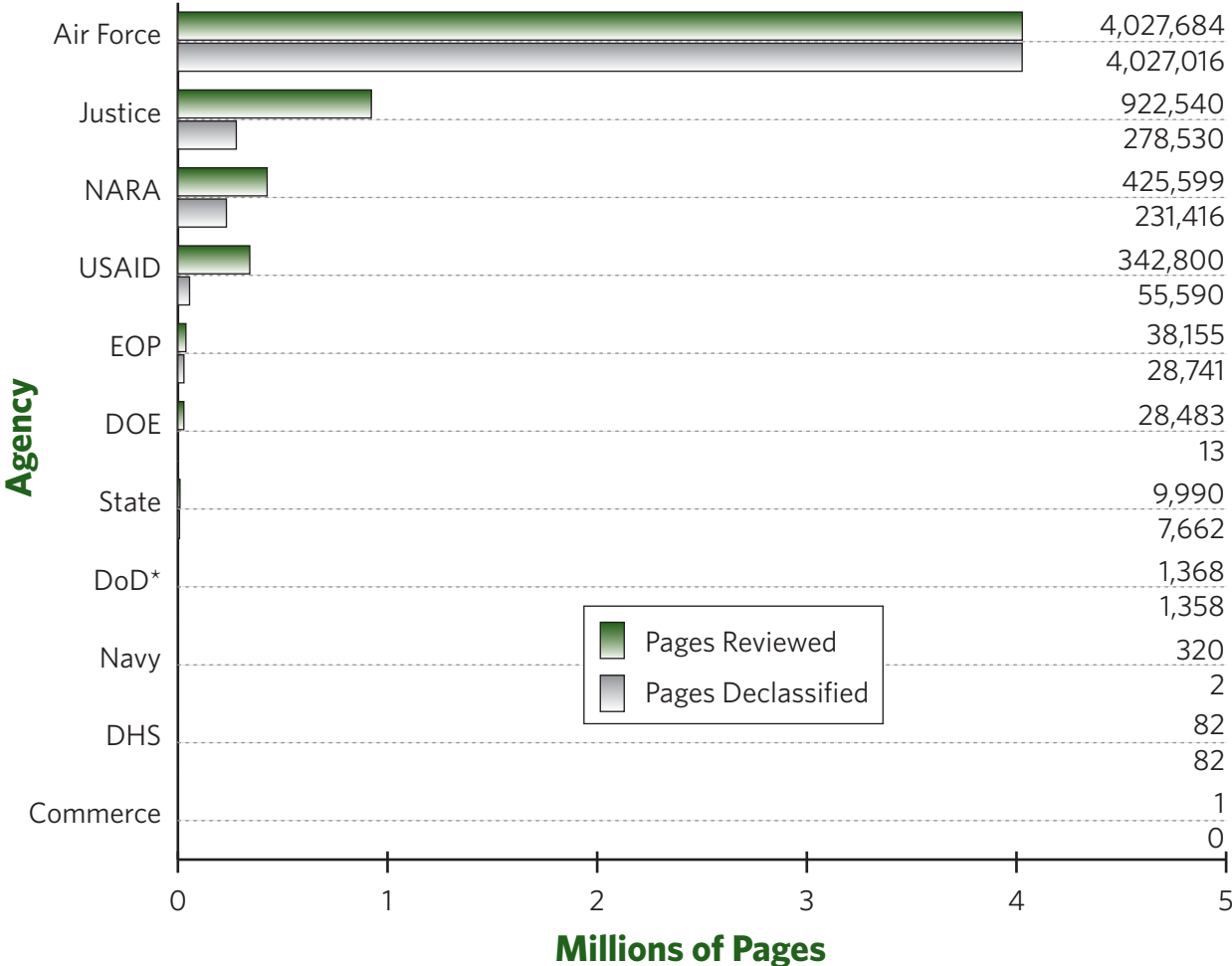
## Number of Pages Reviewed and Declassified for Automatic Declassification, FY 2010



\*Does not include Air Force, Army, and Navy



Number of Pages Reviewed and Declassified for Systematic Declassification, FY 2010

