

**DEPARTMENT OF DEFENSE  
DEFENSE-WIDE WORKING CAPITAL FUND**

**INFORMATION SERVICES ACTIVITY GROUP  
DEFENSE INFORMATION SYSTEMS AGENCY  
FY 2001 BIENNIAL BUDGET ESTIMATES**

**FUNCTIONAL DESCRIPTIONS**

The Defense Information Systems Agency (DISA) manages the Information Services activity group. At a high level, this activity group can be divided into two key lines of business:

- Telecommunications/Enterprise Acquisition Services
- Data Processing

**Telecommunications**

DISA telecommunications and enterprise acquisition service are managed under the Communications Information Services Activity (CISA). The primary mission of the CISA 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. CISA operations can be divided into three functional components:

- Defense Information Systems Network (DISN) Services
- Non-DISA Managed Telecommunication Services
- Enterprise Acquisition Services

The CISA provides a single source for high quality, reliable, survivable, and secure telecommunications services for defense command and control. The CISA 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 Managed Systems**

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 subset of the Defense Information Infrastructure (DII). DISN services are grouped into five service offerings:

1. Switched Services
2. Transmission Services
3. Data Services
4. Messaging Services
5. Video Services

Each of the five 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
Switched Services	<ul style="list-style-type: none"> <li>• Defense Switched Network (DSN)</li> <li>• Defense Red Switch Network (DRSN)</li> <li>• Hawaii information Transfer System (HITS)</li> <li>• Enhanced Mobile Satellite Services (EMSS)</li> </ul>
Transmission Services	<ul style="list-style-type: none"> <li>• Dedicated Transmission Network (MUX)</li> <li>• Caribbean Transmission Network (TRANS-B)</li> <li>• Pacific Transmission Network (TRANS-P)</li> <li>• European Transmission Network (TRANS-E)</li> <li>• Continental US Transmission Network (TRANS-C)</li> <li>• Joint Worldwide Intelligence Communications System (JWICS)</li> <li>• Asynchronous Transfer Mode (ATM)</li> <li>• Commercial Satellite Communications Initiative (CSCI)</li> </ul>
Data Services	<ul style="list-style-type: none"> <li>• Internet Protocol Routers (IPR)</li> </ul>
Messaging Services	<ul style="list-style-type: none"> <li>• Defense Messaging System (DMS)</li> </ul>
Video Services	<ul style="list-style-type: none"> <li>• Defense Video Teleconferencing Network (VTC)</li> </ul>

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 Communications Initiative (CSCI).

Non-DISA Managed Services and Enterprise Acquisition Services

In addition to the DISN, the CISA also provides a wide variety of cost-reimbursable services for the Department of Defense Community and other approved organizations. Among the services provided are purchase of telecommunications services, purchase of information technology products/services, and other customized procurements. Significant telecommunications purchases are made from a variety of programs such as FTS 2000/2001 (GSA) and Federal Wireless. Information technology purchases for the Defense community include services and required support equipment for enterprise integration services (DEIS II, INFOSEC), and other customized procurements.

## Data Processing

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, mid-tier, 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. This functionality is vital to Joint Vision 2010 (JV2010) operational concepts, with a major emphasis on focused logistics and full spectrum protection of information assets. The CONUS-based Defense computing infrastructure processes 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 Defense Computing Service customers include the Army Materiel Command, Air Force Materiel Command, Navy Supply Systems Command, Defense Logistics Agency, and Defense Finance and Accounting Service.

DISA substantially reduced the cost of combat support processing by modernizing and consolidating mainframe processing from 71 Service and Agency information processing centers into 16 Defense Megacenters (DMCs). In an effort to further reduce computing costs to our customers and to promote operational efficiencies, DISA developed the *Defense Megacenter Business Strategy*, signed by the Director on 7 October 1997, and subsequently approved by the Deputy Secretary of Defense. The *Strategy's* analysis showed that by further consolidating the mainframe processing and optimizing, DISA could save the Department of Defense \$1.544 billion over the 10-year period of the study (FY 1998 – FY 2007).

