DEPARTMENT OF DEFENSE
DEFENSE-WIDE WORKING CAPITAL FUND

INFORMATION SERVICES ACTIVITY GROUP
DEFENSE INFORMATION SYSTEMS AGENCY
FY 2003 PRESIDENT'S BUDGET SUBMISSION

FUNCTIONAL DESCRIPTIONS

The Defense Information Systems Agency (DISA) Defense-wide Working Capital Fund (DWCF) Information Services Activity Group includes three business areas. The two accounting sub accounts are comprised of 1. Computing Services (CS) and 2. Telecommunication Services/Enterprise Acquisition Services (TS/EAS). This budget provides a summary of the Information Services Activity Group, as well as details of program objectives and resource requirements by business area. CS and TS/EAS operations can be divided into three cost centers:

- Computing Services
- Telecommunication Services
- Enterprise Acquisition Services

Computing Services

DISA manages the Defense Information Infrastructure (DII), which provides militarily essential computing capabilities critical to the global combat support operations of the Department of Defense (DOD). Defense Computing Services include mainframe, server, and other information services that provide secure processing of classified and unclassified information, global interoperability from the sustaining base to deployed forces, positive end-to-end control, surge capability, and operational sensitivity to rapidly changing priorities. Consistent with Joint Vision (JV) 2020, DoD considers information processing and information technology (IT) to be strategic to achieving information superiority to attain full spectrum dominance. The JV 2020 states, "Information, information processing, and communications networks are at the core of every military activity… The evolution of information technology will increasingly permit us to integrate the traditional forms of information operations with sophisticated all-source intelligence, surveillance, and reconnaissance in a fully synchronized information campaign. The development of a concept labeled 'Global Information Grid' (GIG) will provide the network-centric environment required to achieve this goal. The grid will be the globally interconnected, end-to-end set of information capabilities, associated processes, and people to manage and provide information on demand to warfighters, policy makers, and support personnel. It will enhance combat power and contribute to the success of noncombat military operations as well." DISA's computing operations are integral components of GIG. To ensure information superiority, these capabilities must be under the military ownership and control that allows them to operate "…at a tempo that allows the force to shape the situation or react to changes and accomplish its mission…" and to protect against the information operations of an opponent.

The core IT enterprise infrastructure of the GIG resides in the Defense Enterprise Computing Centers (DECCs) and their Detachments. The Defense computing infrastructure processes command and control and combat support requirements for warfighters deployed around the world. These requirements include transportation, finance, personnel, munitions, spare parts, medical supplies, and maintenance resources – all critical to military operations. The largest DECC customers are the Army Materiel Command, Air Force Materiel Command, Naval Supply Systems Command, Defense Logistics Agency, and Defense Finance and Accounting Service.

The Computing Services are grouped into two rated based services and four reimbursable services.

1. MVS
2. UNISYS
3. Server
4. Support Services
5. Communications
6. Other

Defense Enterprise Computing Centers and collocated Detachment sites include Columbus, OH, Mechanicsburg, PA, Ogden, UT, Oklahoma City, OK, and St. Louis, MO. Other Detachments include Chambersburg, PA, Dayton, OH, Denver, CO, Huntsville, AL, Jacksonville, FL, Montgomery, AL, Rock Island, IL, San Antonio, TX, San Diego, CA, Warner Robins GA, Puget Sound, WA, Norfolk, VA, and Indianapolis, IN, and two OCONUS Information Technology Centers (ITCs) in Hawaii, and Far East.

Telecommunication Services/Enterprise Acquisition Services

The primary mission of the Telecommunications Services/Enterprise Acquisition Services is to purchase telecommunications and related information technology products from the worldwide commercial sector to meet the needs of DoD Components and authorized non-defense customers. TS/EAS enables DISA to build and sustain a critical component of the Global Information Grid (GIG) which provides the warfighter access to valid, secure, operationally relevant information in a timely manner to ensure success of military operations.

Telecommunications Services

Telecommunications Services provides a single source for high quality, reliable, survivable, and secure telecommunications services for defense command and control. Telecommunication Services is also an ideal source for procurement of cost-effective and commercially competitive information technology, as well as voice, data, and video telecommunications services. The lowest possible customer price is attained through bulk quantity purchases, economies of scale, and reengineering current communication services.

