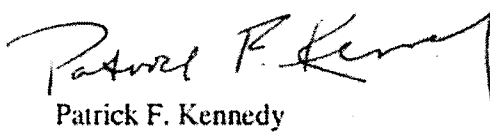MAR 9 2014

Dear Mr. Ferriero:

The Department of State is pleased to provide the following report on its progress in implementing the *President's Managing Government Records Directive (MGRD) M-12-18* issued on August 24, 2012.

We take this opportunity to re-confirm the longstanding commitment to preserving and managing records, particularly the heightened focus on electronic records as mandated by the President's directive. The Department takes its responsibilities under the President's directive seriously. We understand the relationship between a good records management program, transparency, and open government. That is why the Secretary assigned the responsibilities of the Senior Agency Official to my office. Under my auspices, we are working to bring the resources of the offices of the Comptroller, Chief Information Officer (CIO), Administration, Security, and Budget and Planning together in a coordinated fashion in order to meet the goals of the President's directive. Last September, I created a senior level working group that includes the Director of the Office of Policy, Rightsizing, and Innovation; Chief Information Officer; Deputy Legal Advisor; Deputy Assistant Secretary for Global Information Services, and subject matter experts from across the Department. The group works on issues and challenges associated with the preservation and disposition of electronic records. Their work and plans for the future are described in our report.

We look forward to continuing the close collaboration with you and your staff on the implementation of this important initiative. My point of contact for this effort is Margaret (Peggy) Grafeld, Deputy Assistant Secretary for Global Information Services. She may be reached at 202-261-8300 or by e-mail at GrafeldMP@state.gov.

Sincerely,

Patrick F. Kennedy

Enclosure:
  As stated.

The Honorable
  David S. Ferriero,
    Archivist of the United States.

Managing Government Records Directive
Senior Agency Official (SAO) Annual Report

Executive Summary

The Department of State (the Department) is responsible for formulating and executing the foreign policy of the United States and maintains records dealing with U.S. foreign relations as well as those relating to the programs and activities that support this mission. The Department's mission is global in nature as are the records that document that mission: as such the Department maintains its records at dozens of locations domestically and at hundreds of posts located around the globe. Moreover, many of the Department's records contain sensitive national security information and are classified pursuant to E.O. 13526.

For this reporting period, the Department met all of its 2013 goals as required by the President's Managing Government Records Directive (MGRD). The Department identified its unscheduled records and permanent records over 30 years old (MGRD Requirements 2.2 and 2.5) and provided these reports to the National Archives and Records Administration (NARA) as part of the Department's 2013 Agency Records Management Self-Assessment. In addition, the Department established an Electronic Records Management Working Group (ERMWG) to address MGRD Requirements 1.1 and 1.2 and identified executive sponsors and participants. Initially, the ERMWG will provide a high-level roadmap outlining where the Department needs to be regarding its handling of electronic records, including email. The working group will also develop high-level requirements as well as create an action plan to implement the direction, in order to ensure the Department satisfies its e-records requirements.

Finally, in FY-2013 the Department transferred over one million electronic records and nearly 200 lots of paper files to NARA. We also initiated a study of hardcopy digitization needs within the Department and are developing options for responding to them (a sub-component of MGRD Requirement 1.1). The Department is already planning the initiatives necessary to meet the MRGD's requirements for 2014 and beyond.

SECTION ONE:

Electronic Records Management for Permanent Records (1.1): *By December 31, 2019, all permanent electronic records in Federal agencies will be managed electronically to the fullest extent possible for eventual transfer and accessioning by NARA in electronic format. By December 31, 2013, each agency will develop and begin to implement plans to achieve this transition. Agencies should also consider the benefits of digitizing permanent records created in hard-copy format or other analog formats (e.g., microfiche, microfilm, analog video, and analog audio).*

Under the direction of the Senior Agency Official (SAO), the Department has established an E-Records Management Working Group (ERMWG) to coordinate efforts to maintain and preserve electronic records. The ERMWG has been tasked with developing solutions to Targets 1.1 and 1.2. Where the ERMWG activities pertain to both targets, these activities are described in this section. At this point the ERMWG is developing a common action plan for both targets. Section 2 will present Department activities that relate specifically to the management of email.

As previously reported in the Department's Self-Assessment Report, the Department has over 100 information management systems that provide proper records management functionality for records contained within them. The Department's Records Officer participates in the Capital Planning and Investment Control (CPIC) Program to ensure that recordkeeping requirements are included in new IT system development. The Records Officer's participation in the CPIC process ensures that new and updated systems that create and maintain permanent records are scheduled and managed.