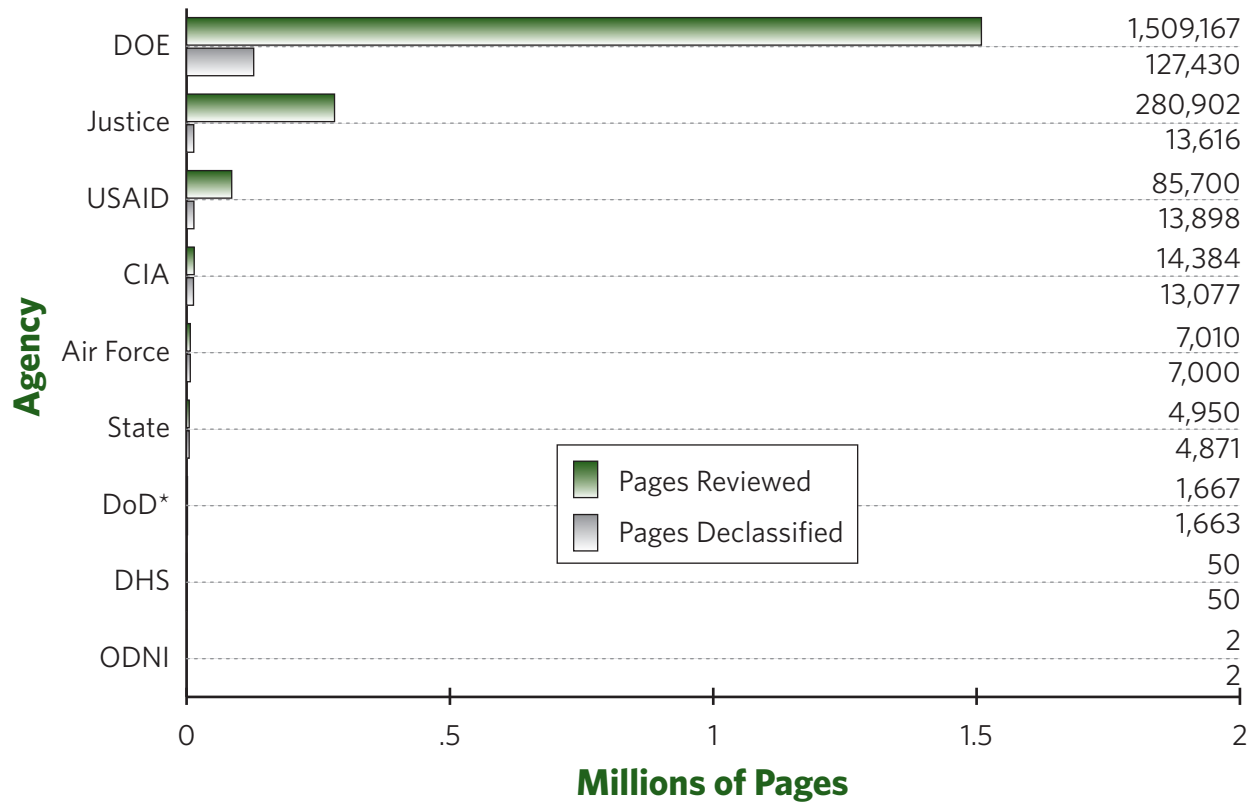


**TOTAL:** 5,797,022 Pages Reviewed  
4,630,410 Pages Declassified

\*Does not include Air Force, Army, and Navy

# DECLASSIFICATION

Number of Pages Reviewed and Declassified for Discretionary Declassification, FY 2010

