

**DoD Public Meeting:  
3/3/10 ANPR on  
Safeguarding Unclassified Information**

Professional Services Council Presentation

April 22, 2010

## **Three areas of application to contractors**

- Defining covered information and providing standards for safeguarding it
- Establishing proper handling of covered information
- Imposing cyber intrusion reporting for any breach

## Scope of Coverage

- Applies to all contracts and subcontracts of any dollar value where DoD information is “resident on or transiting” a contractor’s unclassified information system
- No threshold for coverage at prime or subcontractor level
- No exemption for small businesses
- No exemption for commercial items
- Broad coverage imposes a significant system and cost burden on contractors
- IT system data protection requirements may be preferable to contract-by-contract requirements

## Key Definitions

- 1) “DoD information”
- 2) “Advanced persistent threat” (APT)
- 3) “Best level of security and privacy available
- 4) “Enhanced Safeguarding” of data (252.204-7YYY(b)(2))
- 5) Policy statement at 204.7XX2(c) valuable, but could be stronger
- 6) Adopt “Controlled Unclassified Information” regime

# Handling of Information

- Organization-wide improvements are preferable to customer-focused requirements
- Contract requirements should not restrict company flexibility and evolution of technological capabilities
- Risk assessment and costs must be factored into adoption of security controls

## Reporting of Information

- Gradation of severity or urgency of intrusion would allow for focused, timely reports and reduce reporting overload
- Reasonable government effort to protect reports from disclosure insufficient (252.204-7YYY(d))
- Indirect liability issues arising from reporting may chill timely and complete company reporting

## Next Steps

- PSC written comments due 5/3/10
- Answers to questions included in written comments

# QUESTIONS?

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