DISA's core program is the Defense Information Systems Network (DISN). The DISN strategy is to consolidate the Military Departments' and Defense Agencies' telecommunications networks into one common-user network with interoperable equipment. DISN is a functional element of

the Defense Information Infrastructure (DII).   DISN services are grouped into either rate based or reimbursable services.

1.	Voice Services
2.	Data Networks
3.	Video Services
4.	Transmission Services
5.	Tier One
6.	Reimbursable Communications Services

Each of the aforementioned six service offerings consists of unique DISA managed programs that share a common objective. The programs within each service offering are listed in Table 1:

Table 1:
Components of the Defense Information Systems Network

Offering	Supporting Programs/Networks
Voice Services	• Defense Switched Network (DSN) • Hawaii Information Transfer System (HITS)
Data Network	• Internet Protocol Routers (IPR)
Video Services	• Defense Video Teleconferencing Network (VTC)
Transmission Services	• Dedicated Transmission Network (MUX) • Caribbean Transmission Network (TRANS-B) • Pacific Transmission Network (TRANS-P) • European Transmission Network (TRANS-E) • Continental US Transmission Network (TRANS-C) • Southwest Asia Transmission Network (TRANS-S) • Asynchronous Transfer Mode (ATM)
Tier One	• Tier One
Reimbursable Communication Services; e.g.,	• Commercial Satellite Communication Office (CSCO) • Defense Messaging System (DMS) • Defense Red Switch Network (DRSN) • Enhanced Mobile Satellite Service (EMSS) • FTS Satellite • Gigabit Switch Router (GSR) • Joint Worldwide Intelligence Communications System (JWICS)

DISA also provides long-haul connections between the CINC/Service/Agency, bases, and to deployed forces. DISN provides dynamic routing of voice, text, imagery (both still and full motion), and bandwidth services on a fee-for-service basis. DISA provides government and contract engineering, modeling, simulation and assessment, and system control resources to support the operational DISN networks including: IPR, DSN, DRSN, and the Commercial Satellite Service Office (CSSO).

In addition to the DISN, Telecommunication Services provides a wide variety of cost-reimbursable services for the Department of Defense Community and other organizations. This mainly includes unique reimbursable point-to-point telecommunication service contracts and FTS 2001 service.

Enterprise Acquisition Services

Enterprise Acquisition Services encompasses a variety of support services to meet DOD and Non-DoD information technology contract requirements. DEIS II/ENCORE, INFOSEC/IASSURE and DeCA Point of Sales are some of the larger contract vehicles serviced for enterprise integration, security, and other related enterprise acquisition services. In addition, a variety of hardware, software, and services contracts are awarded in support of Computing Services. The mission of Enterprise Acquisition Services has two lines of business 1. Contract Services to include acquisition planning, procurement, and contract administration; 2. Financial Services to include accounting, invoice verification and vendor payment, financial reporting, customer billing, cost and price analyses, and tariff surveillance. The most significant DOD customer is DISA, including direct support to Telecommunications and Computing Services.

MAJOR CHANGES BETWEEN FISCAL YEARS

Computing Services

FY 2002 Amended Budget Submission to FY 2002 Current Estimate

The Computing Services budget requires FY 2002 cost of $561.6 million, or $23.4 million less than the FY 2002 Amended Budget Submission. The reduction is mostly attributable to revised estimates for Non-capitalized Equipment and other Material and Supplies requirements ($10.7 million) and certain intra-fund purchases; primarily base support, communications, and financial services ($11.5 million).

FY 2002 Current Estimate to FY 2003 Estimate

With the consolidation of mainframe processing from sixteen sites to six, Computing Services now focuses on optimization initiatives. These initiatives include DECC Detachment right-sizing, consolidation of overhead functions, mainframe application support services optimizations, and adjustments necessitated by customer workload changes.

