		ATC STANDARD		INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers			Issue Date:		July 30, 2006
			Reissue Date:		August 14, 2007
Owner:		Infrastructure Security			
Executive Sponsor:		VP Legal & Secretary			


1. Overview

1.1 Purpose:

- 1.1.1 The purpose of this standard is to document the security requirements for granting unescorted access detailed in the Scope in Section 2.0 for all American Transmission Company (ATC) Suppliers. The term “Suppliers” refers to companies that perform services to ATC and will include Supplemental Workers and Service Vendors.

2. Scope

- 2.1 This standard applies to all personnel seeking unescorted access to ATC’s offices, substations or computer systems and network (to include remote access). It also applies to persons receiving ATC confidential and proprietary information, including Critical Energy Infrastructure Information and for personnel provided with ATC identification. Such access, information and identifications shall hereinafter be jointly referred to as the “Security Privileges.”
- 2.2 ATC Suppliers (which will include subcontractors to Primary Suppliers) seeking security privileges for Employees providing Services to ATC shall comply with this Standard in its entirety.
- 2.3 Specific detailed procedures for the on boarding and access terminations of Supplier Employees will be provided by ATC Infrastructure Security to the Supplier.
- 2.4 ATC reserves the right, at its sole discretion, to refuse unescorted access to anyone.
- 2.5 ATC reserves the right to audit any and all Supplier or Supplier Subcontractor records and/or interview any and all Supplier Employees for compliance with the terms and conditions of this Standard.
- 2.6 Failure of a Supplier to comply with this Standard, including any violations of this Standard, may result in a termination for cause of the agreement between ATC and the Supplier, and a suspension or revocation of the Supplier’s ability to provide Services to ATC.


	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

- 2.7 This Standard is coordinated through the ATC Infrastructure Security department located at N19W23993 Ridgeview Parkway W, Waukesha, WI 53188, telephone number 262-506-6199.
- 2.8 Please Note: As regulations and standards applicable to ATC change, the requirements in this Standard may be affected and may be changed at any time, with or without notice. Questions regarding ATC's security requirements should be directed to ATC Infrastructure Security at 262-506-6199.

3. Supplier Corporate Responsibilities

Note: *These are our general corporate requirements. However, the language in a contract between ATC and the Supplier will supersede the general requirements listed in this section.*

- 3.1 **Indemnity.** Supplier shall indemnify and hold ATC harmless from those damages that are actually incurred by ATC to the extent and in the percentage such damages are caused by Supplier's failure to perform its obligations as set forth in this Standard.
- 3.2 **Insurance.** Prior to beginning Services for ATC, and continuing for the entire term Services are being performed for ATC, Supplier shall procure and maintain General Liability, Automobile Liability, Worker's Compensation, and Professional Liability insurance coverage through carriers satisfactory to ATC.
- 3.2.1 **Limits.** Initially the limits of insurance coverage shall be \$5,000,000 for General Liability, Automobile Liability, and Professional Liability/Errors and Omissions Liability coverage, and statutory limits for Worker's Compensation. ATC reserves the right to revise these required limits from time to time.
- 3.2.2 **Additional Insured.** Supplier will provide ATC with current certificates of insurance throughout the entire time Services are being performed for ATC.
- 3.3 **Confidentiality.** During the time Services are being performed, Supplier and its personnel may receive and otherwise be exposed to ATC's confidential and proprietary information, including at times, information that is considered by ATC to be "Critical Energy Infrastructure Information" as that term is defined in 18 C.F.R 388.113, which information may at some period of time have been publicly available (collectively, "Confidential Information"). Confidential Information does NOT include information which: is approved for release by written authorization of ATC, but only to the extent of

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

and subject to such conditions as may be imposed in such written authorization; or is disclosed in response to a valid order of a court or other governmental or regulatory body of the United States, any state or any political subdivisions thereof, but only to the extent of and for the purposes of such order, provided, however that Supplier shall first notify ATC of the order and permit ATC to seek an appropriate protective order.


Supplier, for itself and all its personnel, agrees that such information is the sole, exclusive and extremely valuable property of ATC. Supplier shall use the Confidential Information only in furtherance of ATC's business and as specified by ATC. Supplier agrees it will not reproduce Confidential Information in any manner or medium without prior written consent, use any Confidential Information for any purpose other than in the performance of Services for ATC, or divulge any part of Confidential Information in any form to any third party.