The Department, like other federal agencies, still faces many challenges as it relates to the maintenance and disposition of its unstructured information. The Department will continue to look for "best practices" within Federal, State, and Local governments on how to handle unstructured data; and to industry for their assistance on how to the preserve this information. Plans for the remainder of 2014 and after will be developed by the ERMWG once the initial planning process has been completed.

1. *Describe how your agency's permanent electronic records are currently captured, retained, searched, and retrieved.*

   The State Department has taken a multi-layered approach for managing its permanent electronic records. The Department's permanent electronic records are preserved primarily through the State Archiving System (SAS). SAS contains the official centralized file of the Department of State which incorporates records and documents of a substantive nature that establish, discuss, or define foreign policy and its development and implementation. Included are telegrams, and other record types such as general correspondence, inter-agency correspondence, congressional correspondence, reports, memorandums, diplomatic notes, email messages, and other communications and documentation. Also included is metadata relating to all the documentation.

For permanent electronic records within IT systems, the Department works closely with NARA to schedule those records. The Department has issued guidance on the management of electronic records within the desktop environment. This guidance is available on the Records Management website and available to all staff and contractors.

2. *Describe any plans to digitize permanent records currently in hard-copy format or other analog formats.*

During 2014, Department will study its digitization needs and will identify appropriate options for meeting them. Currently, selection of records to be digitized is performed by the individual bureaus, which are responsible for funding the projects. The Department has issued several guidance documents on the digitization of records; future activities by bureaus will be implemented in coordination with the Department's Records Officer.

3. *Describe your agency's plans to manage all permanent electronic records in electronic format by December 31, 2019.*

The Department devoted 2013 to completing a successful pilot of an electronic archive prototype; developing background papers on electronic records management; establishing the ERMWG; developing a high-level issue paper for the transition process; and updating the Traffic Analyses by Geography and Subject (TAGS) system. As noted above, in 2014 the ERMWG will develop the basic plans for implementing Target 1.1. In 2014 the ERMWG, as part of its planning process, will determine the need for budget, procurement, and contractor support requests in order to meet the 12/31/19 target date. During 2013, the Department undertook several improvements in its records management program and practices. The Department updated and expanded its Retired Records Inventory Management System (RIMS) database to accept electronic records retirements. We initiated acceptance of certain permanent records from overseas posts in electronic form and developed the capability to store many of the Department's essential records electronically at an offsite location.

4. *Describe any challenges your agency faces in achieving this goal. Are there any areas where NARA could assist your agency including changes to official NARA guidance, training, or other avenues?*

Part of the work of the ERMWG is to identify both current and future resources that are needed to support implementation of Goal 1.1. The ERMWG members will also be recommending potential changes to the Department's current IT architectural environment to support electronic recordkeeping. Achieving this goal will require the Department to undertake a comprehensive review of the existing records management policy and guidance framework as well as the existing system of records schedules, all of which will be accomplished in coordination with NARA.

Are there any areas where NARA could assist your agency including changes to official NARA guidance, training, or other avenues?

In the initial response to the Presidential Memorandum in 2012, the Department has been on record as supporting a revision to the definition of a Federal record and revisions to the Code of Federal Regulations (CFR) regulations on electronic records management (36 CFR Chapter XII Subpart C) and email management (36 CFR Chapter 1236.22)

In addition, we recommend that NARA engage the Federal Chief Information Officer (CIO) Council to transition the work of the Council towards the goals of the President's memorandum to include electronic recordkeeping. Agencies will be severely hampered in achieving this goal of the President's Memorandum if the CIOs are not actively engaged in identifying and implementing practical solutions.

Transitioning to electronic recordkeeping is a major goal of the MGRD. One factor driving the transition is to improve the ability of Federal agencies to respond to requests for information from Congress, through litigation, and by the public.

SECTION TWO:

Electronic Email Management (1.2): *By December 31, 2016, Federal agencies must manage all email records in an electronic format. Email records must be retained in an appropriate electronic system that supports records management and litigation requirements (which may include preservation in-place models, including the capability to identify, retrieve, and retain the records for as long as they are needed).*

1. *Describe how your agency's email records are currently captured, retained, searched, and retrieved.*

   The Department currently deploys several methods to capture email records. Email records can be "printed and filed," saved to approved systems, or saved in the Department's State Messaging and Archive Retrieval Toolset (SMART) system. In addition, departing Senior Official's email can be saved onto disks and sent to the Department's Records Officer for storage; these Senior e-mails are available for reference and retrieval using a basic search function.