DISA is concluding a rigorous and auditable series of analyses to determine the best architecture for mainframe computing. The result will be a reduction in the number of both MVS/OS390 and UNISYS processing locations that will bring further savings and value to our customers. In order to ensure the best use of resources to improve system and data availability, mainframe consolidation and the assured computing initiative will be integrated into a single implementation plan and occur concurrently. This effort is estimated to require up to $71 million in investment (capital and operating funds) during FY 2002 and FY 2003, but once consolidation is completed in FY 2003, will yield annual recurring savings around $40 million. Approximately

half of the savings will result from staffing reductions of at least 300 civilian positions. DISA proposes to apply the positive net operating result from FY 2001 to self-finance this effort.

Telecommunication Services/Enterprise Acquisition Services

FY 2002 Amended Budget Submission to FY 2002 Current Estimate

The Telecommunication Services/Enterprise Acquisition Services budget contains FY 2002 costs of $2130.1 million, or $235.1 million more than the FY 2002 Amended Budget Submission. This increase is due to continued increases for Internet connectivity and backbone capacity as well as the mandatory utilization of the NIPRNET by the DOD community. Likewise, SIPRNET connections are expected to increase at a pace of about 15.0 percent over the next few years. This coupled with new Gigabit Switch Router (GSR) service, will increase network operations and transmission costs. Demand Internet Protocol Router (IPR) and GSR service are about $93.7 million greater than FY 2002 Amended Budget Submission levels. In addition, demand for Telecommunication Services and Enterprise Acquisition Services contracts, especially those for reimbursable telecommunications and other reimbursable orders, are $116.8 million higher than the previous FY 2002 estimate.

FY 2002 Current Estimate to FY 2003 Estimate

The TS/EAS budget continues to show growth in NIPRNET and SIPRNET related service workload for a net increase of $44.5 million in FY 2003. Similarly, Enterprise Acquisition Services workload is expected to increase approximately $128.1 million in FY 2003, mainly for computer technology related customer purchases.

OPERATING BUDGET

Each DISA DWCF business area achieves a zero Accumulated Operating Results (AOR) by the end of FY 2003. The Computing Services operating budget includes the financial impact of a one-time investment for Phase II of the SMART Plan. Table 2 provides a summary of our actual FY 2001 operating results and estimates for FY 2002 and FY 2003:

Table 2: Operating Budget Summary

Computing Services	$ in Millions		
	FY 2001	**FY 2002**	**FY 2003**
Revenue	609.4	565.7	575.1
Costs	586.7	561.6	620.8
Net Operating Result (NOR)	22.7	4.1	-45.7
Accumulated Operating Result (AOR)	41.6	45.7	0.0

Telecommunication Services/	$ in Millions		
Enterprise Acquisition Services	FY 2001	FY 2002	FY 2003
Revenue	1,955.7	2,133.7	2,358.3
Costs	1,982.4	2,130.3	2,312.9
Net Operating Result (NOR)	-26.7	3.4	45.4
Accumulated Operating Result (AOR)	-74.5	-45.4	0.0

CAPITAL INVESTMENT BUDGET

Capital investment program (CIP) requirements are generally predicated on the replacement of major telecommunications and ADPE equipment when current equipment is no longer maintainable, or when replacement parts are not available. DISA strives to provide customers with quality service through the latest technology, and the capital program supports the insertion of new technology through major equipment purchases, which provides service enhancements and future cost reductions.

The Computing Services capital budget includes estimates for facility infrastructure replacements for mechanical systems, uninterrupted power supply upgrades, batteries, communications switches, and premise routers. These estimates also include new mid-tier systems based on customer demand, migration to an executive software standard operating environment, and integrated storage solution for MVS.

The FY 2003 Telecommunication Services/Enterprise Acquisition Services capital investment budget is highlighted by cost for the DISN CONUS extended project, which will allow for significant expansion of existing service availability, CONUS transmission upgrades (Timing and Synchronization Program), and ATM work Group Equipment to support an increase in workload and mission requirements. Table 3 summarizes the capital program.