The Strategy for Mainframe and Regional Transition (SMART), developed using the Business Strategy, supports this effort and consolidates mainframe processing from the 16 Defense Megacenters to five mainframe processing sites plus one Unisys Legacy site, and establishes Regional Support Activities (RSAs) at those six sites, nine former mainframe sites and four CONUS sites where DISA previously had computing operations. DISA also operates three OCONUS Information Technology Centers (ITCs). Consolidation actions under the SMART plan largely are complete with the exception of mainframe workload at one site that is scheduled to be consolidated by the end of the third quarter of FY 2000.

Defense Megacenter and collocated Regional Support Activities (RSA) sites include Columbus, OH, Mechanicsburg, PA, Ogden, UT, Oklahoma City, OK, St. Louis, MO, and one Unisys legacy site in San Antonio, TX. Other Regional Support Activities include Chambersburg, PA, Dayton, OH, Denver, CO, Huntsville, AL, Jacksonville, FL, Montgomery, AL, Rock Island, IL, San Diego, CA, Warner Robins GA, Puget Sound, WA, Charleston, SC, Norfolk VA, and Indianapolis, IN, and three OCONUS ITCs in Guam, Hawaii, and Japan.

## **MAJOR CHANGES BETWEEN FISCAL YEARS**

### **Communications Information Services Activity**

#### **FY 2000 President's Budget to FY 2000 Current Estimate**

The CISA budget contains current FY 2000 costs of \$2,317.3 million, or \$108.0 million more than the FY 2000 President's Budget estimate. This change is largely due to the introduction of Asynchronous Transfer Mode (\$58.7 million) and Enhanced Mobile Satellite Services (\$13.3 million), as well as program growth in the Commercial Satellite Communications Initiative (CSCI), Transmission Europe (TRN-E), and Defense Messaging System (DMS) programs..

#### **FY 2000 Current Estimate to FY 2001 Estimate**

FY 2001 costs are expected to decline by only about \$21.1 million from the current FY 2000 estimate. This is mostly due to a marginal decline in Customer Managed Communications requirements.

### **Defense Megacenters**

#### **FY 2000 President's Budget to FY 2000 Current Estimate**

The DMC budget contains current FY 2000 costs of \$617.6 million, or \$12.3 million more than the FY 2000 President's Budget estimate. This increase is largely attributable to recovery of prior year operating losses.

In addition, with most of the SMART consolidation completed and reductions in Full-Time Equivalents (FTEs) ahead of schedule, the FTEs requested for FY 2000 have been decreased, thereby, reducing the cost of civilian labor. However, sites gaining workload are continuing to try to recruit qualified Information Technology (IT) personnel; in the interim, however, the use of more expensive contractor resources to perform the essential functions has been required.

DISA's DMCs and RSAs are now segregating costs and revenues for ten separate lines of business; two are rate based (mainframe MVS and UNISYS processing) and the remaining ten (including mainframe application support services) are reimbursable. This greater level of detail in tracking costs and revenues facilitates active cost reduction initiatives, ensures that the data is accurate and reflects customers' actual use of DISA services. Management oversight is conducted by comparing budget execution to the budget, with consistent management across multiple sites provided by a single product line manager for each line of business.

#### **FY 2000 Current Estimate to FY 2001 Estimate**

The FY 2001 DMC budget includes cost of \$582.1 million, a \$35.1 million decline from the previous year. This reduction stems from continuous savings associated with the consolidation. Specifically, rate-based MVS cost decreases by 7.0 percent (between FY 2000 \$261.8 million and FY 2001 \$242.3 million) and UNISYS by 20.7 percent (between FY 2000 \$94.2 million and

FY 2001 \$74.7 million). While workload for MVS shows a slight increase of 4.7 percent and UNISYS a decrease of 5.0 percent consolidation and continuing optimization efforts have enabled the DMCs to reduce the MVS CPU hour rate from \$107.29 in FY 1997 to \$47.80 in FY 2001 (or about 55.0 percent). Similarly, DISA is aggressively managing UNISYS operations in an effort to provide stable costs for UNISYS customers in spite of sharply higher software costs and major hardware upgrades that were needed. UNISYS rates will decline from a level of \$18.48 in FY 1997 to \$16.39 in FY 2001 (or about 11.0 percent). This reduction is being accomplished at a time of increasing vendor costs and declining UNISYS workload.