   Department-wide guidance requires employees to use the SMART system to send cables and also archive record emails into the system. Emails and cables saved to SMART are managed by the TAGS system applied by the creator. TAGS (the Department-wide taxonomy) are applied to both cables and record emails. TAGS indicate the retention period for each email/cable. SMART is full-text searchable and can be searched by various metadata, including TAGS.

2. *Describe how your agency identifies temporary and permanent email records and preserves long-term and permanent email records.*

   In 2007, in a joint effort with NARA, the Department developed the first ever big "bucket" records disposition schedule for electronic records leveraging our TAGS taxonomy. TAGS has been used by the Department since 1973 for our telegrams and other electronic records. During the development of the SMART Record email component the Department again worked closely with NARA to determine SMART message types and the use of TAGS for Record email disposition. Each Record email has an employee selected TAGS based on the content of the message. Each TAGS has a specified retention assigned to it.

   The Department has developed guidance products for all its employees and contractors on identification of record emails and how to file them in SMART. The Department also uses the system of TAGS to identify both temporary and permanent record emails filed in SMART. Each of the TAGS has a specified retention assigned to it. Emails and cables with TAGS that are linked to permanent retentions will be managed within SMART archive.

3. *Describe how the authorized disposition is applied at the end of the appropriate retention period for temporary and permanent email records.*

   As stated above, the Department uses TAGS to identify permanent and long-term temporary records in SMART. At this point, no SMART record emails have reached their final retention. The Department does use disposition by TAGS during the transfer process for the telegrams and transfers only the permanent records. This process will be replicated for the Record emails when they are eligible for transfer. The SMART Archive is able to place litigation holds on any relevant records.

4. *Describe your agency's plans to manage all email records in electronic format by December 31, 2016.*

   The Department's Senior Agency Official has established the ERMWG to address the future management of email records within the Department. This working group crosses all aspects of the Department, and includes members from our Legal, Records Management, Historian, Secretariat, Management, and IT components. The ERMWG will determine the plans for managing all email records in electronic format as part of its overall mandate described in Section 1. The ERMWG in 2014 will also address the planning process to achieve this goal, and the timeline of major milestones that show steps towards meeting the 12/31/2016 target date.

SECTION THREE:

Use of Cloud Computing Services (A4.1): *By December 31, 2013, NARA will incorporate into existing reporting requirements an annual agency update on cloud initiatives, including a description of how each new initiative meets Federal Records Act obligations and the goals*

outlined in this Directive. For the initial report the agency will identify any existing use of cloud services or storage, and the date of implementation.

1. *Describe your agency's cloud environment or any cloud initiatives for your agency. (Note: If your agency does not currently have any cloud initiatives and does not have any future plans, please indicate this in the report.)*

   There are several public, private, and government cloud initiatives underway throughout the Department. State is leveraging FedRAMP certified cloud service providers that have been granted authority to operate. The Department is also following established FISMA criteria for evaluating data and applications for critical and PII information prior to placement in the cloud. We are also following NIST Cloud Computing Security Reference Architecture to ensure proper cyber security for this data.

2. *Describe how records management controls are incorporated into your agency's cloud environment.*

   Records management controls are applied to systems creating and maintaining electronic records at the system level. Adequacy of controls is reviewed during the Capital Planning and Investment Control process. In addition, the Department has issued a policy on the use of cloud computing (5 FAM 1100) and a guidance document entitled "Cloud Computing: Implications for Records Management, Privacy, and Security."

3. *Describe your agency's future plans to expand current use or implement additional cloud computing, and include recordkeeping functionality.*

   The Department will continue to evaluate cloud alternatives to replace or update systems and capabilities. The Department's Records Officer will work with staff from the CIO's Office and other stakeholders in the Department, to identify additional policies and capabilities needed to ensure adequate recordkeeping.

4. *Describe any challenges your agency faces in achieving this goal. Are there any areas where NARA could assist your agency including changes to official NARA policy, guidance, or training?*

   As cloud computing continues to mature in the Federal, public and private arenas, greater emphasis will need to be made to identify and track "best practice" cloud implementations. The Department is proceeding with caution as it relates to cloud technologies and the security and disposition of its information on its classified network. We believe that NARA has a role as a clearinghouse of information relating to federal agencies currently using cloud technologies; and or planning to move their records to public clouds. NARA should also provide more details relating to their own efforts to use a public cloud for their e-mail storage. NARA should work with the CIO Council and the General Services Administration to provide options to all federal agencies for managing records in a cloud environment. NARA could provide training to IT staff on the concrete steps agencies should take to ensure records in the cloud are managed appropriately.