Table 3: Capital Budget Summary

$ in Millions	FY 2001	FY 2002	FY 2003
Computing Services	25.5	77.6	51.8
TS/EAS	1.6	33.8	55.2
Total Capital Program	27.1	111.4	107.0

CUSTOMER RATES, RATE DESIGN, AND UNIT COST

Computing Services

The Computing Services budget has two basic methods of cost recovery, rate based and direct reimbursement. Each methodology is designed to capture the total cost of operations, including direct and overhead costs. This table provides the proposed computing customer rates:

Table 4: Computing Services Customer Rates

Work Load Units	(Dollars per Unit)		
	FY 2001	FY 2002	FY 2003
Unisys			
SUPS	16.3940	14.6658	13.8542
DASD MB Days	0.0309	0.0254	0.0252
Tape Storage (MB/Days)		0.0011	0.0010
Tape Mounts	1.8487		
Cartridge Tapes Stored	0.1600		
Reel Tapes Stored	0.9703		
MVS			
CPU Hours (MVS)	47.796	35.7593	28.9265
I/O Transfers (MVS)	0.0372	0.0298	0.0291
DASD MB Days (MVS)	0.0071	0.0070	0.0073
Tape Mounts Cartridge (MVS)	0.1400	0.1355	0.2973
Tape Mounts Reel (MVS)	7.7938	8.0941	0.0000
Cartridge MB Days (MVS)	0.0007	0.0005	0.0007
Reel MB Days (MVS)	0.0015	0.0125	0.0000

Telecommunication Services/Enterprise Acquisition Services

Pricing Structure: The Department of Defense and DISA need a rate structure for Telecommunications Services and Enterprise Acquisition Services. This should add incentive for their use and recognize their use as military value added capabilities within the context of providing utility-like services for common good and promote security, interoperability and efficient practices across DOD. The proposed solution to this Telecommunication Services rate structure is a two-tiered pricing approach.

Tier-One pricing recovers the costs of the core infrastructure required to produce military readiness attributes of the DISN. In FY 2002 Tier-One funds were transferred to DISA by Congressional direction from the customer. In FY 2003, DISA will have to return to the procedure of recovering Tier-One cost through a monthly recurring charge to the Service/Agency component levels, absent further congressional or OSD guidance.

Tier-Two pricing recovers the cost of usage associated with the delivery of information services to the customer.

Tier-Two DISN prices are developed for the DISN Services from an analysis of tier-two network cost drivers and customer service requirements by theater. This includes identifying unique system costs and dividing those total costs including depreciation and communications operations/network management proportionately by unit (e.g., ports, connections, data packets, minutes of use, precedence, capability, etc) to determine a price per unit.   This price per unit, along with the assessment of an overhead fee, is charged for the services requested by the customer.

Enterprise Acquisition Services is a fee-for-service charge of 2% on each contract cost.

PERFORMANCE INDICATORS

Computing Services

The Computing Services budget includes performance measures, which revolve around system availability and responsiveness:

1. Provide mainframe information processing services while incurring no more than specified unit costs.
2. DISA, working with the Services, will reduce mainframe information technology legacy service and associated costs 25 percent from FY 1999 by the completion of FY 2002.
3. All peak workload requirements will be met while maintaining an average utilization of installed capacity of at least 70 percent.
4. Users will experience MVS and Unisys platforms availability of at least 98 percent.
5. Complete a survey of Computing/Information Processing Service customers annually. Identify major concerns and issues. Not later than October 31, following the completion of the fiscal year, report to the Defense Management Council (DMC) an action plan that addresses all major issue areas with customers.

Telecommunication Services/Enterprise Acquisition Services

The TS/EAS budget includes Performance Measures associated with the FY 2002 Performance Contract. This includes providing telecommunications services while incurring no more than the following unit costs. Table 5 summarizes these measures.

Table 5: Performance Indicators

Global Average Annual Unit Cost (TY$)	FY 2001	FY 2002	FY 2003
Voice - CONUS ($/min)	.05	.05	.05
Voice – PAC ($/min)	.20	.19	.19
Voice – Europe ($/min)	.16	.15	.15
Data – CONUS ($/kb)	65.87	60.36	42.65
Data – PAC ($/kb)	122.65	112.40	79.41
Data – Europe ($/kb)	109.70	100.53	71.03
Video - CONUS ($/min)	2.42	2.29	2.14
Video – PAC ($/min)	4.89	4.63	4.33
Video – Europe ($/min)	5.06	4.80	4.48
Transmission – Worldwide ($/kb)	27.75	25.67	22.36

Performance measures are also based on providing support minimum DISN workload levels. Table 6 summarizes this workload.