Immediately upon either receipt of written notice from ATC or upon termination of the performance of Services for ATC, whichever occurs first, Supplier agrees that it shall cease using and shall return to ATC all whole and partial copies, and derivatives of the Confidential Information.

In addition, Supplier acknowledges that it is aware of the Standards of Conduct imposed by the Federal Energy Regulatory Commission, and Supplier agrees to comply with such standards of conduct. Specifically, and without limiting the generality of the foregoing, Supplier agrees that it shall not disclose, directly or indirectly, to any entity engaged in the sale for resale or purchase for resale of electric energy in interstate commerce ("Wholesale Merchant Functions"), or to the employees or subcontractors of any such entity engaged in Wholesale Merchant Functions, any information concerning the ATC transmission system or the transmission system of any other entity or any market information (including, but not limited to, available transmission capability, price, curtailments or ancillary services) other than information posted on the Open Access Same-Time Information System ("OASIS") which is at the same time available to the general public without restriction.


4. Personnel Risk Assessments

- 4.1 ATC Suppliers shall become and remain familiar with the latest revision(s) of laws, regulations and guidelines applicable to ATC and the Services to be performed for ATC, and shall comply with all such laws, regulations and guidelines.
- 4.2 When a Contract (including lease agreements) and/or Purchase Order has been approved with ATC, the Supplier will contact their respective ATC Sponsor and provide them with the name of the employee(s) that will require Security Privileges. ATC Infrastructure Security will be notified via an internal procedure, so that the Supplier


	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

employee can be processed for access privileges.

- 4.3 In order for any Supplier employee to be granted Security Privileges, the Supplier shall, at the Supplier's **own cost and expense** (including any wages or other payments that are part of a collective bargaining agreement), conduct a Personnel Risk Assessment for each individual. This assessment will consist of two (2) parts: a seven-year history Background Screening and a Hair Specimen Drug test.
- 4.3.1 ATC has partnered with First Advantage, a consumer reporting agency, to conduct all Personnel Risk Assessments for ATC. First Advantage is the only approved consumer reporting agency permitted to conduct Personnel Risk Assessments for ATC. Assessments performed by other vendors will **NOT** be accepted by ATC, and Security Privileges will NOT be granted.
- 4.3.2 Upon receipt of an internal notification, ATC Infrastructure Security will issue an email to a new Supplier detailing the requirements for the security process. This email will include the Issuance of Security Privileges Standard and the First Advantage Account Setup Package.
- 4.3.3 The Supplier must contact First Advantage Enterprise Screening Corporation (hereinafter referred to as First Advantage), 100 Carillon Parkway, St. Petersburg, Florida 33702, telephone number 800-321-4473 extension 2226, and establish an account with the approved consumer reporting agency so that background screenings and drug tests can be processed.
- 4.3.4 **BACKGROUND SECURITY SCREENINGS.** The screening, conducted by First Advantage, will include inquiries into the following:
- 4.3.4.1 **SOCIAL SECURITY NUMBER:** Querying the consumer reporting agency for verification of a valid Social Security Number to validate identity of the supplier employee. The Social Security query provides (a) Name and name variations used by the individual, such as maiden, divorced or previous names, (b) Current and former address(es) associated with that SSN, (c) notification if the social security number entered on the application is not associated with the supplier employee or has been used in a previously filed death benefit claim; and
- 4.3.4.2 **EMPLOYMENT HISTORY:** Contact with each and every employer for the most recent seven (7) years. All information supplied by the individual shall be verified and all negative references, unexplained leaves of absence, inaccuracies and disparities in information shall be further investigated and explained; and

