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1 JUN 1999

MEMORANDUM

From: Scientific and Technical Intelligence Liaison Officer, 48150 Shaw Road Unit 5, Suite S220, Patuxent River, Maryland 20670-1907
To: Distribution

Subj: POLICY GOVERNING RELEASE OF INTELLIGENCE TO CONTRACTORS

Encl: (1) Request for Access/Release of Intelligence to Contractors, dated 1 June 1999

Ref: (a) DCID 1/7 Security Controls on the Dissemination of Intelligence Information
(b) SECNAVINST 5510.36

1. As directed by reference (a), policy and procedures governing the release of intelligence to contractors and consultants is as follows:

a. The Senior Officials of the Intelligence Community (SOIC's), defined by reference (a), designate the Contracting Officer's Representative (COR) and STILO, the local intelligence program manager, as the official approving authorities for **release of intelligence information** to appropriately cleared or access-approved US contractors and consultants (hereinafter "contractor") having a demonstrated "NEED TO KNOW" without referral to the originating agency prior to release provided that:

(1) At the initiation of the contract, the COR **specifies AND certifies in writing via the STILO** that disclosure of the specified information does not create an unfair competitive advantage for the contractor or a conflict of interest with the contractor's obligation to protect the information. **If, during the course of the contract, the contractor's requirements for information changes to require new or significantly different information, the COR shall make a new specification and certification.** In cases where the designated official cannot or does not resolve the issue of unfair competitive advantage or conflict of interest, the STILO will seek to obtain consent of the originator for release.
(2) Release is only made to contractors certified by the COR via the STILO as performing classified services in support of a national security mission.
(3) The contractor has an approved safeguarding capability if retention of the intelligence is required.
(4) **Contractors are not authorized to disclose further or release intelligence to any of their components or employees or to another contractor (including subcontractors) without the prior written notification and approval of the STILO unless such disclosure or release is authorized in writing at the initiation of the contract as an operational requirement.**
(5) Intelligence released to contractors, all reproductions thereof, and all other material generated based on, or incorporating data therefrom (including authorized reproductions), remain the property of the US Government. Final disposition of the intelligence information shall be governed by the STILO.

b. The guidance for contractors inside a government owned or controlled facility are listed in paragraph 1.a.

c. The policies and procedures for contractors outside government owned or controlled facilities are listed in paragraph 1.a. with the following additional policies and procedures:

(1) The STILO is responsible for ensuring that releases to contractors of intelligence marked ORCON and /or PROPIN are made only with the consent of the originating agency pursuant to reference (a).
(2) The STILO shall maintain a record of material released.
(3) Contractors shall establish procedures to control all intelligence received, produced, and held by them in accordance with the provisions of the National Industrial Security Program Operating Manual. This will not impose internal receipt and document accountability requirements for the internal traceability and audit purposes.
(4) All reproductions and extractions of intelligence shall be classified, marked, and controlled in the same manner as the original(s).
(5) Sensitive Compartmented Information released to contractors shall be controlled pursuant to the provisions of DCID 1/19, Security Policy for Sensitive Compartmented Information (SCI).
(6) The STILO shall delete any reference to the Central Intelligence Agency, the phrase "Directorate of Operations" and any of its components, the place acquired, the field number, the source description, and the field dissemination from all CIA Directorate of Operations reports passed to contractors, unless prior approval to do otherwise is obtained from CIA.

2. Enclosure (1) is the form letter that is to be completed and signed by the COR or Technical Point of Contact (TPOC) and validated by the STILO for a description of the intelligence information required for the contractor to perform the task. **NEED-TO-KNOW IS STILL THE DETERMINING BASIS FOR ACCESS.** The original release form will be maintained by the STILO office with the DD254 that is currently on file and a copy will be returned to the COR or TPOC.

3. Enclosure (2) is a list of intelligence producers; it should assist you in determining if the information that is to be released to a contractor could be considered intelligence. There will be exceptions to this list; if the information appears to be "threat" related or involves a foreign government's platforms/systems and you are still unsure, call the STILO office and they can assist you in making a determination.

4. Questions or comments should be directed to the NAVAIR STILO, Mr. Steve Hendricks at commercial (301) 342-6320 or DSN 342-6320 or the following STILO personnel:

Mrs. Kris Dennie-Young, 342-6310
Mr. Jim Kelly, 342-6323
Mrs. Jeanne Hall, 342-6315

STEPHEN K. HENDRICKS

Distribution to all government contract representatives listed below initiating contract DD254's requiring access to Intelligence Information:

Contracting Officer's Representatives (COR's)
Technical Points-of-Contact (TPOC's)
Contracting Officer's Security Representatives (COSR's)

REQUEST FOR ACCESS/RELEASE OF INTELLIGENCE TO CONTRACTORS

(Revised copy 1 June 1999 - previous form is now obsolete)

IAW DCID 1/7 "Security Controls on the Dissemination of Intelligence Information" of 30 June 1998, Request the following intelligence information be approved for access/release to:

_____ under Contract _____.

Company Name — Contract Number and D.O. if applicable

Description of technical intelligence information required (please be as specific as possible):

As a Senior Official of the Intelligence Community (SOIC) designated representative for the Naval Air Systems Command or the Naval Air Warfare Center Aircraft Division Patuxent River, I hereby certify that access/release of the intelligence product listed above will in no way give the contractor an unfair competitive advantage or create a conflict of interest AND the contractor has a NEED-TO-KNOW and proper clearances supported by the DD254 and Scope of Work stated in this contract. **

_____

Contracting Officer's Representative (COR)
Name printed/typed, date and signature

or

_____

Contract Technical Point of Contact
Name printed/typed, date and signature

Validation by STILO:

_____

Name printed/typed, date and signature

** In the event that the COR or TPOC cannot determine whether the information would give the contractor an unfair competitive advantage or create a conflict of interest, the request will be referred by the STILO to the originating organization for resolution.

Enclosure (1)