## OPERATING BUDGET

Each DISA DWCF business area achieves a zero Accumulated Operating Results (AOR) by the end of FY 2001. For the CISA, this position is attained by including several accounting adjustments, including those for the Universal Service Fund and accounts payable. Table 2 provides a summary of our actual FY 1999 operating results and estimates for FY 2000 and FY 2001:

**Table 2: Operating Budget Summary**

Communications Information Services Activity	\$ in Millions		
	FY 1999	FY 2000	FY 2001
Revenue	2,153.1	2,327.1	2,311.2
Costs	2,177.8	2,317.3	2,296.2
Net Operating Result (NOR)	-24.7	9.8	15.0
Accumulated Operating Result (AOR)	-123.7	-50.9	0.0

Defense Megacenters	\$ in Millions		
	FY 1999	FY 2000	FY 2001
Revenue	642.7	619.1	584.7
Costs	651.5	617.6	582.1
Net Operating Result (NOR)	-8.7	1.5	2.6
Accumulated Operating Result (AOR)	-4.2	0.0	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 FY 2001 budget includes FY 1999 carry-over authority of \$93.5 million for completion of the DISN CONUS expansion project with initial availability expected by late FY 2000. The budget also includes several emergent FY 2000 requirements totaling \$5.1 million. This includes funding for Electronic Document Management Interoperability (\$0.9 million), Telecom

Relational Database Management System Contractual Procurement and Financial Processing (\$2.5 million), and the replacement and purchase of new Triband Satellite Terminals overseas (\$1.6 million) projects. Table 3 summarizes the capital program.

The DMC CIP budget includes FY 2001 requirements for facility infrastructure replacements for mechanical systems, uninterruptible power supply upgrades, batteries, communications switches and premise routers. This includes funding for standardization and optimization of mid-tier systems, Executive Software Standard Operating Environment and Integrated Storage Solutions for MVS. The newer technologies will provide improved scalability and reliability, thereby creating a more flexible and efficient operational environment. This will allow the DMCs and RSAs to be more responsive to customer needs and better utilize existing resources.

**Table 3: Capital Budget Summary**

<b>\$ in Millions</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
CISA	242.1	5.9	4.5
DMCs	29.8	25.4	20.5
Total Capital Program	271.9	31.3	25.0

## **CUSTOMER RATES, RATE DESIGN, AND UNIT COST**

### **Communications Information Services Activity**

Proposed Pricing for FY 2000: The Department of Defense and DISA need a rate structure for joint and enterprise telecommunications systems that incentivizes their use, that recognizes their use as military value added capabilities within the context of providing utility-like services for common good and promotes security, interoperability and efficient practices across DOD. The proposed solution to this rate structure is a two-tiered pricing approach.

Tier One pricing would cover the costs of the core infrastructure required to produce military readiness attributes of the enterprise system. This pricing would be recovered through a monthly recurring charge to the Service/Agency component levels.

Tier Two pricing would cover the remainder of network infrastructure cost associated with the delivery of information services, and would be financed by usage and/or value-added service rates charged 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, will be charged for the services requested by the customer.