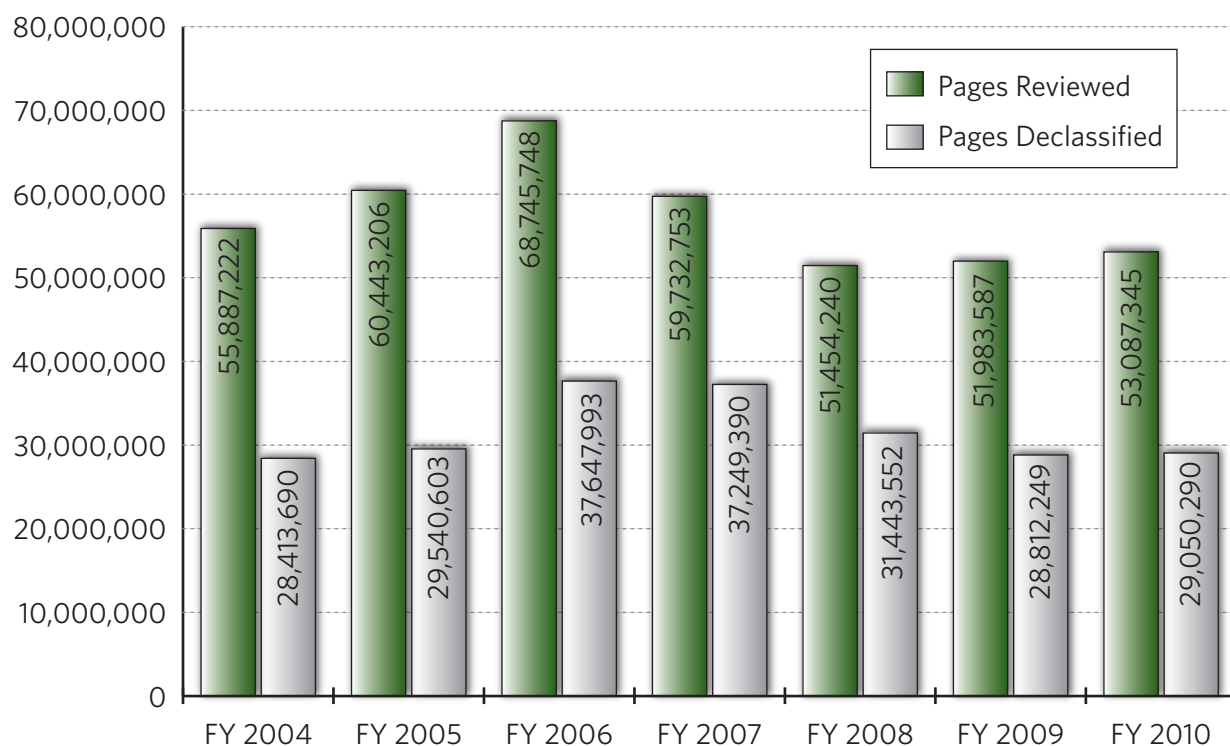


**TOTAL:** 1,903,832 Pages Reviewed  
181,607 Pages Declassified

\*Does not include Air Force, Army, and Navy

MDR remains popular with some researchers as a less litigious alternative to requests under the Freedom of Information Act (FOIA), as amended.

## Total Number of Pages Reviewed and Declassified,\* FY 2004 - FY 2010



\*Excluding Mandatory Declassification Review

## Mandatory Declassification Review

The MDR process requires a review of specific classified national security information in response to a request seeking its declassification. Requests must be in writing and describe the record containing the information with sufficient specificity to permit the agency receiving the request to locate it with a reasonable amount of effort. MDR remains popular with some researchers as a less

litigious alternative to requests under the Freedom of Information Act (FOIA), as amended. It is also used to seek the declassification of Presidential papers or records not subject to FOIA.

## Initial Requests

From FY 1996 through FY 2010, agencies received an average of 4,393 initial requests per fiscal year. Agencies received 9,686 initial requests for MDR in FY 2010; 1,843 more than the 7,843 requests received in FY 2009. Agencies

processed 6,726 requests in FY 2010, a decrease of 378 requests from the previous fiscal year. The 6,726 requests processed in FY 2010 contained 331,782 pages. Of these, 213,425 pages were declassified in their entirety (64 percent); 96,268 pages were declassified in part (29 percent); and 22,089 pages remained classified in their entirety (7 percent).

MDR has proven to be a successful program. From FY 1996 through FY 2010, agencies received 75,581

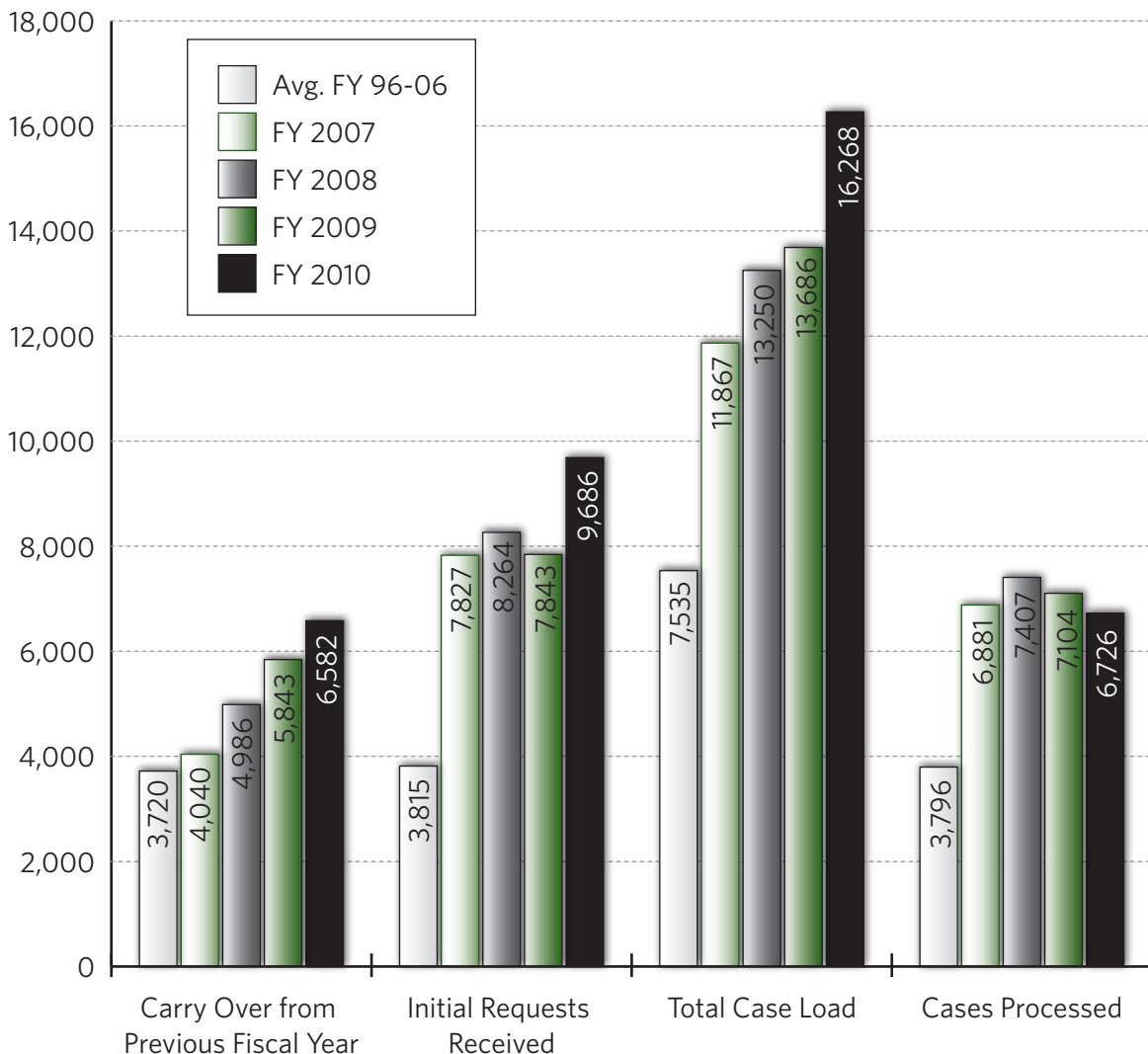
# DECLASSIFICATION

initial requests and processed 3,434,105 pages. As a result of initial MDR processing, only 285,418 pages (8 percent) remained classified in their entirety after an initial MDR review: 2,147,956 pages were declassified in their entirety (63 percent), and 1,000,731 pages were declassified in part (29 percent).

From FY 1996 through FY 2010, agencies carried over an average of 3,464 initial MDR requests from one fiscal year into the next. In FY 2009, agencies reported 6,582 initial requests carried over into FY 2010. This figure increased again in FY 2010 as agencies reported 9,542 initial requests carried over into FY 2011, an increase

of 2,960 from the previous year. In FY 2008, three agencies - NARA (2,586 requests), Department of Defense (DoD) (1,667 requests), and the Central Intelligence Agency (CIA) (1,063 requests) - accounted for the majority of requests carried forward into FY 2009. Those same agencies account for the majority of requests carried forward

MDR Program Activity - Initial Requests

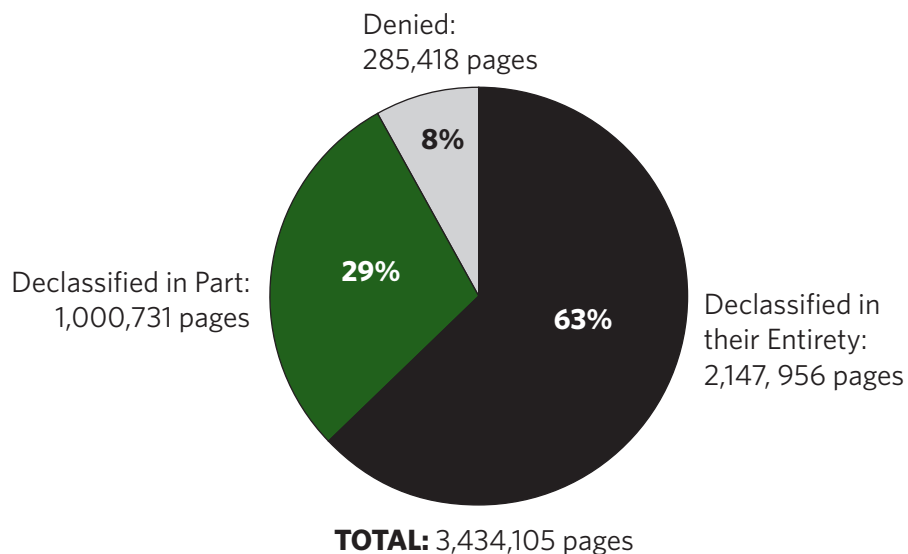


into FY 2010 - NARA (2,762), DoD (2,165), and CIA (996). The same agencies - NARA (5,512), DoD (2,210), and CIA (1,100) - again account for the majority of

requests being carried forward into FY 2011. The Office of the Secretary of Defense (OSD) is responsible for the majority of requests within DoD, and in

FY 2011, letters were sent to OSD, NARA, and CIA requesting they develop a plan to resolve the backlog and report quarterly on their progress.

