

## Government Contracts

# NISPOM (Plus Updates) to be Codified in Regulation

By: [David B. Robbins](#), [Matthew L. Haws](#), and [Cynthia J. Robertson](#)

On December 21, 2020, the Department of Defense Office of the Undersecretary of Defense for Intelligence & Security published a final rule with request for comment that codifies the National Industrial Security Program Operating Manual (NISPOM) in regulation and makes certain updates to the NISPOM in the process. The NISPOM will be codified at 34 C.F.R. 117, and becomes effective in February 2021. The two significant updates are:

- **Reporting Requirements:** Security Executive Agent Directive 3 Reporting Requirements for Personnel with Access to Classified Information or Who Hold a Sensitive Position will be incorporated into the NISPOM. SEAD 3 requirements increase training and awareness obligations and contain ongoing reporting requirements including about foreign contacts and travel.
- **Elimination of NID Requirements for NTIB Entities:** A covered National Technology and Industrial Base (NTIB) entity operating under a Special Security Agreement for FOCI mitigation is no longer required to obtain a National Interest Determination for access to proscribed information (e.g., Top Secret and above). Given that the NTIB is limited in application to parent companies based in Australia, Canada, and the UK, this change may not provide relief to a significant number of companies, but it remains consequential nonetheless because of the time and expense involved in obtaining NIDs.

Comments are due February 19, 2021.



## Contact Us



**David B. Robbins**

[drobbs@jenner.com](mailto:drobbs@jenner.com) | [Download V-Card](#)



**Matthew L. Haws**

[mhaws@jenner.com](mailto:mhaws@jenner.com) | [Download V-Card](#)



**Cynthia J. Robertson**

[crobertson@jenner.com](mailto:crobertson@jenner.com) | [Download V-Card](#)

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## Practice Leaders

### David B. Robbins

Co-chair

[drobbins@jenner.com](mailto:d Robbins@jenner.com)

[Download V-Card](#)

### Marc A. Van Allen

Co-chair

[mvanallen@jenner.com](mailto:mvanallen@jenner.com)

[Download V-Card](#)

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