Table 6: Workload Estimates

DoD Common User Telecommunications Workload	FY 2001	FY 2002	FY 2003
Voice (G/minutes)	1.35	1.41	1.46
Data (G/bytes)	5.85	7.82	9.88
Video (M/minutes)	8.75	10.07	11.58
Transmission (G/bytes)	18.42	19.81	22.71

CIVILIAN PERSONNEL

Budgeting and Managing Results: Full Funding of Retiree Costs

To improve the accounting for and make the cost of government programs more visible to the American people, the Administration is proposing to align the full annual budgetary costs of resources used by programs with the budget accounts that fund the programs. To that end, the budget includes a request for a direct appropriation of $16.2 million for the DISA portion of the DWCF to fund the full accruing cost of the Civil Service Retirement System (CSRS) and retire health benefits for civilian employees in the Federal Employee Health Benefit (FEHB) Program. Beginning with the FY 2004 Budget, these costs will be built-into the rates charged to Working Capital Fund customers. This proposal does not increase the total costs to the Federal government, since these costs were previously funded from a central account.

Computing Services

DISA's plan is to reduce overhead infrastructure and flatten the Computing Services organizational structure, including field management and administrative support. FY 2003 shows a significant reduction in both Computing Services end-strength and full-time equivalents. The FY 2003 civilian personnel budget includes $13.2 million for FEHB and CSRS accruals. Revenue for FEHB and CSRS is direct funded by the DOD customer.

Telecommunication Services/Enterprise Acquisition Services

The Telecommunication Services/Enterprise Acquisition Services FY 2003 civilian personnel budget remains largely static over the budget years. This trend notwithstanding, DISA continues to evaluate staffing requirements across the TS/EAS business area. The TS/EAS budget includes $3.0 million for FEHB and CSRS accruals. Table 7 provides an overview of civilian personnel levels and costs for the DISA agency.

<div align="center">**Table 7: Civilian Personnel**</div>

Computing Services	FY 2001	FY 2002	FY 2003
Civilian End Strength	2,502	2,502	2,419
Civilian FTE	2,538	2,513	2,418
Civilian Personnel Cost ($ Millions)	$183.1	$196.4	$218.4

Telecommunication Services/Enterprise Acquisition Services	FY 2001	FY 2002	FY 2003
Civilian End Strength	537	544	544
Civilian FTE	539	537	537
Civilian Personnel Cost ($ Millions)	$34.8	$36.8	$42.1

<div align="center">**MILITARY PERSONNEL**</div>

The overall number of reimbursable Military Personnel (MILPERS) assigned to the TS/EAS continues to decline as the Services reduce the number of personnel available to DISA and other defense agencies. Computing Services requirements for MILPERS remains flat through the budget years. Table 8 provides a synopsis of DISA DWCF MILPERS levels and costs.

<div align="center">**Table 8: Military Personnel**</div>

Computing Services	FY 2001	FY 2002	FY 2003
Military End Strength	14	14	14
Military Workyears	14	14	14
Military Personnel Cost ($ Millions)	$1.7	$1.7	$1.4

Telecommunication Services/Enterprise Acquisition Services	FY 2001	FY 2002	FY 2003
Military End Strength	24	24	32
Military Workyears	29	24	32
Military Personnel Cost ($ Millions)	$1.6	$1.5	$1.9

Changes in the Costs of Operations
Component: Defense Information Systems Agency
Activity Group: CS
January, 2002
(Dollars in Millions)

FY 2001	Actual	586.700
FY 2002	Estimate in President's Budget	585.000
	Pricing Adjustments:	
	Program Changes:	
	Personnel Compensation	13.950
	Travel	0.900
	Materials and Supplies	(10.700)
	Intrafund Transfers	(11.500)
	Depreciation	(7.200)
	Other Purchased Services	(8.850)
	Other Changes:	
FY 2002	Current Estimate	561.600
	Pricing Adjustments:	
	Inflation	4.262
	Annualization of Pay Raises	7.600
	Program Changes:	
	Mainframe Consolidation (SMART Phase II)	32.000
	Health / Retirement Benefits Accruals	13.229
	Other Changes:	
	Various Changes	2.138
FY 2003	Estimate	620.829

