

**FAMILY HOUSING, DEFENSE-WIDE
FY 2004 BUDGET ESTIMATE**

Table of Contents

	<u>Page No.</u>
PROGRAM SUMMARY.....	FH-2
APPROPRIATION LANGUAGE.....	FH-3
POST ACQUISITION CONSTRUCTION	FH-4
OPERATION AND MAINTENANCE	
Summary.....	FH-7
National Security Agency.....	FH-9
Defense Intelligence Agency.....	FH-12
Defense Logistics Agency	FH-16
LEASING	
Summary.....	FH-21
National Security Agency.....	FH-22
Defense Intelligence Agency.....	FH-24

**PROGRAM SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2004**

(Dollars in Thousands)

	<u>NSA</u>	<u>DIA</u>	<u>DLA</u>	<u>Total</u>
New Construction	-	-	-	-
Improvements	50	-	-	50
Planning and Design	-	-	300	300
Subtotal Construction	50	-	300	350
Operation	581	3,844	393	4,818
Utilities	413	-	412	825
Leasing	11,987	27,225	-	39,212
Maintenance	2,528	-	2,057	4,585
Subtotal O&M	15,509	31,069	2,862	49,440
Reimbursable Program	-	3,500	-	3,500
Total Program	15,559	34,569	3,162	53,290
Appropriation Request	15,559	31,069	3,162	49,790

**APPROPRIATIONS LANGUAGE
FAMILY HOUSING, DEFENSE-WIDE
FY 2004**

FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$350,000, to remain available until September 30, 2008.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, \$49,440,000.

**FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE
FY 2004**

The FY 2004 Family Housing Construction, Defense-wide request is \$350,000. The Defense Logistics Agency request \$300,000 in Planning and Design funds to procure architecture-engineering services in connection with planned renovation of housing units at Defense Supply Center, Richmond, Virginia. The National Security Agency requests \$50,000 in Post Acquisition Construction funds to improve 27 family housing units at overseas locations.

1. Component DLA	FY 2004 MILITARY CONSTRUCTION PROJECT DATA			2. Date Feb 2003	
3. Installation and Location: Defense Supply Center (DSCR) Richmond, Virginia		4. Project Title Planning and Design			
5. Program Element 0901211	6. Category Code 711	7. Project Number NA	8. Project Cost (\$000) 300		
9. COST ESTIMATES					
Item		U/M	Quantity	Unit Cost	Cost (\$000)
Planning and Design					300
Total Request					300
10. DESCRIPTION OF PROPOSED CONSTRUCTION: Architect-engineer services, surveys, fees, etc., in connection with advanced planning and design of family housing renovation project at the Defense Supply Center, Richmond, Virginia.					
11. REQUIREMENT: 31 DU ADEQUATE: 1 DU SUBSTANDARD: 30 DU PROJECT: Advanced planning and design for whole house revitalization. REQUIREMENT: The funds requested are necessary to procure architect-engineer services to make site and utility investigations: one time design; for the preparation of design and specifications of plans for future year housing project. CURRENT SITUATION: Of the 31 units, 30 will be renovated to comply with Defense Planning Guidance to eliminate sub-standard units by 2007. The majority of the units were built in the 1950's and have safety and health hazards to include lead-based paint and electrical code violations. This project will also correct occupancy deficiencies for the undersized units. IMPACT IF NOT PROVIDED: The funds requested are necessary to support the development of the wholehouse renovation of existing family housing units at Defense Supply Center, Richmond, VA.					

1. Component NSA	FY 2004 MILITARY CONSTRUCTION PROJECT DATA			2. Date Feb 2003	
3. Installation and Location: RAF Menwith Hill, Harrogate, United Kingdom		4. Project Title Post Acquisition Construction			
5. Program Element	6. Category Code 711	7. Project Number NA	8. Project Cost (\$000) 50		
9. COST ESTIMATES					
Item		U/M	Quantity	Unit Cost	Cost (\$000)
Post Acquisition Construction					50
Total Request					50
10. DESCRIPTION OF PROPOSED CONSTRUCTION: This project will construct new surface water drainage systems for the Station's Family Housing plant rooms. The project will also upgrade existing defective soak-aways					
11. REQUIREMENT: 111 DU ADEQUATE: 27 DU SUBSTANDARD: 84 DU PROJECT: Construct new surface water drainage systems at 111 on-station family housing units. These funds will enable us to complete the new systems for approximately 27 units. REQUIREMENT: Excavate and install new rain gullies and provide new drainage systems to the nearest inspection chamber. Repair damage to inspection chambers and concrete sidewalks. CURRENT SITUATION: The surface water from the plant room's rain water pipes is not connected to the existing housing surface water drainage system. The soak-aways were constructed during the late 1950's and are not working efficiently. IMPACT IF NOT PROVIDED: There will be a continual deterioration of the existing defective soak-aways. The plant room water pipes will continue to be discharged onto the sidewalks. This will compound the problem of ponding and icing of sidewalks during winter months. Point of Contact:					

**FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 2004**

The FY 2004 Family Housing Operation and Maintenance, Defense-Wide request is \$49,440,000. The Operation and Maintenance includes maintenance and repair of government-owned housing units and associated real property; utility services; repair, replacement, transportation and handling of furniture and furnishings; refuse collection and disposal services; management services; and other miscellaneous support. Furnishings support for members of the Defense Attaché System are also included. The costs for leasing family housing units are separately addressed.

OPERATION AND MAINTENANCE SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
(Excludes Leased Units and Costs)

<u>Inventory Data</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>			
Units in Being Beginning of Year	397	393	390			
Units in Being End of Year	393	390	390			
Average Inventory for Year	395	392	390			
Units Requiring O&M Funding						
a. Conterminous U.S.	206	203	201			
b. U.S. Overseas	-	-	-			
c. Foreign	189	189	189			
d. Worldwide	395	392	390			
	<u>FY 2002</u>	<u>FY 2003</u>		<u>FY 2004</u>		
	<u>Actual</u>	<u>Estimate</u>		<u>Request</u>		
	Unit Cost*	Total Cost	Unit Cost*	Total Cost	Unit Cost*	Total Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operation						
a. Management	734	290	774	303	774	302
b. Services	1446	571	1106	433	1223	477
c. Furnishings	8582	3390	9775	3827	10226	3988
d. Miscellaneous	122	48	128	50	131	51
Direct Obligations-Operation	10884	4299	11783	4613	12354	4818
Anticipated Reimbursements	-	59	-	167	-	172
2. Utilities						
Direct Obligations-Utilities	2119	837	2084	817	2115	825
Anticipated Reimbursements		-		-		-
3. Maintenance						
a. M&R Dwellings	4332	1711	2654	1039	7533	2938
b. M&R Exterior Utilities	3	1	3	1	0	0
c. M&R Other Real Property	177	70	0	0	4221	1646
d. Alterations & Additions	99	39	123	48	3	1
Direct Obligations-Maintenance	4610	1821	2779	1088	11756	4585
Anticipated Reimbursements		-		-		-
Total-Direct Obligations	17613	6957	16628	6518	26226	10228
Total Anticipated Reimbursements	-	59	-	167	-	172

*Based on number of government-owned units.

**NATIONAL SECURITY AGENCY
PROGRAM SUMMARY
FY 2004**

(Dollars in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
New Construction	-	-	-
Improvements	-	50	50
Planning and Design	-	-	-
Construction Subtotal	-	50	50
Operations	603	532	581
Utilities	414	407	413
Maintenance	1,466	611	2,528
Leasing	10,721	9,602	11,987
O&M Subtotal	13,204	11,152	15,509
Total Program	13,204	11,202	15,559

**NATIONAL SECURITY AGENCY
OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)**

<u>Inventory Data</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Units in Being Beginning of Year	189	189	189
Units in Being End of Year	189	189	189
Average Inventory for Year	189	189	189
Units Requiring O&M Funding			
a. Conterminous U.S.			
b. U.S. Overseas	189	189	189
c. Foreign			
d. Worldwide			

<u>Funding Requirements</u>	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>	
	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)
1. Operations						
a. Management	5	1	68	13	69	13
b. Services	2614	494	1859	357	2143	405
c. Furnishings	317	60	583	112	593	112
d. Miscellaneous	254	48	261	50	270	51
Direct Obligations-Operations	3190	603	2771	532	3075	581
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	3190	603	2771	532	3075	581
2. Utilities						
Direct Obligations-Utilities	2191	414	2120	407	2184	413
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	2191	414	2120	407	2184	413
3. Maintenance						
a. M&R Dwellings	7693	1454	3109	597	13291	2512
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	63	12	73	14	85	16
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	7756	1466	3182	611	13376	2528
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	7756	1466	3182	611	13376	2528
Total Direct Obligations	13137	2483	8073	1550	18635	3522
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	13137	2483	8073	1550	18635	3522

*Based on total number of government owned units.