### Disposition of MDR Requests, FY 1996 - FY 2010



### Appeals

During FY 2010, agencies received 302 appeals of agency decisions to deny information after processing and deciding upon initial MDR requests. Three agencies accounted for 85 percent of these appeals: CIA (93 appeals, 31 percent), Air Force (86 appeals, 28 percent), and DoD (78 appeals, 26 percent).

Agencies processed 177 appeals in FY 2009, and 231 appeals in FY 2010. DoD (83 appeals, 36 percent), Air Force (82 appeals, 35 percent), CIA (34 appeals, 15 percent), and Department of State (16 appeals, 7 percent) accounted for 93 percent of the total appeals processed in FY 2010. In FY 2009, agencies reported carrying 192 appeals into FY 2010. In FY 2010, 8 agencies

- CIA (130 appeals), NARA (59 appeals), DoD (42 appeals), State (11 appeals), Navy (8 appeals), Department of Energy (DOE) (8 appeals), Air Force (4 appeals), and Department of Justice (DOJ) (1 appeal) - reported carrying over 263 appeals into FY 2011.

Of the 231 appeals processed in FY 2010, agencies reviewed 3,330 pages, a decrease of 3,003

# DECLASSIFICATION

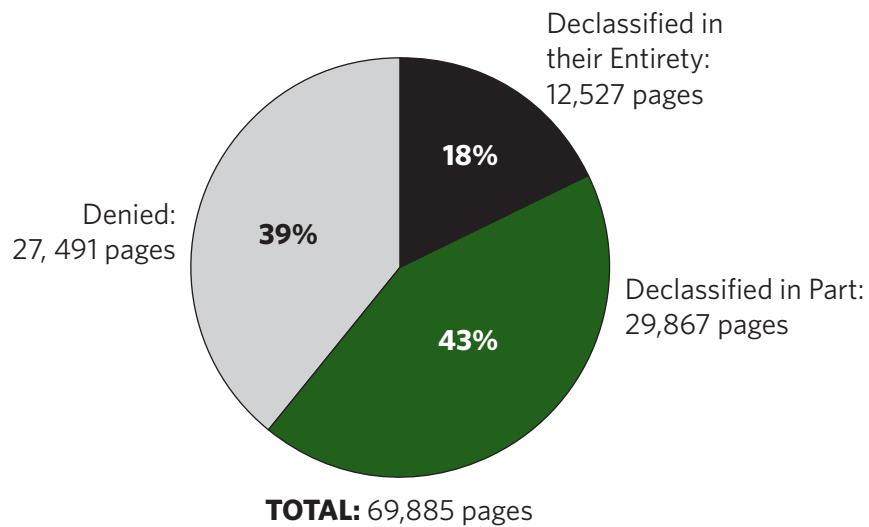
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from the 6,333 pages reviewed in FY 2009. The processing of MDR appeals by agencies in FY 2010 resulted in the declassification of information in 2,365 pages; 71 percent of the pages reviewed. Of these pages,

1,308 were declassified in their entirety (39 percent) and 1,057 were declassified in part (32 percent). Agencies affirmed the classification of 965 pages (29 percent) in their entirety. Since FY 1996, agencies processed

69,885 appealed pages. Of these, 12,527 pages were declassified in their entirety (18 percent); 29,867 pages were declassified in part (43 percent); and 27,491 pages remained classified in their entirety (39 percent).

Disposition of MDR Appeals, FY 1996 - FY 2010





# REVIEWS

## Declassification Assessments

In FY 2010, ISOO continued an initiative begun in FY 2008 to evaluate the results of agencies' automatic declassification review programs. ISOO developed this initiative as a means to evaluate agency automatic declassification review programs, disseminate the results to the agencies for the purpose of strengthening their programs, and inform the declassification community as a whole by identifying best practices and correcting common errors. Using Standard Form (SF) 311, Agency Security Classification Management Program Data, submission data from FY 2009, ISOO identified 15 agencies whose declassification programs were substantial enough to warrant assessment. Each agency was contacted in March 2010 and asked to provide information on bodies of records for which they completed declassification reviews during the six month period from October 1, 2009, through March 31, 2010. ISOO analysts used the data collected to determine the sample size and specific documents to review during onsite declassification assessments.

From May through August 2010, ISOO analysts conducted on-site declassification assessments and evaluated the program results for each of the 15 agencies. Assessments focused on three areas of concern: missed equities,

inappropriate referrals, and improper exemptions. A commonly missed equity was the mention of the security classification interest of one agency in the record of another agency that had not been identified by the initial reviewer for referral to that agency. Inappropriate referrals denoted occasions when referrals were made to agencies that lacked the authority to exempt information from declassification or had waived their interest in the information. Improper exemptions included instances in which agencies attempted to exempt a record from automatic declassification under an exemption category not permitted by that agency's declassification

guide as approved by ISCAP. The occurrence of any of these three issues was noted by ISOO analysts and factored into the agency score. In addition to these three categories of findings from within the statistical sample, ISOO analysts examined records from outside the sample in order to develop a more complete picture of agencies' declassification programs.

