



## DNV concerns with the DOD CMMC Program

**The CMMC Program arbitrarily discriminates against otherwise qualified assurance companies based solely on foreign ownership, ignoring the value from and spirit of cooperation with America's allies.**

The CMMC Accreditation Body (CMMC-AB) is currently not acting on CMMC Third-Party Assessor Organization (C3PAO) applications from foreign-owned companies—even those from the United States' allies and defense partners. This includes an application from DNV Business Assurance USA Inc., a US-based and incorporated assurance company wholly owned by the DNV Group of Norway.

The exclusion of foreign-owned assurance companies does not appear to be based on any statute or regulation but is rather an arbitrary policy of the DOD or the CMMC-AB.

DNV Business Assurance USA Inc. is a US-based company, incorporated and headquartered in Texas. It is 100% owned by the DNV Group, a global independent provider of assurance and risk management services to the maritime, energy, aerospace, and other sectors. DNV is a Norwegian corporation, 100% owned by a private Norwegian foundation that has as its purpose the safeguarding of life, property, and the environment. DNV has been operating in the United States for 124 years, since 1898.

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*"America's alliances are a tremendous source of strength,"* remarked Secretary of State Antony Blinken at the conclusion of the US-Norway Supplementary Defense Cooperation Agreement in April 2021.

*"This agreement reflects decades of close US-Norwegian security partnership and our shared commitment as NATO Allies to Transatlantic security. . . . The SDCA reflects our commitment to reaffirming and reinvigorating America's alliances to meet common security challenges and protect shared interests and values."* [\(Press statement 16 April 2021\)](#)

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The security of sensitive unclassified information within the Defense Industrial Base—which includes both domestic and foreign suppliers—is a common security challenge and a shared interest of the US and its allies, such as Norway. The United States' security benefits

from the active participation of its trusted foreign partners through the supply of military matériel, goods, and services. This also includes cybersecurity services, such as the cybersecurity assurance services that DNV Business Assurance USA Inc. seeks to provide to its existing US Defense Industrial Base customers as an accredited CMMC Third Party Assessor Organization.

The CMMC Program exists to ensure suppliers in the Defense Industrial Base have implemented essential cyber controls to protect sensitive unclassified information from disclosure. The CMMC Program needs experienced—and trustworthy—assurance providers to achieve this goal. Just as US ownership is not necessarily a guarantor of trustworthiness, neither is foreign ownership necessarily a sign of untrustworthiness.

Excluding otherwise qualified assurance companies solely on the basis of foreign ownership is not only arbitrarily discriminatory, it diminishes the valuable contributions America's foreign defense partners can make to meeting this common security challenge and protect their shared interests.

**The CMMC Program exclusion of foreign-owned assurance companies imposes additional costs on US defense contractors.**

Many US defense contractors have chosen to certify their company to ISO/AS quality, information security, and environment standards. They do so to demonstrate their commitment to improving the quality of their products and services and to consistently meet their customers' expectations.

The CMMC Program imposes a new certification requirement on defense contractors. To comply, a company must effectively integrate the underlying cybersecurity principles and methods into its overarching management systems. For companies that already certify their management systems to the ISO standards, it would be most efficient to conduct CMMC certification in parallel with their ISO management systems certification, with both activities performed by the same organization. Performing the work concurrently increases audit efficiency, thereby reducing both direct and indirect costs, including their own staff resources necessary to facilitate the relevant audits.



## Page 2 of 2

The DNV Business Assurance Group is internationally accredited for the certification of management systems under the ISO/AS standards regime on quality, information security, and environment. DNV Business Assurance USA Inc. is a leading provider of management system certification services in the United States, and many of its most important customers are large US defense contractors that are in turn supported by hundreds of US suppliers. DNV's customers, such as Boeing, want CMMC certification conducted in parallel with their ISO/AS management systems certification, with both activities performed by DNV.

The CMMC Program's exclusion of foreign-owned assurance companies capable of providing both services, such as DNV, thus imposes substantial additional costs on US defense contractors. Rather than having the CMMC certification performed concurrently

with their ISO/AS certification, they must separate the activities and hire an additional certification body. This increases both direct and indirect costs, including their own staff resources necessary to facilitate the relevant audits.

### **The CMMC Program exclusion of foreign-owned assurance companies jeopardizes DNV's existing business and threatens the jobs of its US employees.**

If DNV is precluded from performing CMMC assessments, DNV may lose its existing US defense industry customers who do not want to engage separate ISO and CMMC certification services. Losing these key accounts places the jobs of 400+ US employees of DNV Business Assurance needlessly at risk—a result diametrically opposed to the Biden Administration's priority to protect and expand good-paying US jobs.

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