



OFFICE OF THE UNDER SECRETARY OF DEFENSE
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INTELLIGENCE

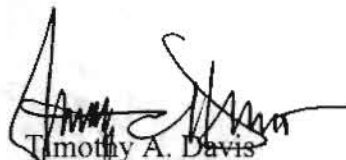
Mr. John P. Fitzpatrick
Information Security Oversight Office
National Archives and Records Administration
700 Pennsylvania Avenue, NW
Washington, D.C. 20408

Dear Mr. Fitzpatrick:

In response to your letter dated January 27, 2011, enclosed please find the third interim consolidated progress report for DoD's ongoing Fundamental Classification Guidance Review. This report provides a summary of our ongoing efforts to facilitate implementation of section 1.9 of Executive Order 13526, the DoD Component responses received to date, and our overall milestones.

We appreciate the opportunity to continue our work with your staff on this endeavor. If you should have any questions, please contact [REDACTED] or [REDACTED].

Sincerely,


Timothy A. Davis
Director of Security

Enclosure:
As stated

cc:
Principle Deputy Director of National Intelligence



**THIRD INTERIM STATUS REPORT:
DEPARTMENT OF DEFENSE
FUNDAMENTAL CLASSIFICATION GUIDANCE REVIEW (FCGR)**

I. Introduction/Purpose

In accordance with Executive Order (E.O.) 13526, *Classified National Security Information*; 32 Code of Federal Regulation (CFR) Part 2001, *Classified National Security Information*; and Information Security Oversight Office memorandum, *Fundamental Classification Guidance Review (FCGR)*, January 27, 2011, agencies are required to conduct an initial FCGR by June 27, 2012. This document provides DoD's third progress report and status of FCGR activities and results to date.

Since our November 4, 2011 report, the Department has continued to make impressive strides in updating our Security Classification Guides (SCGs) and remains focused on ensuring that guidance reflects current operational and technical circumstances relevant to the protection of properly classified information, and that dissemination and availability of the classification guidance is appropriate, timely and effective. As a result, through the period of this report, approximately 17.7% of DoD's non-compartmented SCGs have either been eliminated or identified for retirement. Relevant metrics are presented in Section II, below.

II. FCGR Status Report

a) DoD Collateral-level (non-compartmented) FCGR Results:

To date, DoD Components have reported the following FCGR metrics:

- Total number of SCGs identified/reported: 1,799 (no significant change)
- Total number of SCGs for which a FCGR **has** been initiated: 1,703 (up from 1,637)
- Total number of SCGs for which a FCGR has **not been** initiated: 96 (down from 150)
- Total number of SCGs for which a FCGR has been **completed**: 1,069 (up from 799)
- Total number of SCGs scheduled for **retirement/cancellation**: 318 (up from 122)

Component-by-Component FCGR reporting details are presented at Attachment 1.

b) Challenges:

- Navy maintains the largest total number of SCGs, is in the midst of a long-term consolidation effort, and is extremely active in cross referencing several of their SCGs with other DoD components. To date, Navy has eliminated 29% of their active guides and an additional 24 guides are now under review for potential elimination.
- Certain OSD staff elements need to move more aggressively to assemble and promulgate up-to-date SCGs. This issue is scheduled for increased management attention during 2Q, FY12, and may result in a slight increase in DoD's total number of SCGs once completed.

c) Other Initiatives:

- OUSD(I) staff briefed DoD's FCGR activities to the Joint Intelligence Oversight Coordination Group (JIOCG). A key JIOCG and DoD Inspector General (IG) focus is implementation of the Reducing Overclassification Act—an activity complementary to the FCGR and for which we will remain engaged with the DoD IG for some time.
- OUSD(I) has posted updated interim guidance on the development of security classification guidance to the Security Directorate website and via e-mail notification to the DoD Information Security Advisory Board (DISAB) members. Our update to DoD 5200.1H, *Handbook for Writing Security Classification Guides*, is in processing for formal coordination. We anticipate a draft release to Components for review during 2Q, FY12.

d) DoD Special Access Program (SAP) Community FCGR Reporting:

Like all Components, the DoD SAP community is actively working the FCGR. As of this report, however, summarized metrics are not available. OUSD(I) will provide an update to this report when complete SAP community metrics are received and analyzed. **Summary:** no change.

e) DoD Intelligence Community Element Reporting:

OUSD(I) remains in close coordination with the ODNI/Principle Deputy Director of National Intelligence. Per the ODNI's previous guidance to the Intelligence Community, DIA, NGA, NSA, and NRO will report their FCGR execution status directly to ISOO, with a copy to USD(I).