## Defense Megacenters

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 DMC Customer Rates:

**Table 4: DMC Customer Rates**

Work Load Units	(Dollars per Unit)		
	FY 1999	FY 2000	FY 2001
<b>Unisys</b>			
SUPS	17.9297	17.8632	16.3940
Disk MB Days	0.0409	0.0292	0.0309
Tape Mounts	1.8255	1.3964	1.8487
Cartridge Tapes Stored	0.1402	0.1018	0.1600
Reel Tapes Stored	0.1783	0.8262	0.9703
<b>IBM</b>			
CPU Hours (MVS)	66.4971	49.2782	47.7968
I/O Transfers (MVS)	0.0487	0.0415	0.0372
DASD MB Days (MVS)	0.0090	0.0072	0.0071
Tape Mounts Cartridge (MVS)	0.1613	0.1475	0.1400
Tape Mounts Reel (MVS)	5.5948	7.8614	7.7938
Cartridge MB Days (MVS)	0.0010	0.0009	0.0007
Reel MB Days (MVS)	0.0010	0.0010	0.0015

## **PERFORMANCE INDICATORS**

The CISA budget includes Performance Measures associated with the FY 2000 Performance Contract. This includes providing telecommunications services while incurring no more than the following unit costs. Table 5 summarizes these measures.

For FY 2001, RSA's will be financially self-sustaining and will compete for mid-tier and other information processing services based on price, performance, and ability to meet DOD user requirements. DMCs will meet all peak requirements while maintaining an average utilization of installed capacity of at least 65.0 percent and will provide at least 98.0 percent MVS and UNISYS platform availability.

**Table 5: Performance Indicators**

Global Average Annual Unit Cost (TY\$)	FY 2000	FY 2001
DSN (/minutes)	.12	.12
Data (/kilobytes)	75.66	75.80
Video (/minutes)	2.73	2.73
Transmission (/kilobytes)	31.36	29.28

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

**Table 6: Workload Estimates**

<b>DoD Common User Telecommunications Workload</b>	<b>FY 2000</b>	<b>FY 2001</b>
DSN (/minutes)	1,331,408,000	1,384,664,000
Data (/kilobytes)	2,235,770	4,659,664
Video (/minutes)	12,850,000	14,645,000
Transmission (/kilobytes)	11,860,309	14,232,371

The Defense Megacenter 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 65 percent.
4. DISA will have the minimum capacity to deliver 2.7M MVS CPU hours and 3.6M Unisys SUPs annually.
5. Users will experience MVS and Unisys platforms availability of greater than 98 percent.
6. 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.
7. For the FY 2001 contract, DISA will conduct a study of commercial practices in Computing/information processing to use a benchmark for this business area.

### **CIVILIAN PERSONNEL**

The FY 2000 CISA civilian personnel (CIVPERS) manpower budget includes a net increase of 136 end-strength and 141 workyears from actual FY 1999 levels. This is largely attributable to reclassification of numerous CIVPERS from the DISA Operations and Maintenance appropriation and Defense Megacenter to CISA roles. This mostly includes payroll adjustments affecting the DISN Service Center (64 from O&M), NROSC Columbus (65 from DMCs), and the Comptroller's Revolving Fund Division (14 to O&M). The slight increase in manpower requirements in FY 2001 is due to the transfer of nine O&M positions to the CISA to support the Deputy Directorate for Operations (D3).

While the SMART consolidations were underway, DMC CIVPERS reductions were ahead of schedule. Sites losing workload have been downsized, while sites gaining workload have not been able to recruit qualified IT personnel, requiring the use of more expensive contractor resources to perform the essential functions. With the completion of these migrations, and the achievement of Y2K objectives, the focus in FY 2001 is on recruiting the expertise needed to perform mainframe operations in-house. The near-term result will be decreasing contractor

expenses, particularly at DMC in Oklahoma City and St. Louis. Although MVS workload has increased from levels assumed in the Business Strategy, civilian strengths for mainframe operations will be reduced in later years as originally planned. This effort will be abetted by a 25.0 percent reduction to mainframe application support services, as indicated in DISA's FY 2000 Performance Contract. The optimization phase of the Business Strategy calls for overall reductions in overhead, and adjustments to RSA staffing in consonance with customer demand. If RSA workload continues as projected in the Business Strategy, reimbursable end strengths and FTEs would remain consistent with strategy into FY 2002, and beyond. If RSA workload increases, reimbursable end strength and FTEs may increase accordingly.