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

- 4.3.4.2.1 ***Breaks in Employment:*** Inquiry into all gaps in employment (90 days or more) during the past seven (7) years, investigating and verifying the individual's activities during these times with particular attention being paid to the accuracy of the information provided and determining whether a security risk is presented; and
- 4.3.4.3 ***EDUCATIONAL HISTORY:*** Investigating the highest level of verifiable education, and all training and licensing history with particular attention being paid to consistency and accuracy, and any inaccuracies and inconsistencies in career path are further investigated and evaluated to determine whether a security risk is presented; and
- 4.3.4.4 ***RESIDENCY:*** Investigating and verifying the past seven (7) years' residency history, with particular attention being paid to the existence of multiple permanent residences; travel outside the United States; and evaluating the individual's residency history to determine whether a security risk is presented; and
- 4.3.4.5 ***CRIMINAL:*** Performing a National criminal felony and misdemeanor background check covering, at a minimum, all previous names used, the state(s) of the individual's residence(s) for the past seven (7) years, and further evaluating past activity to determine whether past criminal or misdemeanor activity is substantially related to the Service to be performed for ATC and whether a security risk is presented. A follow-up is required in those counties with possible criminal convictions. This National review will also include a review of the watch lists maintained by the Office of Foreign Asset Control (OFAC); and
- 4.3.4.6 ***MOTOR VEHICLES:*** Verifying that the individual has a valid driver's license and performing a driving record check; and
- 4.3.4.7 ***PROFESSIONAL LICENSING:*** Investigating professional license and certification verifications. Reports will provide information on the validity of the professional licenses, date of issue, renewal and expiration dates, current status and any disciplinary action.

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

- 4.3.5 **DRUG TEST (Hair Specimen)**. A five panel drug screen shall be performed within two (2) weeks prior to the individual reporting to ATC to perform Services. The collection method for ATC is hair testing. Specific instructions for setting up the collection center locations are included in the First Advantage Account Setup Package.
- 4.3.6 **REPEAT SCREENINGS:**
- 4.3.6.1 Repeat background screens will be required every seven (7) years, or more frequently as may be mandated by state or federal regulations, for all Supplier Employees who have unescorted access to ATC's Critical Cyber Assets.
- 4.3.6.2 Repeat background screens and drug tests will be required if a Supplier terminates their Employee's services for ATC for a period of 12 months or greater. This must be successfully performed before the Employee can be reinstated to ATC.
- 4.3.7 **ACCESS DISQUALIFICATION CRITERIA** – It is the responsibility of the Supplier to review the results of the background screening and drug test prior to issuing the access certification to ATC.
- 4.3.7.1 ATC will **not** consider, and the Supplier shall **not** submit for ATC's consideration, any individual who is determined to present a security risk to ATC based upon the criteria listed Sections 4.3.7.2 and 4.3.7.3 below.
- 4.3.7.2 **Automatic Disqualification**. If ANY of the following six (6) statements are true, the Supplier Employee will be automatically disqualified for Security Privileges at ATC as defined in Section 2.1.
- a. Supplier Employee receives a POSITIVE drug test result; or
 - b. Supplier Employee is listed on the OFAC or any Federal "Most Wanted" Fugitive or Terrorist Watch List; or
 - c. Falsification, omission or misrepresentation of information provided on the Personnel Risk Assessment Application; or
 - d. The Supplier Employee is not legally permitted to work in the United States; or
 - e. The Supplier Employee's access privileges were terminated **for cause** from ATC (either as a former ATC employee or a Supplier employee); or
 - f. Access privileges previously terminated by ATC for any other reason.

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

4.3.7.3 **Other Disqualification Considerations.** Convictions, pleas or guilty of nolo contendere in the following areas present a concern to ATC, and the Supplier shall closely scrutinize the results of the assessments to determine if Security Privileges for ATC should be granted to their employee.

- a. Illegal Narcotics (i.e., possession, manufacturing, trafficking, sale or intent to sell/distribute);
- b. Dishonesty (i.e., extortion, embezzlement, perjury, fraud, theft, burglary, forgery);
- c. Serious violent behavior (i.e., rape, sexual misconduct or assault, aggravated assault, armed robbery, arson, manslaughter, homicide);
- d. Any employment-related criminal misconduct;
- e. Any other conviction **substantially related** to the service being performed.


4.3.8 Upon successful completion of the Personnel Risk Assessment process, the Supplier will issue a Security Verification Form (SVF) to ATC certifying compliance with this Standard. This form and the detailed procedure for on-boarding Supplier Employees will be provided by ATC Infrastructure Security.

4.3.9 Suppliers are responsible for re-evaluating an employee's access privileges when they become aware that an employee has been involved in criminal activity that could potentially disqualify their access status. If the employee is determined to pose an unacceptable risk, the Supplier shall immediately remove the employee from ATC and follow the established ATC procedure for revoking Supplier Employee access.