**NATIONAL SECURITY AGENCY
OPERATION AND MAINTENANCE
Reconciliation of Increases and Decreases**

The Operation portion of the family housing program for NSA includes maintenance, repair and replacement of furnishings; utility services; refuse collection and disposal; and administrative support at the installation level. Leasing costs are covered separately.

The Maintenance portion includes maintenance and repair of buildings and associated utilities systems, and other incidental improvements, including minor alteration and addition.

Reconciliation of Increases and Decreases

Operation	<u>(\$000)</u>
1. FY 2002 President's Budget	575
2. FY 2002 Actual Obligations	603
3. Price Growth	
a. Inflation	0
b. Foreign Currency Change	-20
4. Program Decrease	-51
5. FY 2003 Current Estimate	532
6. Program Increase	49
7. FY 2004 President's Budget	581
 Utilities	 <u>(\$000)</u>
1. FY 2002 President's Budget	414
2. Price Growth	
a. Inflation	0
b. Foreign Currency Change	-15
3. Program Increase	8
4. FY 2003 Current Estimate	407
5. Program Increase	6
6. FY 2004 President's Budget	413
 Maintenance	 <u>(\$000)</u>
1. FY 2002 President's Budget	658
2. Program Adjustment	754
3. FY 2002 revised Program	1412
4. FY 2002 Actual Obligation	1466
a. Inflation	0
b. Foreign Currency Change	-55
5. Program Decrease	-800
a. Decrease due to reduced backlog of maintenance items	-47
6. FY 2003 Current Estimate	611
7. Program Increase	1917
8. FY 2004 President's Budget	2528

**DEFENSE INTELLIGENCE AGENCY
PROGRAM SUMMARY
FY 2004**

(Dollars in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	3300	3689	3844
Utilities	-	-	-
Maintenance	-	-	-
Leasing	25600	26220	27225
O&M Subtotal	28900	29909	31069
Reimbursable Program	1,200	3,400	3,500
Total Program	30100	33309	34569

One of the missions of the Defense Intelligence Agency (DIA) is operation and support of the Defense Attaché System. The missions of the Defense Attaché System are to: (1) observe and report military and politico-military information; (2) represent the DOD and the military services; (3) administer military assistance programs and foreign military sales as directed; and (4) advise the U.S. Ambassador on military and politico-military matters. These missions are accomplished through the Defense Attaché Offices (DAO), which are organic elements of U.S. Diplomatic Missions.

The U.S. Embassy housing board controls assignment of quarters for the attaché and support staff. Housing is provided to DAO personnel at a level of expense and square footage that is equivalent to their Department of State counterparts.

The DIA's Budget Submission for the FY 2004 Family Housing Program funds 500 government leases (of which 147 are high cost leases) at Defense Attaché Offices (DAO) worldwide. These funds provide for all costs which include lease, utilities, residential security services, custodial and fire protection services, furnishings and appliances, maintenance and repair of furnishings and appliances, and administrative services performed by the Department of State under the International Cooperative Administrative Support Services (ICASS) system and Memoranda of Understanding.

**DEFENSE INTELLIGENCE AGENCY
OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)
FY 2004**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Inventory Data</u>			
Units in Being Beginning of Year	-	-	-
Units in Being End of Year	-	-	-
Average Inventory for Year	-	-	-
Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	-	-	-
d. Worldwide	-	-	-

Note: All DIA family housing units are leased.

	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>	
	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	43	3300	44	3689	44	3844
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	43	3300	44	3689	44	3844
Anticipated Reimbursements	-	59	-	167	-	172
Subtotal-Gross Obligations	43	3359	44	3856	44	4016
2. Utilities						
Direct Obligations-Utilities	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
3. Maintenance						
a. M&R Dwellings	-	-	-	-	-	-
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Direct Obligations-Maintenance	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
Total Direct Obligations	43	3300	44	3689	44	3844
Anticipated Reimbursements	-	59	-	167	-	172
Total Gross Obligations	43	3359	44	3856	44	4016

*Based on total number of government owned units.

**DEFENSE INTELLIGENCE AGENCY
OPERATION AND MAINTENANCE
Reconciliation of Increases and Decreases
Operations**

The FY 2004 Family Housing Operations expenses for DIA include the purchase, transportation, maintenance, and repair of furniture and appliances for members of the Defense Attaché System.

Reconciliation of Increases and Decreases

Operations	<u>(\$000)</u>
FY 2003 President's Budget	3,689
FY 2003 Appropriated Amount	3,689
Price Growth	
a. Inflation	55
Program Increases	
a. Increased costs due to additional personnel assigned in support of Defense Attache' System worldwide.	99
FY 2004 President's Budget Request	3,844

**DEFENSE INTELLIGENCE AGENCY
OPERATION AND MAINTENANCE
Furnishings Summary
FY 2004**

(Dollars in Thousands)

	Furnishings less Hsldhold Equip					Household Equipment					Total F	
	<u>Mvg/ Hdlg</u>	<u>Maint /Repr</u>	<u>Repl ment</u>	<u>Init Issue</u>	<u>Total</u>	<u>Mvg/ Hdlg</u>	<u>Maint /Repr</u>	<u>Repl ment</u>	<u>Init Issue</u>	<u>Total</u>	<u>Mvg/ Hdlg</u>	<u>Maint /Repr</u>
FY 2002												
CONUS												
US O/S												
Foreign	353	121	1022	506	2002	272	63	487	476	1298	625	184
Public												
Private												
Total	353	121	1022	506	2002	272	63	487	476	1298	625	184
FY 2003												
CONUS												
US O/S												
Foreign	373	164	1110	565	2212	292	102	597	486	1477	665	266
Public												
Private												
Total	373	164	1110	565	2212	292	102	597	486	1477	665	266
FY 2004												
CONUS												
US O/S												
Foreign	383	174	1125	595	2277	307	117	617	526	1567	690	291
Public												
Private												
Total	383	174	1125	595	2277	307	117	617	526	1567	690	291

**DEFENSE LOGISTICS AGENCY
PROGRAM SUMMARY
FY 2004**

(Dollars in Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
New Construction	-	-	-
Improvements	247	5430	-
Planning and Design	-	-	300
Construction Subtotal	247	5430	300
Operations	396	392	393
Utilities	423	410	412
Maintenance	355	491	2057
Leasing	-	-	-
O&M Subtotal	1174	1293	2862
Reimbursable Program	-	-	-
Total Program	1421	6723	3162

At the beginning of FY 2004, the Defense Logistics Agency (DLA) will have a family housing inventory of 201 units. These units are located at Defense Supply Centers Richmond – 31 units; Defense Distribution Center in Susquehanna, Pennsylvania – 140 units; and 30 units in San Joaquin, California. Of the total units, 18 were built in 1975 and 1976; the remaining 183 were built prior to 1960. Of the older units, the 30 at San Joaquin were completely renovated in FY 1989. Renovation of 54 of the 140 units at Susquehanna was completed in FY 2001, and 34 units were completed in FY 2002. The remaining 52 units will be renovated in FY 2003.

The FY 2004 budget request supports routine operation requirements including management costs, utility costs, and replacement of appliances. The FY 2004 request also supports routine maintenance requirements that include replacement of carpet and linoleum, floor refinishing, replacement of water heaters and heating and air conditioning units, and both interior and exterior painting. In addition, the FY 2004 request includes a complete paving, storm sewer, and water line project at New Cumberland.

**DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE SUMMARY
(Excludes Leased Units and Costs)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>			
<u>Inventory Data</u>						
Units in Being Beginning of Year	208	204	201			
Units in Being End of Year	204	201	201			
Average Inventory for Year	206	203	201			
Units Requiring O&M Funding						
a. Conterminous U.S.	206	203	201			
b. U.S. Overseas						
c. Foreign						
d. Worldwide						
	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	1403	289	1429	290	1438	289
b. Services	374	77	374	76	358	72
c. Furnishings	146	30	128	26	159	32
d. Miscellaneous	-	-	-	-	-	-
Direct Obligations-Operations	1922	396	1931	392	1955	393
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	1922	396	1931	392	1955	393
2. Utilities						
Direct Obligations-Utilities	2053	423	2020	410	2050	412
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	2053	423	2020	410	2050	412
3. Maintenance						
a. M&R Dwellings	1248	257	2177	442	2119	426
b. M&R Exterior Utilities	5	1	5	1	0	0
c. M&R Other Real Property	282	58	0	0	11643	1630
d. Alterations & Additions	189	39	236	48	5	1
Direct Obligations-Maintenance	1723	355	2419	491	10233	2057
Anticipated Reimbursements	-	-	-	-	-	-
Subtotal-Gross Obligations	1723	355	2419	491	10233	2057
Total Direct Obligations						
Anticipated Reimbursements	-	-	-	-	-	-
Total Gross Obligations	5698	1174	6370	1293	14238	2862

*Based on total number of government owned units.

**DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE
Reconciliation of Increases and Decreases**

Operation -- Includes refuse collection and disposal, snow removal, entomological services, custodial services, street cleaning, moving and handling of government-owned furnishings, and maintenance, repair, and replacement of household equipment. Operation also includes management costs associated with the administration of the family housing program. These costs include salaries, fringe benefits and training. Also included are supplies and equipment required to support the management personnel and to operate the housing office.

The operation requirement for FY 2004 is lower than the FY 2003 Amended President's Budget due to reduced management and services costs at Columbus resulting from the demolition of quarters.

Utilities – Included in this category of costs are electricity, gas, fuel oil, water and sewage requirements. The utility costs for FY 2004 remain in line with the FY 2003 levels. Although central air conditioning will be in all 140 renovated units at New Cumberland and will likely increase the electricity consumption, this will be offset by numerous energy efficient measures incorporated into the whole house renovation.

DLA has ongoing efforts to reduce utility costs by insulating walls and ceilings to meet current energy standards. Kitchen appliances are replaced with new, energy efficient appliances; water heater replacement is complete at San Joaquin; and new tenants are issued guidelines on how to save energy in family housing units. These projects are instrumental to reduction initiatives, which enable compliance with the energy efficiency goals outlined in Executive Order 12759.

Maintenance – The primary contributor to the maintenance cost increase for FY 2004 is a complete paving, storm sewer, and water line project at New Cumberland. A kitchen cabinet and countertop project and a bathroom vanity replacement project will take place at San Joaquin in 29 units. In addition to the kitchen and bathroom upgrade, this request includes requirements at Richmond for interior painting and refinishing floors in their enlisted and officers quarters, and minor kitchen repairs in the installation commander's quarters.

Reconciliation of Increases and Decreases

Operation

	<u>(\$000)</u>
1. FY 2003 President's Budget	410
2. FY 2003 Appropriated Amount	392
3. Price Growth	
a. Inflation	2
b. Civilian pay raise	9
4. Program Decreases	
a. Operation/Management improvements	-10
5. FY 2004 Budget Request	393

Utilities

	<u>(\$000)</u>
1. FY 2003 President's Budget	410
2. FY 2003 Appropriated Amount	410
3. Price Growth	
a. Inflation	2
4. FY 2004 Budget Request	412

Maintenance

	<u>(\$000)</u>
1. FY 2003 President's Budget	510
2. FY 2003 Appropriated Amount	491
3. Price Growth	
a. Inflation	6
4. Program Increases	
a. Kitchen cabinet renovations at DDJC	79
b. Paving project at DDSP	1630
5. Program Decrease	
a. Reduced maint due to planned FY06 renovation proj at DSCR	-62
b. Reduction in scope of kitchen renovation in Cdr's quarters at DSCR	-15
c. Inventory reductions to include one GFOQ at DSCC	-27
d. Units vacant pending renovation at DDSP	-45
6. FY 2004 Budget Request	2057

**DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE
Furnishings Summary
FY 2004**

(Dollars in Thousands)

	Furnishings less Household Equip					Household Equipment					Total	
	<u>Movg/ Hdling</u>	<u>Maint/ Repair</u>	<u>Replace ment</u>	<u>Initial Issue</u>	<u>Total</u>	<u>Movg/ Hdling</u>	<u>Maint/ Repair</u>	<u>Replace ment</u>	<u>Initial Issue</u>	<u>Total</u>	<u>Movg/ Hdling</u>	<u>Maint Repai</u>
FY 2002												
CONUS						6.4	1.9	20.7	1.0	30.0	6.4	1.9
US O/S												
Foreign												
Public												
Private												
Total	0	0	0	0	0	6.4	1.9	20.7	1.0	30.0	6.4	1.9
FY 2003												
CONUS						7.5	2.0	13.5	3.0	26.0	7.5	2.0
US O/S												
Foreign												
Public												
Private												
Total	0	0	0	0	0	7.5	2.0	13.5	3.0	26.0	7.5	2.0
FY 2004												
CONUS						6.0	6.0	18.5	1.0	31.5	6.0	6.0
US O/S												
Foreign												
Public												
Private												
Total	0	0	0	0	0	6.0	6.0	18.5	1.0	31.5	6.0	6.0

**LEASING SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2004**

The FY 2004 leasing request by agency is as follows:

	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Request</u>	
	<u>Total</u>	<u>No</u>	<u>Total</u>	<u>No.</u>	<u>Total</u>	<u>No.</u>
	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>
	<u>(\$000)</u>		<u>(\$000)</u>		<u>(\$000)</u>	
<u>National Security Agency</u>						
Direct Obligations	10721	460	9602	450	11987	487
Reimbursements	-	-	-	-	-	-
Gross Obligations	10721	460	9602	450	11987	487
<u>Defense Intelligence Agency</u>						
Direct Obligations	25600	500	26220	500	27225	500
Reimbursements	1141		3233		3328	
Gross Obligations	26741	500	29453	500	30553	500
Total Appropriation	36321	960	35822	950	39212	987

The Defense Agency leases are located exclusively overseas, in many cases at remote locations where housing comparable to western standards is scarce or nonexistent. Leasing in areas where suitable housing is in short supply is very expensive which accounts for the fact that the bulk of the high cost leases are concentrated in the Defense Agencies. These lease units support both activities in classified locations and the Defense Attaché System. Host government restrictions, security requirements, and safety and health improvements add additional costs to these leases in many locations. Detailed justification by agency is provided on the following pages.

**NATIONAL SECURITY AGENCY
OPERATION AND MAINTENANCE
Analysis of Leased Units
FY 2004**

<u>Location</u>	FY 2002			FY 2003			<u>Units Auth.</u>
	<u>Units Auth.</u>	<u>Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>Lease Months</u>	<u>Cost (\$000)</u>	
	Domestic Leases						
None							
	Foreign Leases						
Standard	260	3120	6221	275	3300	5043	275
Special Crypto Activities	200	2400	4500	200	2400	4559	212
Total Foreign Leases	460	5520	10721	475	5700	9602	487
Grand Total	460	5520	10721	475	5700	9602	487

**NATIONAL SECURITY AGENCY
OPERATION AND MAINTENANCE
Leasing**

Reconciliation of Increases and Decreases

	<u>(\$000)</u>
FY 2002 President's Budget	11,548
FY 2002 Actual Obligation	10,721
Price Growth	
a. Inflation	0
b. Foreign Currency	-407
Program Decrease	-712
FY 2003 Current Estimate	9,602
Program Increase	2,385
FY 2004 Budget Request	11,987

FY 2003 Current Estimate does not include \$1.0 million in DERF funds being used to continue leasing family housing at Bad Aibling Station. The FY 2004 cost increase is due to the need to continue operations at Bad Aibling Station, which the NSA had previously planned to discontinue.

**DEFENSE INTELLIGENCE AGENCY
OPERATION AND MAINTENANCE
Analysis of Leased Units
FY 2004**

<u>Location</u>	<u>Units Auth.</u>	<u>FY 2002 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>FY 2003 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>
Domestic Leases							
None							
Foreign Leases							
Classified Locations*	500	5548	25600	500	5548	26220	500
Reimbursable			1141			3233	
Total Foreign Leases	500	5548	26741	500	5548	29453	500
Grand Total	500	5548	26741	500	5548	29453	500

*Due to their sensitive nature, this information can be provided to the committee separately.

**DEFENSE INTELLIGENCE AGENCY
OPERATION AND MAINTENANCE
Leasing**

An important element of DIA's mission is the operation and management of the Defense Attaché System (DAS) for the Defense Attaché Offices (DAOs) located at U.S. embassies in capital cities around the world. The FY 2003 budget request for DIA includes funding associated with ICASS and leases costs for the DAS worldwide which include many in high cost areas worldwide.

Reconciliation of Increases and Decreases

	<u>(\$000)</u>
FY 2003 President's Budget	26,220
FY 2003 Appropriated Amount	26,220
Price Growth	
a. Inflation	393
Program Increases	
a. Increase costs for ICASS, residential security and additional personnel assigned in support of Defense Attache' System operations worldwide.	612
FY 2004 Budget Request	27,225