

ALERT

DCSA Implements Updated Facility Clearance Procedures

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On March 1, 2023, the Defense Counterintelligence and Security Agency (DCSA) implemented updated procedures for facility clearance (FCL) sponsorship and FCL package submissions.

Under the new procedures, government contracting activities (GCAs) or contractors will have fewer attempts to submit a complete package submission to DCSA without removal from DCSA's queue. If a package submitted by a GCA or contractor is returned as incomplete, applicants will only have one chance to address the deficiencies identified by DCSA. Notably, if the submission of requested information leads to additional or new questions or information, DCSA will conduct another first review and return a package with details concerning missing information or items to be corrected if it is incomplete. However, if any resubmitted package still contains the same inaccurate or missing information, DCSA will remove the package from their queue and will require the applicant to submit a new sponsorship request or FCL package. Given the new restrictions on resubmission, it is critical that applicants fully utilize all available resources to ensure that their packages are complete. To increase transparency, DCSA will also be notifying affected parties when returning, rejecting, or discontinuing packages.

These updated procedures are intended to reduce reworking of packages between government contractors and DCSA "while ensur[ing] the fullest degree of transparency practicable" during the FCL process. In its press release, DCSA noted that reworking adds significant time to case reviews and contributes to the aging of package submissions in the queue. On average, a sponsored contractor's package cycles 1.93 times with a 53% rejection rate; an initial/upgrade FCL package cycles 2.5 times on average with a 70%

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Foreign Ownership, Control or Influence (FOCI)
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rejection rate. DCSA's goal is to reduce both rates to or near 1.1 and 15%.

Wiley's International Trade and National Security Practices regularly advise industry clients on FCLs, including those that are under foreign ownership, control, or influence (FOCI). For more information on FCLs, DCSA, FOCI, and our related capabilities, please contact the attorney listed on this alert.

View Wiley's latest DCSA and Foreign Ownership, Control, or Influence (FOCI) Handbook [here](#).

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April Song, a Trade Analytics Specialist at Wiley Rein LLP, contributed to this alert.