Summary: all DoD Intelligence Community (IC) elements have an FCGR activity underway.

f) Air Force Developments:

Our previous progress reports discussed an additional aspect of the Air Force's FCGR challenge--that of old SCG indexing data that still needed to be updated, to include removing certain SCGs that were decades old. The Air Force is nearing completion of this indexing rebaseline (initiated in 2010) and, as a result, have reported a net decline in the numbers of valid SCGs from the first two progress reports (see also footnote to table below). Additionally, the Air Force reports a 29% decrease in Original Classification Authorities (OCAs) since initiating this FCGR phase – moving from 171 to 127 total OCAs. Additional realignment efforts continue, and further reductions are anticipated as OCAs without demonstrable, current, and continuing need are identified.

g) Training and Education Product Developments:

The Center for Development of Security Excellence (CDSE) has completed a Derivative Classifier's course, available from the CDSE and Security Directorate website. The CDSE team has also completed an OCA short course, intended to cover all training requirements for OCAs required by E.O. 13526 and DoD regulation.

j) Migration of Legacy Classification Guidance from DoD Issuances:

The DoD's FCGR has revealed the existence of potentially duplicative or obsolete classification management guidance or SGCs within DoD issuances (instructions, directives, regulations, etc.). Under the revised DoD 5200.1-R, *Information Security Policy*,¹ all SCGs are to be distributed through the DTIC's websites on NIPRNet and SIPRNet. We are continuing our effort to review all issuances to compare SCGs posted there with those in the DTIC's holdings—to date, we have

¹ Revision is in final pre-signature edit and will be released as DoD 5200.01-M, Volumes I-IV.

identified 18 issuances that are not reflected on DTIC's website. This comparison may also result in new SCGs being developed (under/through the OCA-to-DTIC process); further cancellation of obsolete guidance on the issuances website; or merging of content between the two, in order to deliver an updated product to DTIC.

**COMPONENT-BY-COMPONENT
FUNDAMENTAL CLASSIFICATION GUIDANCE REVIEW
INTERIM DETAILED REPORTING**

Organization	Total Number of SCGs	FCGRs Initiated	FCGRs NOT Initiated	FCGRs Completed	SCGs to be Eliminated
Air Force	283 (296) ²	278	5	186	27
Army	363 (350)	363	0	257	21
DARPA	156 (148)	156	0	148	20
DCMA	1	1	0	0	0
DISA	7	7	0	1	0
DLA (new guide)	1	1	0	1	0
DTRA	59 (56)	40	19	17	13
JIEDDO	1	1	0	1	0
Joint Staff (includes COCOMs)	76	4	72	0	0
MDA	29	29	0	22	0
Navy	820	820	0	436	237
OSD Elements	3	3	0	0	0
DoD Totals	1799	1703	96	1069	318

² The Air Force, Army, DARPA, and DTRA total SCG counts have been revised as indicated in this report as a result of a rebaseline of each Components' SCG index.

DOD
FUNDAMENTAL CLASSIFICATION GUIDANCE REVIEW
“MILESTONES”

Corrected copy: As of June 7, 2011

Action	Milestone Date
USD(I) Initiates DoD FCGR	April 2011
DoD Component FCGR Plan and Progress Report to USD(I)	July 15, 2011
USD(I) Progress Report to SecDef	July 29, 2011
USD(I) Progress Report to ISOO	July 29, 2011
DoD Component Progress Report to USD(I)	October 6, 2011
USD(I) Progress Report to SecDef	October 15, 2011
DoD Component Progress Report to USD(I)	January 6, 2012
USD(I) Progress Report to SecDef	January 16, 2012
USD(I) Progress Report to ISOO	January 31, 2012
DoD Component Final Report to USD(I)	March 9, 2012
USD(I) Final Report to ISOO	June 27, 2012
USD(I) Final Report to Public—Unclassified version approved for public release	June 27, 2012

DoD Component plan, progress reports and final report must be signed by the Component Senior Agency Official or designated representative.