Within the statistical sample, ISOO analysts did not encounter any examples of missed equities and only identified one instance of an inappropriate referral. Instances of improper exemptions were discovered in 4 of 15 agency samples.

Agency	Result
Federal Bureau of Investigation	100
Joint Staff	100
Missile Defense Agency	100
National Security Agency	100
Office of the Secretary of Defense	100
Department of State	100
National Geospatial-Intelligence Agency	98
Department of the Army	96
Defense Intelligence Agency	90
Defense Threat Reduction Agency	90
National Reconnaissance Office	88
U.S. Agency for International Development	80
Central Intelligence Agency	76
Department of the Navy	76
Department of the Air Force	50

# REVIEWS

In evaluating the various programmatic aspects of agencies automatic declassification review programs, ISOO has noted several areas of improvement from FY 2008 and FY 2009. Agencies are reviewing age-appropriate records that are between 20-25 years of age. Agencies are also appropriately using the SF 715, Declassification Review Tab, that standardizes declassification review determinations and helps facilitate the processing of referrals as well as overall archival processing. Finally, agencies are making more informed referrals. ISOO only identified one instance of an agency inappropriately making a referral based on letterhead instead of the content of the information.

The results of these assessments were recorded, and scores were assigned to the agencies.

ISOO allocated up to 60 points for the objective findings within the statistical sample and up to 40 points for the programmatic observations, for a possible total of 100 points. Of the 15 agencies ISOO assessed, 10 received scores of 90 or above, 4 received scores from 70 to 89, and 1 received a score of 69 or below. ISOO is pleased to report that agencies continue to show improvement in their declassification programs since the inception of this program in FY 2008. The average score increased by over 13 percent, and the number of agencies receiving scores of 90 or above increased 31 percent. Additionally, six agencies received perfect scores in FY 2010; there were no perfect scores in FY 2008 and only two in FY 2009.

ISOO will continue to conduct annual assessments, provide agency-specific training, and issue

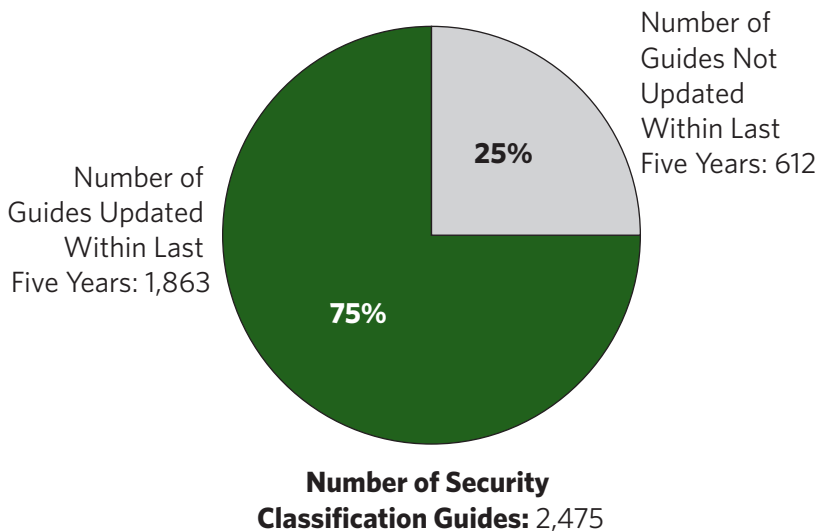
notices to agencies in order to provide specific guidance on areas of concern they encounter.

## Classification Guides

In FY 2010, ISOO revised the SF 311 and expanded the required information to meet the reporting requirements of the Order. This included a new requirement to report on the number of security classification guides created by each agency. Additionally, each agency reports the number of guides that had not been reviewed or updated within the past five years. Agencies reported a total of 2,475 security classification guides. Of these, 75 percent (1,863) have been reviewed/updated within the last 5 years. This is an increase from 54 percent in FY 2009 and a substantial change from 33 percent in FY 2008.

With the issuance of the Order and the Directive, agencies with original classification authority and security classification guides were mandated to conduct a fundamental classification guidance review. The purpose of the review is to ensure classification guidance reflects current circumstances and to identify classified information that no longer requires protection and can be declassified. ISOO will continue to provide guidance and assistance to the agencies during this review process.

### Security Classification Guides



# INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL

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## Authority

Section 5.3 of Executive Order 13526, "Classified National Security Information."