Table 7 provides an overview of civilian personnel levels and costs for the activity group.

**Table 7: Civilian Personnel**

<b>Communications Information Services Activity</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Civilian End Strength	422	558	573
Civilian FTE	415	556	571
Civilian Personnel Cost (\$ Millions)	\$24.0	\$38.0	\$40.0

<b>Defense Megacenters</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Civilian End Strength	2,675	2,731	2,611
Civilian FTE	2,725	2,746	2,670
Civilian Personnel Cost (\$ Millions)	\$176.8	\$187.6	\$190.2

### **MILITARY PERSONNEL**

The overall number of Military Personnel (MILPERS) assigned to the CISA continues to decline as the Services reduce the number of personnel available to DISA and other defense agencies. The DMC budget shows the continued drawdown of MILPERS billets as part of the consolidation effort. DMC MILPERS reach a steady-state level in FY 2000. Table 8 provides a synopsis of DISA DWCF MILPERS levels and costs.

**Table 8: Military Personnel**

<b>Communications Information Services Activity</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Military End Strength	39	38	29
Military Workyears	39	38	29
Military Personnel Cost (\$ Millions)	\$1.6	\$1.9	\$1.6

<b>Defense Megacenters</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Military End Strength	43	27	27
Military Workyears	43	27	27
Military Personnel Cost (\$ Millions)	\$4.8	\$1.7	\$1.7

**Revenue and Expenses**  
**Component: Defense Information System Agency**  
**Activity Group: DMC and Communications Information Services Activity**  
**February 2000**  
**(Dollars in Millions)**

	FY1999	FY2000	FY2001
<b>Revenue</b>			
Gross Sales			
Operations	2,703.851	2,845.068	2,794.805
Capital Surcharge	0.000	0.000	0.000
ADPE and Telecommunications Equipment	91.958	101.148	101.064
Major Construction Depreciation	0.000	0.000	0.000
<b>Total Gross Sales</b>	<b>2,795.809</b>	<b>2,946.216</b>	<b>2,895.869</b>
Other Income	0.000	0.000	0.000
<b>Total Income</b>	<b>2,795.809</b>	<b>2,946.216</b>	<b>2,895.869</b>
<b>Expenses</b>			
Salaries and Wages			
Military Personnel	6.364	3.637	3.296
Civilian Personnel	201.363	226.128	230.753
Travel and Transportaion of Personnel	12.056	7.973	8.010
Material and Supplies	141.160	41.959	40.096
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	43.500	47.466	45.801
Transportation of Things	4.117	0.362	0.471
Capital Asset Depreciation	92.158	101.348	101.264
Printing and Reproduction	0.362	0.464	0.465
Advisory and Assistance and Services	0.000	0.000	0.000
Rent, Communications, and Utilities	1,503.689	1,527.175	1,487.315
Other Purchased Services	824.466	978.397	960.847
<b>Total Expenses</b>	<b>2,829.235</b>	<b>2,934.909</b>	<b>2,878.318</b>
Operating Result	(33.426)	11.307	17.551
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	(33.426)	11.307	17.551
Prior Year AOR	(106.750)	(127.858)	(53.551)
Other Changes Affecting AOR	12.318	63.000	36.000
<b>Accumulated Operating Result</b>	<b>(127.858)</b>	<b>(53.551)</b>	<b>0.000</b>

**Exhibit Fund-14, Revenue and Expenses**

**Revenue and Expenses**  
**Component: Defense Information System Agency**  
**Activity Group: Communications Information Services Activity**  
**February 2000**  
**(Dollars in Millions)**