4.3.10 Suppliers will maintain background and drug testing records in accordance with state and federal regulations. As stated in Section 2.5, "ATC reserves the right to audit any and all Supplier or Supplier Subcontractor records and/or interview any and all Supplier Employees for compliance with the terms and conditions of this Standard".

4.3.11 **ADDITIONAL SECURITY REQUIREMENTS**

4.3.11.1 **Security Training.** Security training will be required of all Supplier Employees that will be granted unescorted access. Specific instructions regarding this training will be provided by ATC Infrastructure Security. Required training must be successfully

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

completed in order for ATC to grant access privileges. **Note: Supplier shall bear all costs and expenses associated with the required training.**

- 4.3.11.1.1 At a minimum, online training will include:
- (a) Security Awareness Training (annual recertification) and/or
 - (b) FERC Standards of Conduct (annual recertification).
- 4.3.11.1.2 Other training as required depending on the access granted for the services to be provided:
- (a) NERC Cyber Security Training (annual recertification);
 - (b) Acceptable Use Policy for ATC Electronic Resources;
 - (c) Substation Access Training;
 - (d) Customer Service Training;
 - (e) Other training as required.


4.3.11.2 **Disabled (Blind/Hearing Impaired) and/or Non-English Speaking Supplier personnel.** The Supplier, **at its own cost and expense**, shall provide any interpreter, assistant or translators required so that all its personnel may fully and completely understand the standards, training and documents. The interpreter, assistant or translator shall co-sign all documentation along with disabled or non-English speaking personnel certifying they have interpreted all training and security documents for the Supplier's personnel and that Supplier's personnel understand the information received.

4.3.11.3 ***IMPORTANT: No Supplier Employee will be permitted to start working and/or provide Services to ATC on an unescorted access basis until successful completion of the background check, drug testing and online training courses.***

4.3.11.4 Supplier personnel shall not possess, sell, use or be under the influence of any intoxicants or illegal substances while performing Services for ATC. ATC shall have the right to request that personnel be removed from ATC worksites or submit to testing if circumstances exist that indicate any such personnel may be under the influence of intoxicants or illegal substances.

4.3.11.5 As stated in Section 2.4, *"ATC reserves the right, at its sole discretion, to refuse unescorted access to anyone"*.

4.3.11.6 **Consequences of Non-Compliance.** *"Failure of a Supplier to comply with this Standard, including any violations of this Standard, may result*

	ATC STANDARD	INFRASEC-STRD-002-0706-05	
Issuance of Security Privileges Standard for Suppliers		Issue Date:	July 30, 2006
		Reissue Date:	August 14, 2007

in a termination for cause of the agreement between ATC and the Supplier, and a suspension or revocation of the Supplier's ability to provide Services to ATC" (restated from Section 2.6).

4.3.12 TERMINATION OF SECURITY PRIVILEGES

4.3.12.1 **Termination by ATC.** ATC may, in its sole discretion, prohibit personnel from entering and/or remaining on ATC premises for reasons, including but not limited to safety or security. Under such circumstances, ATC shall not be liable to Supplier, its subcontractors or any of its or their Employees for the loss of income or benefits that may be incurred as a result of being prohibited from entering and/or remaining on ATC premises.

4.3.12.2 **Termination by Supplier.** It is the responsibility of the Supplier to notify ATC immediately upon the termination of a Supplier Employee that has been granted unescorted access to ATC. Specific processes are included in the procedures that will be provided by ATC Infrastructure Security.

4.3.12.3 **ATC Property.** Supplier shall retrieve and return to ATC Security all ATC issued property, including but not necessarily limited to identification; access badges; credentials; keys to substations, offices, and desks; and remote log-in tokens.

UNDER NO CIRCUMSTANCES may the Supplier transfer items issued by ATC from one individual to any other, including to an individual who will replace a terminating employee. This form is not required when the termination coincides with the conclusion of a contract with the Supplier.

5. References

- 5.1 North American Electric Reliability Corporation (NERC) – Critical Infrastructure Protection (CIP) - Cyber Security – Personnel & Training (CIP-004)
- 5.2 ATC Policy – Security Identification Badge and Access Control Policy
- 5.3 Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations