

# Industrial Security for Commercial Space

Understanding the National Industrial Security Program (NISP) and Foreign Ownership, Control, or Influence (FOCI)

## Why this matters

Commercial space is increasingly national-security business. Companies that once flew purely commercial payloads now build for the Department of Defense and the intelligence community — and that work is often classified. Doing it means earning the government's trust: clearing your facility, clearing your people, and demonstrating that no foreign interest can quietly reach what you are protecting. This is the world of **industrial security**.

## Getting cleared: facilities, people, and need-to-know

Access to classified information rests on two clearances working together. A company holds a **Facility Clearance (FCL)**; the individuals who actually do the work hold **Personnel Security Clearances (PCLs)**. But a clearance is not a master key. Even when fully cleared, a person may only reach the specific information they have a genuine **need-to-know** to do their job. And not all secrets are equal — classified information is marked at three levels of sensitivity, rising from **Confidential**, to **Secret**, to **Top Secret**, with safeguards tightening as you go up.

## The rulebook: NISP, the NISPOM & DCSA

Tying this together is the **National Industrial Security Program (NISP)** — the framework through which government and private industry jointly protect classified information. Its operating manual, the **NISPOM**, spells out exactly what cleared contractors must do; in 2021 it became federal regulation at **32 CFR Part 117**. For most cleared contractors, the program is administered by the **Defense Counterintelligence and Security Agency (DCSA)**, which grants facility clearances and oversees FOCI mitigation.

## The foreign-influence problem: FOCI

Capital and ownership are global, and space is no exception — a cleared contractor may have foreign investors, a foreign parent, or foreign directors. The government captures all of this under a single term: **FOCI**, or **Foreign Ownership, Control, or Influence**. Importantly, foreign ownership does *not* automatically disqualify a company from classified work. What matters is whether that foreign connection could let an outside interest reach classified information or sway sensitive decisions — and, if so, whether the risk can be brought under control.

## Mitigating FOCI

When FOCI is present, the company and DCSA put an arrangement in place sized to the degree of foreign involvement. Lighter influence may be handled by a **Board Resolution**; more significant ownership or control calls for a formal agreement — a **Security Control Agreement (SCA)**, a **Special Security Agreement (SSA)**, or, at the most stringent end, a **Proxy Agreement** or **Voting Trust** that hands voting control to cleared U.S. citizens and walls the foreign owner off from the company's classified work. The greater the foreign stake, the more the arrangement is built to insulate that work from it.

## FOCI vs. CFIUS: two different gates

These are easy to confuse, since both involve foreign investment and national security — but they are different gates at different moments. **CFIUS**, the Committee on Foreign Investment in the United States, is a Treasury-led interagency body that reviews foreign-investment *transactions* across the economy for national-security risk; it can impose conditions to address concerns and, in serious cases, recommend that the President block a deal or order it unwound — sometimes even after it has closed. **FOCI mitigation** is narrower and ongoing: run by DCSA inside the NISP, it governs how an already foreign-influenced *cleared contractor* can keep performing classified work. Different referee, different question, different point in time.

### Go to the source

**32 CFR Part 117 (NISPOM)** — the operating manual for protecting classified information in industry · **DCSA — Foreign Ownership, Control or Influence** — the agency that administers the NISP's FOCI program and mitigation agreements · **CFIUS (U.S. Department of the Treasury)** — the interagency committee that reviews foreign investment for national-security risk.

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