## Functions

1. To decide on appeals by persons who have filed classification challenges under section 1.8 of E.O. 13526.
2. To approve, deny, or amend agency exemptions from automatic declassification as provided in section 3.3 of E.O. 13526.
3. To decide on appeals by persons or entities who have filed requests for mandatory declassification review under section 3.5 of E.O. 13526.
4. To appropriately inform senior agency officials and the public of final Interagency Security Classification Appeals Panel (the Panel) decisions on appeals under sections 1.8 and 3.5 of E.O. 13526

## Members\*

William H. Leary, Chair  
National Security Staff

Mark A. Bradley  
Department of Justice

Margaret P. Grafeld  
Department of State

Laurence K. Burgess  
Department of Defense

Michael J. Kurtz  
National Archives and  
Records Administration

Corin Stone  
Office of the Director  
of National Intelligence

Joseph W. Lambert  
Central Intelligence Agency

## Executive Secretary

William J. Bosanko, Director  
Information Security  
Oversight Office

## Support Staff

Information Security  
Oversight Office

## Background

The Panel was created under Presidential executive order in 1995 to perform the functions noted above and began meeting in May 1996. The permanent membership is comprised of senior-level representatives appointed by the Secretaries of State and Defense; the Attorney General; the Director of National Intelligence; the Archivist of the United States; and the National Security Advisor. Section 5.3(a)(2) of E.O. 13526 provides for the appointment of a temporary representative to the Panel from the CIA to participate as a voting member in all

deliberations and support activities that concern classified information originated by the CIA. The President selects the Chairperson, the Director of the Information Security Oversight Office serves as its Executive Secretary, and ISOO provides staff support.

## Mandatory Declassification Review Appeals

During FY 2010, the Panel allocated a majority of its time and resources to processing MDR appeals. The documents within these MDR appeals came before the Panel either classified in part or in their entirety and were properly filed with the Panel in accordance with E.O. 13526 and the Panel's bylaws. In FY 2010, the members decided on 212 documents that were appealed to the Panel. This is 140 more documents than had been decided upon in FY 2009, and represents a 194 percent increase in productivity. The Panel declassified additional information in 145 documents (68 percent), and affirmed the prior agency classification decisions in 67 documents (32 percent). Of the 145 documents in which information was declassified, 78 documents (54 percent) were declassified in their entirety and 67 documents (46 percent) had some portions declassified while the classification of other portions was affirmed.

\*Note: The individuals named in this section were in these positions as of the end of FY 2010.

# INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL

Since May 1996, the Panel has decided upon a total of 1,053 documents. Of these, the Panel declassified additional information in 65 percent of the documents. Specifically, 266 documents (25 percent) were declassified in their entirety and 424 documents (40 percent) had some portions declassified while the classification of other portions was affirmed. During this time frame, the Panel fully affirmed the classification decisions of agencies in 363 documents (35 percent).

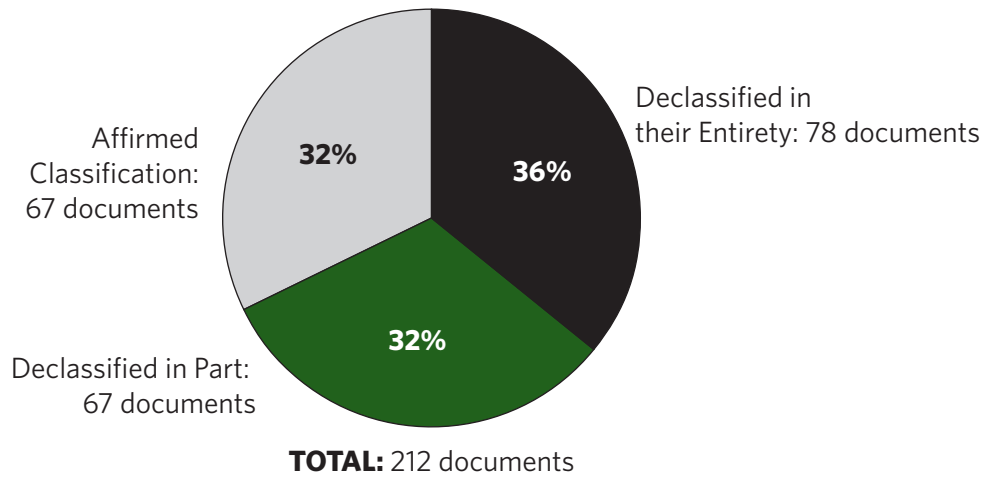
Mandatory declassification review remains a popular method for members of the public as a means to request a declassification review of specific documents. The increasing number of initial MDR requests to agencies has led to challenges in processing MDR cases within the time frames outlined in E.O. 13526 and 32 C.F.R. Part 2001.