Changes in the Costs of Operations
Component: Defense Information Systems Agency
Activity Group: TS/EAS
January, 2002
(Dollars in Millions)

FY 2001	Actual	1,982.389
FY 2002	Estimate in President's Budget	1,895.019
	Pricing Adjustments:	
	Program Changes:	
	Enterprise Acquisition Service Contracts	116.782
	Gigabit Switched Router Service (NMCI contract)	49.782
	Internet Protocol Router Service increased	43.872
	Other Non DISA Managed Communications	25.838
	Other Changes:	
	Various Programs	(0.975)
FY 2002	Current Estimate	2,130.318
	Pricing Adjustments:	
	General Inflation	26.862
	Program Changes:	
	Health / Retirement Benefits Accruals	2.961
	Enterprise Acquisition Service contracts	128.053
	Gigabit switched Router Service (NMCI contract)	73.109
	Internet Protocol Router Service	(31.578)
	Enhanced Mobile Satellite Services workload	(9.218)
	Joint Worldwide Intelligence Communications	(9.162)
	Other Changes:	
	Various Programs	1.612
FY 2003	Estimate	2,312.957

Source of New Orders and Revenue
Component: Defense Information Systems Agency
Activity Group: TS/EAS and CS
January, 2002
(Dollars in Millions)

	FY 2001	**FY 2002**	**FY 2003**
1. New Orders			
a. Orders from DoD Components			
Air Force	470.101	484.440	496.264
Army	326.957	322.831	314.405
Navy and Marine Corps	271.910	325.176	369.515
DISA	277.458	284.817	298.879
Other DoD	530.633	352.580	393.388
b. Orders from Other Fund Activity Groups	405.892	663.921	772.950
Air Force - Working Capital	73.200	46.600	52.400
Army - Working Capital	10.200	14.500	10.900
Navy - Working Capital	56.600	46.100	45.800
DISA - DWCF	4.700	5.500	7.700
DFAS	163.861	158.049	162.944
DLA	97.031	92.221	93.211
Defensewide - Working Capital	0.300	5.600	8.000
WestHem	0.000	295.351	391.995
c. Total DoD	2,282.951	2,433.765	2,645.401
d. Other Orders			
FAA	207.920	195.714	195.162
Other Federal Agencies	61.561	69.775	92.577
Other Non-Federal	2.795	0.163	0.301
Total New Orders	2,555.227	2,699.417	2,933.441
2. Carry In Orders	0.000	0.000	0.000
3. Total Gross Orders	2,555.227	2,699.417	2,933.441
4. Other Income	9.900	0.000	0.000
5. Revenue	2,565.127	2,699.417	2,933.441
6. End of Year Work in Process	0.000	0.000	0.000
7. Direct Contract Obligations	0.000	0.000	0.000
8. Non-DoD, BRAC, FMS, and DWCF Orders	0.000	0.000	0.000
9. Funded Carry-Over (Charge to Backlog)	0.000	0.000	0.000
10. Months of Carry-Over	0.000	0.000	0.000

Source of New Orders and Revenue
Component: Defense Information Systems Agency
Activity Group: CS
January, 2002
(Dollars in Millions)