	FY1999	FY2000	FY2001
Revenue			
Gross Sales			
Operations	2,142.037	2,270.468	2,242.605
Capital Surcharge	0.000	0.000	0.000
ADPE and Telecommunications Equipment	11.036	56.648	68.564
Major Construction Depreciation	0.000	0.000	0.000
Total Gross Sales	2,153.073	2,327.116	2,311.169
Other Income	0.000	0.000	0.000
Total Income	2,153.073	2,327.116	2,311.169
Expenses			
Salaries and Wages			
Military Personnel	1.564	1.937	1.612
Civilian Personnel	24.564	38.547	40.572
Travel and Transportaion of Personnel	1.556	1.973	2.110
Material and Supplies	107.182	23.059	23.396
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	0.000	5.766	6.201
Transportation of Things	0.017	0.062	0.171
Capital Asset Depreciation	11.036	56.648	68.564
Printing and Reproduction	0.062	0.064	0.065
Advisory and Assistance and Services	0.000	0.000	0.000
Rent, Communications, and Utilities	1,490.092	1,515.775	1,476.015
Other Purchased Services	541.695	673.497	677.547
Total Expenses	2,177.768	2,317.328	2,296.253
Operating Result	(24.695)	9.788	14.916
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	(24.695)	9.788	14.916
Prior Year AOR	(108.400)	(123.704)	(50.916)
Other Changes Affecting AOR	9.391	63.000	36.000
Accumulated Operating Result	(123.704)	(50.916)	0.000

**Exhibit Fund-14, Revenue and Expenses**

**Revenue and Expenses**  
**Component: Defense Information System Agency**  
**Activity Group: Defense MegaCenter**  
**February 2000**  
**(Dollars in Millions)**

	<b>FY1999</b>	<b>FY2000</b>	<b>FY2001</b>
<b>Revenue</b>			
Gross Sales			
Operations	561.814	574.600	552.200
Capital Surcharge	0.000	0.000	0.000
ADPE and Telecommunications Equipment	80.922	44.500	32.500
Major Construction Depreciation	0.000	0.000	0.000
Total Gross Sales	642.736	619.100	584.700
Other Income	0.000	0.000	0.000
Total Income	642.736	619.100	584.700
<b>Expenses</b>			
Salaries and Wages			
Military Personnel	4.800	1.700	1.684
Civilian Personnel	176.799	187.581	190.181
Travel and Transportaion of Personnel	10.500	6.000	5.900
Material and Supplies	33.978	18.900	16.700
Equipment	0.000	0.000	0.000
Other Intrafund Purchases	43.500	41.700	39.600
Transportation of Things	4.100	0.300	0.300
Capital Asset Depreciation	81.122	44.700	32.700
Printing and Reproduction	0.300	0.400	0.400
Advisory and Assistance and Services	0.000	0.000	0.000
Rent, Communications, and Utilities	13.597	11.400	11.300
Other Purchased Services	282.771	304.900	283.300
Total Expenses	651.467	617.581	582.065
Operating Result	(8.731)	1.519	2.635
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	(8.731)	1.519	2.635
Prior Year AOR	1.650	(4.154)	(2.635)
Other Changes Affecting AOR	2.927	0.000	0.000
Accumulated Operating Result	(4.154)	(2.635)	0.000

**Exhibit Fund-14, Revenue and Expenses**

**Source of Revenue**  
**Component: Defense Information Systems Agency**  
**Activity Group: CISA and DMCs**  
**February 2000**  
**(Dollars in Millions)**

