

# Chapter 2.

## Security Clearances ‘

### Section 1. Facilities Clearances

**2-100. General.** A facility clearance (FCL) is an administrative determination that a facility is eligible for access to classified information or award of a classified contract. Contract award may be made prior to the issuance of an FCL. However, in those cases, the contractor will be processed for an FCL at the appropriate level and **must** meet eligibility requirements for access to classified information. The FCL requirement for a prime contractor includes those instances in which all **classified** access will be limited to subcontractors. Contractors are eligible for custody (possession) of classified material, if they have an FCL and storage capability approved by the CSA.

- a. An FCL is valid for access to classified information at the same, or lower, classification level as the FCL granted.
- b. FCLS will be registered centrally by the U.S. Government.
- c. A contractor shall not use its FCL for advertising or promotional purposes.

2-101. **Reciprocity.** An FCL shall be considered valid and acceptable for use on a fully reciprocal basis by all Federal departments and agencies, provided it meets or exceeds the level of clearance needed.

2-102. Eligibility Requirements. A contractor or prospective contractor cannot apply for its own FCL. A GCA or a currently cleared contractor may sponsor an uncleared contractor for an FCL. A company must meet the following eligibility requirements before it can be processed for an FCL.

- a. The contractor must need access to the classified information in connection with a legitimate U.S. Government or foreign requirement.
- b. The contractor must be organized and existing under the laws of any of the fifty states, the District of Columbia, or Puerto Rico, and be located in the U.S. and its territorial areas or possessions.

- c. The contractor must have a reputation for integrity and lawful conduct in its business dealings. The contractor and its key managers, must not be bared from participating in U. S. Government contracts.
- d. The contractor must not be under foreign ownership, control, or influence (FOCI) to a such a degree that the granting of the FCL would be inconsistent with the national interest.

2-103. Processing the **FCL.** The CSA will advise and assist the company during the FCL process. As a minimum, the company will:

- a. Execute **CSA-designated** forms.
- b. **Process** key management personnel for personnel clearances (**PCLs**).
- c. Appoint a U.S. citizen employee as the facility security officer (**FSO**).

2-104. Personnel Clearances Required **in Connection with the FCL.** The senior management official and the FSO must always be cleared to the level of the FCL. Other officials, as determined by the CSA, must be granted a PCL or be excluded from classified access pursuant to paragraph 2-106.

2-105. PCLS Concurrent with the FCL. Contractors may designate employees who require access to classified information during the negotiation of a contract or the preparation of a bid or quotation pertaining to a prime contract or a subcontract to be processed for PCLS concurrent with the FCL. The granting of an FCL is not dependent on the clearance of such employees.

2-106. Exclusion **Procedures.** When, pursuant to paragraph 2-104, formal exclusion action is required, the organization's board of directors or similar executive body shall affirm the following, as appropriate.

- a. Such officers, directors, partners, regents, or trustees (designated by name) shall not require, shall not

have, and can be effectively excluded from access to **all** classified information disclosed to the organization. They also do not occupy positions that would enable them to adversely affect the organization's policies or practices **in** the performance of classified contracts. This action shall be made a matter 'of record by the organization's executive body. A copy of the resolution **shall** be furnished to the CSA.

- b. Such officers or partners (designated by name) shall not require, shall not have, and can be effectively denied access to higher-level classified information (specify which higher level(s)) and do not occupy positions that would enable them to adversely affect the organization's policies or practices in the performance of higher-level classified contracts (specify higher level(s)). This action shall be made a matter of record by the organization's executive body. A copy of the resolution shall be furnished to the CSA.

**2-107. Interim FCLS.** An interim FCL may be granted to eligible contractors by the CSA, An interim FCL is granted on a temporary basis pending completion of the full investigative requirements.

2-108. **Multiple Facility Organizations.** The home office facility must have an FCL at the same, or higher, level of any cleared facility within the multiple facility organization.

**2-109. Parent-Subsidiary Relationships.** When a parent-subsubsidiary relationship exists, the parent and the subsidiary will be processed separately for an FCL. As a general rule, the parent must have an FCL at the same, or higher, level as the subsidiary. However, the CSA will determine the necessity for the parent to be cleared or excluded from access to classified information. The CSA will advise the companies as to what action is necessary for processing the FCL. When a parent or its cleared subsidiaries are collocated, a formal written agreement to utilize common security services may be executed by the two firms, subject to the approval of the CSA.

**2-110. Termination of the FCL.** Once granted, an FCL remains in effect until terminated by either party. If the FCL is terminated for any reason, the contractor shall return **all** classified material in its possession to the appropriate GCA or dispose of the material as instructed by the CSA. The contractor shall return the original copy of the **letter** of notification of the facility security clearance to the CSA.

**2-111. Records Maintenance.** Contractors shall maintain the original CSA designated forms for the duration of the FCL.