	FY 2001	FY 2002	FY 2003
1. New Orders			
a. Orders from DoD Components			
Air Force	89.600	87.100	80.000
Army	40.600	34.000	19.000
Navy and Marine Corps	43.100	41.300	43.100
DISA	15.600	16.900	15.200
Other DoD	30.600	40.800	64.329
b. Orders from Other Fund Activity Groups			
Air Force - Working Capital	73.200	46.600	52.400
Army - Working Capital	10.200	14.500	10.900
Navy - Working Capital	56.600	46.100	45.800
DISA - DWCF	4.700	5.500	7.700
DFAS	155.400	149.400	153.000
DLA	77.200	71.700	69.900
Defensewide - Working Capital	0.300	5.600	8.000
c. Total DoD	597.100	559.500	569.329
d. Other Orders			
Other Federal Agencies	2.400	6.200	5.800
Total New Orders	599.500	565.700	575.129
2. Carry In Orders	0.000	0.000	0.000
3. Total Gross Orders	599.500	565.700	575.129
4. Other Income	9.900	0.000	0.000
5. Revenue	609.400	565.700	575.129
6. End of Year Work in Process	0.000	0.000	0.000
7. Direct Contract Obligations	0.000	0.000	0.000
8. Non-DoD, BRAC, FMS, and DWCF Orders	0.000	0.000	0.000
9. Funded Carry-Over (Charge to Backlog)	0.000	0.000	0.000
10. Months of Carry-Over	0.000	0.000	0.000

Source of New Orders and Revenue
Component: Defense Information Systems Agency
Activity Group: TS/EAS
January, 2002
(Dollars in Millions)

	FY 2001	FY 2002	FY 2003
1. New Orders			
a. Orders from DoD Components			
Air Force	380.501	397.340	416.264
Army	286.357	288.831	295.405
Navy and Marine Corps	228.810	283.876	326.415
DISA	261.858	267.917	283.679
Other DoD	500.033	311.780	329.059
b. Orders from Other Fund Activity Groups			
DFAS	8.461	8.649	9.944
DLA	19.831	20.521	23.311
WestHem	0.000	295.351	391.995
c. Total DoD	1,685.851	1,874.265	2,076.072
d. Other Orders			
FAA	207.920	195.714	195.162
Other Federal Agencies	59.161	63.575	86.777
Other Non-Federal	2.795	0.163	0.301
Total New Orders	1,955.727	2,133.717	2,358.312
2. Carry In Orders	0.000	0.000	0.000
3. Total Gross Orders	1,955.727	2,133.717	2,358.312
4. Other Income	0.000	0.000	0.000
5. Revenue	1,955.727	2,133.717	2,358.312
6. End of Year Work in Process	0.000	0.000	0.000
7. Direct Contract Obligations	0.000	0.000	0.000
8. Non-DoD, BRAC, FMS, and DWCF Orders	0.000	0.000	0.000
9. Funded Carry-Over (Charge to Backlog)	0.000	0.000	0.000
10. Months of Carry-Over	0.000	0.000	0.000

Revenue and Expenses
Component: Defense Information Systems Agency
Activity Group: TS/EAS and CS
January, 2002
(Dollars in Millions)

	FY2001	FY2002	FY2003
Revenue			
Gross Sales			
Operations	2,486.420	2,638.052	2,879.335
Capital Surcharge	0.000	0.000	0.000
Depreciation exclude Major Construction	68.807	61.366	54.105
Major Construction Depreciation	0.000	0.000	0.000
Total Gross Sales	2,555.227	2,699.418	2,933.440
Other Income	9.900	0.000	0.000
Total Income	2,565.127	2,699.418	2,933.440
Expenses			
Salaries and Wages			
Military Personnel	3.317	3.208	3.297
Civilian Personnel	214.387	233.894	260.525
Travel and Transportation of Personnel	6.335	8.732	9.366
Material and Supplies	122.464	186.601	199.164
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	27.200	31.339	32.631
Transportation of Things	0.520	0.583	0.445
Capital Asset Depreciation	68.427	61.366	54.105
Printing and Reproduction	0.088	0.198	0.199
Advisory and Assistance Services	92.800	87.100	115.000
Rent, Communications, and Utilities	1,372.907	1,168.478	1,238.655
Other Purchased Services	660.644	910.421	1,020.399
Total Expenses	2,569.089	2,691.918	2,933.786
Operating Result	(3.962)	7.500	(0.346)
Less Capital Surcharge Reservation	0.000	0.000	0.000
Plus Appropriations Affecting NOR/AOR	0.000	25.785	0.000
Other Changes Affecting NOR	0.000	0.000	0.000
Net Operating Result	(3.962)	33.285	(0.346)
Prior Year AOR	(99.481)	(32.939)	0.346
Other Changes Affecting AOR	70.504	0.000	0.000
Accumulated Operating Result	(32.939)	0.346	0.000
Non Recoverable Adjustment Impacting AOR	0.000	0.000	0.000
Accumulated Operating Result	(32.939)	0.346	0.000