	FY 1999	FY 2000	FY 2001
1. New Orders			
<b>a. Orders from DoD Components</b>	<b>1,616.762</b>	<b>1,491.711</b>	<b>1,467.977</b>
Air Force	476.682	456.440	450.570
Army	346.247	408.217	379.601
Navy and Marine Corps	249.494	319.068	298.482
DISA	13.800	2.100	10.300
Other DoD	530.539	305.886	329.024
<b>b. Orders from Other Fund Activity Groups</b>	<b>862.089</b>	<b>1,170.816</b>	<b>1,136.340</b>
Air Force	48.000	62.600	63.700
Army	14.800	0.000	0.000
Navy	64.400	47.900	52.200
DISA	269.544	545.315	502.580
DFAS	183.705	171.320	161.179
DLA	107.614	89.882	87.545
Intersystem	171.326	253.799	269.136
Other DoD	2.700	0.000	0.000
<b>c. Total DoD</b>	<b>2,478.851</b>	<b>2,662.527</b>	<b>2,604.317</b>
<b>d. Other Orders</b>	<b>316.958</b>	<b>283.689</b>	<b>291.552</b>
FAA	269.777	271.583	273.956
Other Federal Agencies	46.959	12.106	17.596
Other Non-Federal	0.222	0.000	0.000
Total New Orders	2,795.809	2,946.216	2,895.869
<b>2. Carry In Orders</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>3. Total Gross Orders</b>	<b>2,795.809</b>	<b>2,946.216</b>	<b>2,895.869</b>
<b>4. Funded Carry-Over (Charge to Backlog)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>5. Total Gross Sales</b>	<b>2,795.809</b>	<b>2,946.216</b>	<b>2,895.869</b>

Exhibit Fund-11, Source of Revenue

**Source of Revenue**  
**Component: Defense Information Systems Agency**  
**Activity Group: Communications Information Services Activity**  
**February 2000**  
**(Dollars in Millions)**

	FY 1999	FY 2000	FY 2001
1. New Orders			
a. Orders from DoD Components			
Air Force	386.182	389.240	382.170
Army	303.447	331.117	318.301
Navy and Marine Corps	194.394	242.168	234.782
Other DoD	475.903	270.686	293.624
b. Orders from Other Fund Activity Groups			
DISA	258.744	528.515	494.180
DFAS	17.905	12.120	11.779
DLA	31.514	15.782	15.645
Intersystem	171.326	253.799	269.136
c. Total DoD	1,839.415	2,043.427	2,019.617
d. Other Orders			
FAA	269.777	271.583	273.956
Other Federal Agencies	43.659	12.106	17.596
Other Non-Federal	0.222	0.000	0.000
Total New Orders	2,153.073	2,327.116	2,311.169
2. Carry In Orders	0.000	0.000	0.000
3. Total Gross Orders	2,153.073	2,327.116	2,311.169
4. Funded Carry-Over (Charge to Backlog)	0.000	0.000	0.000
5. Total Gross Sales	2,153.073	2,327.116	2,311.169

**Exhibit Fund-11, Source of Revenue**

**Source of Revenue**  
**Component: Defense Information Systems Agency**  
**Activity Group: Defense MegaCenter**  
**February 2000**  
**(Dollars in Millions)**

	FY 1999	FY 2000	FY 2001
1. New Orders			
a. Orders from DoD Components			
Air Force	90.500	67.200	68.400
ACC	0.000	0.000	0.000
AFMC	70.000	39.700	47.800
AFMSA	0.000	0.100	0.200
AFMSG	0.300	2.600	0.000
AF-OTHER	16.700	9.500	5.400
AFPC	0.000	8.500	6.500
AFRES	0.800	0.700	0.600
AFSPC	0.000	0.000	2.500
AFSSG	0.900	3.200	2.000
AMC	1.700	2.800	3.300
ANG	0.100	0.100	0.100
ATC	0.000	0.000	0.000
Army	42.800	77.100	61.300
AMC	32.100	61.700	41.400
ARMY-OTHER	3.400	0.300	4.200
ASA MRA	0.000	3.300	3.300
FORSCOM	1.800	3.100	2.000
MDW	0.200	0.500	3.300
MEDCOM	0.300	0.500	0.200
PERSINSCOM	0.000	0.100	0.000
TRADOC	2.000	4.400	3.400
USACE	0.000	0.000	0.000
USARC	0.000	0.200	0.200
USAREC	1.800	1.600	0.500
USARPAC	1.000	1.100	2.700
USARSO	0.200	0.200	0.100
USARSPACE	0.000	0.000	0.000
USMA	0.000	0.100	0.000
Navy and Marine Corps	55.100	76.900	63.700
BUMED	0.000	2.500	0.000
BUPERS	1.500	8.500	5.800
CNET	0.800	1.000	1.000
CNO/USNA	0.100	0.100	0.600
LANTFLT	1.700	1.400	0.000
METOC	0.100	0.000	0.000
MSC	0.000	1.100	1.600
NAVAIR	3.100	18.600	14.300
NAVFAC	3.500	3.500	4.400
NAVRESFOR	8.400	2.200	2.500

