



## DMG BRIEFING NOTE: Facility Clearance (FCL)

### Executive Summary

A Facility Clearance (FCL) is a Defense Security Services (DSS) administrative determination issued in accordance with the National Industrial Security Program Operating Manual (NISPOM), that a 'facility' is eligible for access to U.S. Government classified information or award of a classified contract. For every U.S. Military program being considered for supply by a U.S. or Foreign owned company there is a strong probability that holding an FCL will improve the likelihood of an award by granting a cleared company access to the classified supporting documents describing the threats, requirements and program goals.

In the absence of an FCL and security cleared personnel, Government representatives as well as other cleared companies must limit all conversations and information exchange to non-classified data. Demonstrably, having access to such data is necessary for a company to make an informed bid for the vast majority of U.S. Government military programs. The FCL determination is based upon favorable background investigation adjudications of Key Management Personnel (KMP). These can include the chairman of the board, senior management officials and the Facility Security Officer (FSO). All other KMP defined in company bylaws or operating agreements must be formally excluded unless they require access to classified information to perform work duties. Note that the granting of an FCL can be complicated by any Foreign Ownership Control and Influence (FOCI). To counterbalance the risk of exposing classified information, the U.S. Government requires foreign owned companies to take measures to mitigate FOCI. *(Please see DMG Briefing Notes on NISPOM and FOCI).*

### How DMG Can Help You

Due to the immense risks posed to companies and employees for violating the NISP, it is important that companies doing business in the U.S. and engaging with foreign entities create, implement, and maintain physical controls and security procedures compliant with the NISPOM. The Defense Management Group can assist U.S. and Foreign Companies in developing appropriate policies to ensure full compliance with NISPOM security implementation and reporting requirements and so mitigate the risk of penalties. Please contact DMG for further information.

*Essentially, an FCL is a 'secure site' where routine access is denied to U.S. citizens not holding appropriate security clearances and to all non-U.S. citizens. An FCL normally is awarded for a specific program, at a specific classification level. It is not transferable and may not be used in support of marketing.*

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*Regulations and best practice relevant to Government Contracting change over time, and The DMG is delivering a series of seminars on Government Contracting. For the latest information please contact [info@defensemg.com](mailto:info@defensemg.com) for current information on venues and schedule. Alternatively, please register at [www.defensemg.com](http://www.defensemg.com) so that we can email to you new and updated briefing notes as they become available.*