Revenue and Expenses
Component: Defense Information Systems Agency
Activity Group: CS
January, 2002
(Dollars in Millions)

	FY2001	FY2002	FY2003
Revenue			
Gross Sales			
Operations	536.500	529.900	541.329
Capital Surcharge	0.000	0.000	0.000
Depreciation exclude Major Construction	63.000	35.800	33.800
Major Construction Depreciation	0.000	0.000	0.000
Total Gross Sales	599.500	565.700	575.129
Other Income	9.900	0.000	0.000
Total Income	609.400	565.700	575.129
Expenses			
Salaries and Wages			
Military Personnel	1.700	1.700	1.400
Civilian Personnel	183.100	196.400	218.429
Travel and Transportation of Personnel	4.900	5.500	5.700
Material and Supplies	18.900	19.700	18.000
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	27.200	23.900	25.300
Transportation of Things	0.500	0.400	0.200
Capital Asset Depreciation	63.000	35.800	33.800
Printing and Reproduction	0.000	0.100	0.100
Advisory and Assistance Services	92.800	84.100	114.000
Rent, Communications, and Utilities	12.100	12.200	14.500
Other Purchased Services	182.500	181.800	189.400
Total Expenses	586.700	561.600	620.829
Operating Result	22.700	4.100	(45.700)
Less Capital Surcharge Reservation	0.000	0.000	0.000
Plus Appropriations Affecting NOR/AOR	0.000	0.000	0.000
Other Changes Affecting NOR	0.000	0.000	0.000
Net Operating Result	22.700	4.100	(45.700)
Prior Year AOR	18.900	41.600	45.700
Other Changes Affecting AOR	0.000	0.000	0.000
Accumulated Operating Result	41.600	45.700	(0.000)
Non Recoverable Adjustment Impacting AOR	0.000	0.000	0.000
Accumulated Operating Result	41.600	45.700	(0.000)

Revenue and Expenses
Component: Defense Information Systems Agency
Activity Group: TS/EAS
January, 2002
(Dollars in Millions)

	FY2001	**FY2002**	**FY2003**
Revenue			
Gross Sales			
Operations	1,949.920	2,108.152	2,338.006
Capital Surcharge	0.000	0.000	0.000
Depreciation exclude Major Construction	5.807	25.566	20.305
Major Construction Depreciation	0.000	0.000	0.000
Total Gross Sales	1,955.727	2,133.718	2,358.311
Other Income	0.000	0.000	0.000
Total Income	1,955.727	2,133.718	2,358.311
Expenses			
Salaries and Wages			
Military Personnel	1.617	1.508	1.897
Civilian Personnel	31.287	37.494	42.096
Travel and Transportation of Personnel	1.435	3.232	3.666
Material and Supplies	103.564	166.901	181.164
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	0.000	7.439	7.331
Transportation of Things	0.020	0.183	0.245
Capital Asset Depreciation	5.427	25.566	20.305
Printing and Reproduction	0.088	0.098	0.099
Advisory and Assistance Services	0.000	3.000	1.000
Rent, Communications, and Utilities	1,360.807	1,156.278	1,224.155
Other Purchased Services	478.144	728.621	830.999
Total Expenses	1,982.389	2,130.318	2,312.957
Operating Result	(26.662)	3.400	45.354
Less Capital Surcharge Reservation	0.000	0.000	0.000
Plus Appropriations Affecting NOR/AOR	0.000	25.785	0.000
Other Changes Affecting NOR	0.000	0.000	0.000
Net Operating Result	(26.662)	29.185	45.354
Prior Year AOR	(118.381)	(74.539)	(45.354)
Other Changes Affecting AOR	70.504	0.000	0.000
Accumulated Operating Result	(74.539)	(45.354)	(0.000)
Non Recoverable Adjustment Impacting AOR	0.000	0.000	0.000
Accumulated Operating Result	(74.539)	(45.354)	(0.000)