NAVSEA	0.500	1.600	2.800
NAVY-OTHER	3.300	0.900	1.300
PACFLT	4.600	10.400	6.800
SECNAV	3.300	3.600	2.400
SPAWAR	1.000	0.800	0.500
SPECWAR	0.000	0.000	0.000
SSP	0.000	0.000	0.000
Marine Corps	23.200	20.700	19.700
DISA	13.800	2.100	10.300
Other DoD	54.636	35.200	35.400
b. Orders from Other Fund Activity Groups			
Air Force Supply Management	30.500	49.900	50.800
Air Force Depot Maintenance	12.200	12.700	12.900
Air Force Other	5.300	0.000	0.000
Army	14.800	0.000	0.000
Navy NCTC & NAVSUP	64.400	47.900	52.200
DISA Info Svc - Communications	6.800	13.700	5.300
DISA Info Svc - DITCO	4.000	3.100	3.100
DFAS	165.800	159.200	149.400
DLA	76.100	74.100	71.900
Other DoD	2.700	0.000	0.000
c. Total DoD	639.436	619.100	584.700
d. Other Orders			
Other Federal Agencies	3.300	0.000	0.000
Total New Orders	642.736	619.100	584.700
2. Carry In Orders	0.000	0.000	0.000
3. Total Gross Orders	642.736	619.100	584.700
4. Funded Carry-Over (Charge to Backlog)	0.000	0.000	0.000
5. Total Gross Sales	642.736	619.100	584.700

**Exhibit Fund-11, Source of Revenue**

**Changes in the Costs of Operations**  
**Component: Defense Information Systems Agency**  
**Activity Group: Communications Information Services Activity**  
**21 January 2000**  
**(Dollars in Millions)**

FY 1999	Actual	2,177.768
FY 2000	Estimate in President's Budget	2,209.300
	Pricing Adjustments:	(11.000)
	Program Changes:	
	Asynchronous Transfer Mode	58.700
	Enhanced Mobile Satellite Services	13.300
	Trans Europe	10.600
	Defense Messaging System	4.200
	Commercial Satellite Communications	20.900
	Other Changes:	
	Other	0.300
FY 2000	Current Estimate	2,317.328
	Pricing Adjustments:	34.200
	Program Changes:	
	Defense Messaging System	(2.500)
	Trans Caribbean	(5.000)
	FTS 2001 Program Cost	(6.300)
	Other Contracted Communications	(34.300)
	Other	(0.975)
	Other Changes:	
	FTS 2001 Transition Cost	(6.200)
FY 2001	Estimate	2,296.253

**Exhibit Fund-2, Changes in the  
Costs of Operations**

**Changes in the Costs of Operations**  
**Component: Defense Information Systems Agency**  
**Activity Group: Defense MegaCenter**  
**24 January 2000**  
**(Dollars in Millions)**

FY 1999	Actual	651.467
FY 2000	Estimate in President's Budget	605.300
	Pricing Adjustments:	
	Annualization of Pay Raises	0.600
	General Inflation	(2.000)
	Program Changes:	
	Equipment Maintenance by Contract	13.600
	Other Changes:	0.081
FY 2000	Current Estimate	617.581
	Pricing Adjustments:	
	Annualization of Pay Raises	7.300
	General Inflation	6.430
	Program Changes:	
	Personnel Compensation	(4.716)
	Material and Supplies	(2.485)
	Capital Asset Depreciation	(12.671)
	Equipment Maintenance by Contract	(7.146)
	Contract Labor	(18.812)
	Other Changes:	(3.416)
FY 2001	Estimate	582.065

**Exhibit Fund-2, Changes in the  
Costs of Operations**