



Department of Energy
Washington, DC 20545

STAT [redacted]
Chairman, DCI Security Committee
Via Ames/ISC
Room 1225, Ames Building
Washington, D.C. 20505

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By virtue of the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1976, the Department of Energy (DOE) is responsible for operating special nuclear materials (SNM) research and production facilities, Naval Reactors' facilities and the Nation's nuclear weapons research and development, testing, and production facilities in support of the national defense. These major national security programs are carried out at government-owned, contractor-operated (GOCO) facilities located throughout the United States.

From the original establishment of the atom bomb development effort under the Manhattan Engineering District, the Government's operating philosophy has been to depend upon the expertise in the private sector rather than attempt to maintain such capabilities in the Government ranks. This philosophy led to the existing system wherein major educational institutions and industrial organizations are responsible for the operation of DOE's facilities, which are closely administered by field offices consisting of Government personnel.

In the chaotic world in which we exist today, with the widespread antinuclear, antimilitary and anti-U.S. sentiments, and proclivity for terrorists to strike symbolic targets, the DOE believes that its facilities require a high degree of protection.

It is recognized that most terrorist acts have occurred outside of the United States. However, in these days of rapid transportation and high technology any location is within striking distance of would be terrorists. In addition, essentially all forecasts are for increasing terrorist activity within the continental limits of the United States.

DOE review completed.

While there is no current indication of an imminent terrorist threat to facilities, there are numerous indications that cause heightened concern. The DOE has been the subject of considerable congressional interest in and criticism of the state of its physical security capabilities. The DOE has spent more than \$1.5 billion for security upgrades over the past 3 years and has increased its armed security forces by about 25 percent to approximately 4,500 personnel. The planned security upgrades costs (including operating costs) in FY 1986 will amount to \$729 million. The DOE has taken the position that it cannot afford a failure at a nuclear weapons or SNM facility; that the consequences of the loss of a weapon, or a significant quantity of SNM, are so serious as to be unacceptable.

One of the major problems facing DOE at the present time is the maintaining of a heightened consciousness of world and domestic conditions among personnel operating its facilities. As part of the effort to deal with this issue, DOE has received permission from the Defense Intelligence Agency and the U.S. Navy to disseminate their daily terrorism bulletins to the DOE field offices. These bulletins are classified at the collateral level (normally SECRET/NATIONAL SECURITY INFORMATION (NSI)). Because some of these bulletins occasionally have "NOCONTRACT" markings, and due to the fact that essentially all DOE field office communication centers (COMCENTERS) are contractor-operated, the Office of Safeguards and Security in Headquarters, DOE, is required to send hard copies of the bulletins to its field personnel. This effort on the part of DOE to abide by the "letter of the law" regarding "NOCONTRACT" provisions of DCID causes problems: (a) it causes a great deal of excessive clerical effort (DOE maintains document accountability for all SECRET material); and (b) it results in the bulletin information being delivered through mail channels several days late at a minimum. The Department therefore requests that it be granted a waiver of the "NOCONTRACT" caveat of DCID 1/7 for the purposes of rapid transmission of such intelligence bulletins as described above, directly through the DOE's COMCENTERS to its field operating (Federal employees) officials.


The following are pertinent factors with regard to DOE field and Headquarters COMCENTER operations: (1) the COMCENTERS are GOCO; (2) all processing of COMCENTER materials is conducted onsite, in a cleared environment; (3) there is a high degree of employment stability among contractor staff in the DOE COMCENTERS; (4) COMCENTERS routinely handle material classified SECRET/NSI or SECRET/RESTRICTED DATA (RD); (5) all COMCENTER personnel are DOE "Q" cleared. These clearances are appropriate for up to TOP SECRET/NSI or RD, and are based on a full background investigation

which, at a minimum, covers the most recent 5-year period. Moreover, DOE's reinvestigation policy provides for additional background investigations at the 5 and 20-year intervals and a National Agency records check and credit check at the 10 and 15-year intervals; (6) COMCENTER personnel are not supervised by government personnel; however, COMCENTER operations are routinely and closely monitored by both DOE Federal communications and security personnel.

Enclosed is a listing of the DOE COMCENTERS. There is an average of five personnel working in each COMCENTER who might potentially see one of the referenced messages. However, our direct procedure will be that when a "NOCONTRACT" message is received in a contractor-operated COMCENTER all copies will be immediately put in a sealed envelope and delivered to DOE.

*IN FACILITY?
DO THEY VISIT?
FOR NO. 100-100-1*

The DOE will appreciate the DCI Security Committees' consideration of this matter as early as practicable.


Martin J. Dowd
Department of Energy
Representative to SECOM

Enclosure