Additional information may be found on the ISOO website: [www.archives.gov/isoo/oversight-groups/iscap](http://www.archives.gov/isoo/oversight-groups/iscap)

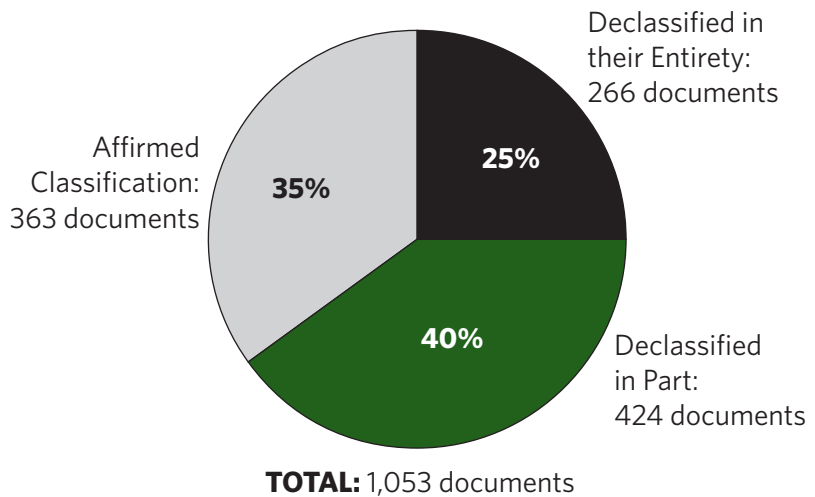
If you have any questions, please contact the support staff:

Telephone: 202.357.5250  
 Fax: 202.357.5907  
 E-mail: [iscap@nara.gov](mailto:iscap@nara.gov)

ISCAP Decisions, FY 2010



ISCAP Decisions, May 1996 - September 2010



# NATIONAL INDUSTRIAL SECURITY PROGRAM

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ISOO is responsible for implementing and overseeing the National Industrial Security Program (NISP) under E.O. 12829, as amended, issued in 1993. This oversight responsibility is primarily executed through the National Industrial Security Program Policy Advisory Committee (NISPPAC), a Federal Advisory Committee organized pursuant to section 103 of E.O. 12829, as amended. Membership of the NISPPAC is comprised of both Government and industry representatives and chaired by the Director of ISOO.

The NISPPAC advises on all matters involving the policies of the NISP and is responsible for recommending changes to industrial security policy, specifically E.O. 12829, as amended, its implementing directive (32 C.F.R. Part 2004), and the National Industrial Security Program Operating Manual (NISPOM). The NISPPAC meets at the request of the Chairman, but at least twice during the calendar year, and the meetings are open to the public in accordance with the Federal Advisory Committee Act.

During FY 2010, three meetings of the NISPPAC were held. The following issues were presented and discussed: personnel security clearance (PCL) processing, trust suitability determinations, certification and accreditation of information systems, foreign

ownership, control or influence of NISP facilities, reporting requirements concerning intrusions of unclassified information systems, status and plan for eliminating non GSA-approved security containers, industry access to threat data, and revisions of the NISPOM and 32 C.F.R. Part 2004. Additionally, the NISPPAC discussed the issuance of E.O. 13549, which brings the oversight of companies that enter into contracts that require access to classified information with state, local, or tribal governments under the NISP.

The PCL working group continued to review and analyze a comprehensive set of metrics that measure the timeliness of PCL processing for industry. This analysis resulted in the formation of an ad-hoc working group to look specifically at the chief causes of rejections of PCL requests. Preliminary results indicate that electronic fingerprinting system capability needs to be readily available on a cost-effective basis to government and industry in order to substantially minimize the current reject rate.

The Certification and Accreditation (C&A) working group continued its review and analysis of the process for obtaining approval to use classified information on information systems. The group continues to recommend changes to standards and metrics

With the issuance of E.O. 13526 and 32 C.F.R. Part 2001, the need to address substantive policy changes impacting industry's compliance with their provisions resulted in an effort to revise the NISPOM.

to improve the timeliness and effectiveness of the C&A process and to ensure that it is consistent with national policy.

With the issuance of E.O. 13526 and 32 C.F.R. Part 2001, the need to address substantive policy changes impacting industry's compliance with their provisions resulted in an effort to revise the NISPOM. To maximize the effectiveness of this effort, the NISPPAC, working with DoD as the NISP executive agent, co-directed numerous review sessions to ensure industry, the Cognizant Security Activities, and other affected agencies were provided an opportunity to review and recommend revisions to existing guidelines and proposed changes. A revised NISPOM is expected to be issued in FY 2011. Information on the NISPPAC is available on the ISOO website (<http://www.archives.gov/isoo/oversight-groups/nisppac>).





## INFORMATION SECURITY OVERSIGHT OFFICE

National Archives Building  
700 Pennsylvania Avenue, NW  
Washington, DC 20408-0001

Telephone: 202.357.5250  
Fax: 202.357.5907  
E-mail: [isoo@nara.gov](mailto:isoo@nara.gov)  
Web Site: [www.archives.gov/isoo](http://www.archives.gov/isoo)