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Subject: **Interim Rule Relating to Cybersecurity**

Recent public events have underscored the need for U.S. contractors and their supply base to continue working to improve the security of their information systems. In response to these events, the Department of Defense (DoD) issued an interim rule that expands the obligations imposed on contractors and subcontractors to safeguard "covered defense information" and report cyber incidents on information systems that contains such information. The interim rule also establishes new requirements when DoD contract's for cloud computing services. Please find the interim rule at (http://www.gpo.gov/fdsys/pkg/FR-2015-08-26/pdf/2015-20870.pdf).

More specifically, effective August 26, 2015, DoD published an interim rule that substantially updated and renamed the existing DFARS clause called Safeguarding Unclassified Controlled Technical Information (UCTI) (DFARS 252.204-7012) and added four more DFARS clauses. The new/updated clauses are as follows:

- **DFARS 252.204-7012**, the name of which is changed to "Safeguarding Covered Defense Information and Cyber Incident Reporting"
- **DFARS 252.204-7008**, "Compliance with Safeguarding Covered Defense Information Controls" which is a companion clause to DFARS 252.204-7012
- **DFARS 252.204-7009**, "Limitations on the Use and Disclosure of Third Party Contractor Reported Cyber Incident Information"
- **DFARS 252.239-7009**, "Representation of Use of Cloud Computing"
- **DFARS 252.239-7010**, "Cloud Computing Services"

Please note the following:

- Each of these clauses, *except* DFARS 252.204-7008 and 252.239-7009 is a mandatory flow down to subcontractors at all tiers.
- DFARS 252.204-7008 permits contractors to propose deviations from the technical requirements required in DFARS 252.204-7012. The deviations must be approved by the DoD Chief Information Officer. This provision will be applied to subcontractors.
- Subcontractors who are not compliant with the requirements of DFARS 252.204-7012 should (a) notify Northrop Grumman through the authorized procurement representative identified in the purchase order and (b) pursuant to the substance of DFARS 252.204-7008, provide the subcontractor's alternative approach to compliance to the DoD Chief Information Office.
- The definition of "covered defense information" is more expansive then the definition of UCTI. Please closely review this and other definitions in the new rule.
- Unlike the previous rule which required the Government to mark documents containing UCTI, the interim rule does not require the Government to mark documents containing covered defense information.

Effective October 8, 2015, DoD issued Class Deviation 2016-O0001 pertaining to DFARS 252.204-7008 and DFARS 252.204-7012. Please refer to DoD Class Deviation 2016-O0001 (8 October 2015), *Safeguarding Covered Defense Information and Cyber Incident Reporting* for more details. Northrop Grumman encourages your organization to review the above referenced rule and the clauses discussed therein and the class deviation. Please contact your Buyer for

questions related to a specific procurement or the Corporate GSC Compliance Office at GlobalSupplyChain@ngc.com for general questions.

Sincerely,

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