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DEFENSE COMMUNICATIONS

Management Problems Jeopardize DISN Implementation

GAO

United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-259834

July 13, 1995

The Honorable John Glenn
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

Dear Senator Glenn:

The Department of Defense (DOD) initiated the Defense Information System Network (DISN) program in 1991 as a two-phase effort to improve its long-distance telecommunications services and reduce costs. In the near term, Defense envisioned that DISN would achieve these goals by consolidating and integrating about 100 existing communications networks into one network, operated by the Defense Information Systems Agency (DISA). For the far term, DISN would replace older telecommunications systems, such as the Defense Commercial Telecommunications Network (DCTN), and use new technology and improved acquisition strategies to provide a more cost-effective system.

While Defense was planning its far-term DISN initiative, the General Services Administration (GSA) and the Interagency Management Council (IMC) in 1993 began planning a replacement for the Federal Telecommunications System (FTS) 2000 program, which provides the federal government's long-distance service. The existing FTS 2000 contracts expire in 1998. Although Defense is currently one of the largest customers of FTS 2000 services, less than 20 percent of Defense's long-distance telecommunications traffic is handled by FTS 2000. Defense has been determining how to use the Post-FTS 2000 program to help meet its DISN objectives.

This report responds to your request that we review Defense's efforts to implement DISN. Specifically, you asked that we (1) assess DISN's objectives, requirements, management plans, and implementation status, and (2) determine whether Defense has positioned itself to participate effectively in the governmentwide Post-FTS 2000 program.

Results in Brief

Defense has not effectively planned and managed its DISN program. Specifically, Defense has spent more than $100 million over the past 3-1/2 years on DISN's planning, implementation, operation, and management. In spite of this expenditure, DISN still lacks (1) validated operational

requirements, (2) approved plans for network implementation, and (3) guidelines needed to ensure efficient and effective end-to-end management of this important communications network. As a result, Defense's near-term DISN implementation is over 2 years behind schedule and DISN's objectives of improving Defense's communications services and reducing costs are at risk.

Recognizing the need to identify and document the Department's requirements for DISN, the Office of the Joint Chiefs of Staff developed a statement outlining Defense's communications service needs in broad terms. Validation of DISN's joint operational requirements is expected by August 1995.

Defense has recently revised its far-term DISN program strategy. Rather than buy services from commercial providers through initiatives such as the Post-FTS 2000 program, Defense currently intends to use Post-FTS 2000 primarily to buy the communications bandwidth it needs to build its own private DISN network.[1] Defense has not justified this strategy, however. Without first defining its valid requirements, identifying and evaluating alternatives for meeting those requirements, and presenting a convincing cost/benefit analysis supporting its selected alternative, Defense cannot determine whether a private network is the best solution to meet its needs. By limiting its use of Post-FTS 2000 services, Defense risks spending hundreds of millions of dollars to establish, operate, and maintain redundant communications facilities and services that do not efficiently or effectively respond to its requirements.

Background

The Department of Defense estimates that it spends about $1 billion annually for its long-distance communications systems and services. The Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (OASD/C³I) has overall responsibility for communications policy, planning, and budgeting. DISA, which reports to OASD/C³I, is responsible for Defense-wide, long-distance communications service. Military services and other Defense agencies independently procure, operate, and manage their own long-distance communications systems. Defense has long had problems efficiently and effectively managing this fragmented and redundant communications environment. In fact, Defense does not even know how many long-distance communications networks it has. Estimates range from about 100 to more than 200.

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[1]Bandwidth is a measure of the capacity of communications lines.

Numerous GAO, Defense Inspector General, and Defense internal studies have criticized Defense's communications management practices over the years. Senior Defense managers recognize that this costly, duplicative environment precludes providing the efficient and interoperable end-to-end communications services essential for successful joint military operations. Defense Management Report Decisions 968 and 918 were issued during the past 4-1/2 years to address these long-standing problems.[2] They called for more accurately identifying, tracking, and accounting for communications resources throughout the Department, and improving the management and oversight of Defense's communications networks and programs.

The DISN program was established in 1991 as a two-phase effort to solve many of these problems by unifying and modernizing communications throughout Defense. DISN Near-Term (DISN-NT) focused on integrating select military service and agency data communications systems and services, and automating and consolidating their network management capabilities. By achieving this integration in a timely and cost-effective manner, Defense estimated that it could reduce the costs of operating these networks by almost 21 percent, or $100 million, over 6 years.

Defense's DISN Far-Term (DISN-FT) was to emphasize replacement of older communications systems, such as DCTN, using emerging technologies and more effective acquisition strategies to provide more efficient and cost-effective global voice, data, video, and imagery communications.[3] The DCTN contract expires in February 1996. As we reported to you in April 1993, Defense's planning for far-term DISN acquisition to permit timely replacement of this large contract has been very optimistic.[4]

Concurrent with Defense's planning of its far-term DISN, the IMC, in cooperation with GSA, began planning the acquisition of governmentwide, long-distance telecommunications in the Post-FTS 2000 environment. In December 1994, GSA approved and released the Post-FTS 2000 Program Strategy recommended by the IMC. This strategy calls for a more diverse approach to acquire commercial telecommunications services than the current FTS 2000 program offers. Specifically, this strategy calls for award of contracts for (1) two or more comprehensive providers of voice, data,

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[2]Beginning in July 1989, Defense Management Review reports were issued that outlined actions needed to improve DOD management.

[3]The DCTN contract with AT&T primarily provides switched voice, video teleconferencing, and leased transmission services to Defense users.

[4]Defense: Telecommunications Management (GAO/IMTEC-93-26R, April 28, 1993).

video, and other services, (2) one or more data service and value-added service providers, (3) two or more technical service providers to help user agencies apply telecommunications services and technologies to their missions, and (4) a possible wireless communications services provider. This approach is intended to allow agencies to select from multiple contracts for different services.

Objectives, Scope, and Methodology

To obtain information about Defense's DISN Far-Term acquisition strategy and progress in implementing its DISN Near-Term initiative, we interviewed officials from OASD/C³I, the Office of the Joint Chiefs of Staff, and DISA, and reviewed program documentation. We also interviewed DISA officials and reviewed documentation on DISN network management at DISA headquarters in Arlington, Virginia, as well as DISA's network control centers at Columbus, Ohio, and Scott Air Force Base, Illinois.

To obtain information about Defense's participation in the current FTS 2000 program and the planned Post-FTS 2000 acquisition effort, we interviewed officials and reviewed documentation from OASD/C³I, DISA, and GSA. In addition, we reviewed documentation, prepared by the Joint Concept Review Committee (JCRC), that examined the feasibility of consolidating Defense and civil agency telecommunications acquisition initiatives.

To obtain broader knowledge of the issues and challenges associated with planning, acquiring, implementing, and managing corporate telecommunications programs, we interviewed officials from several private sector firms that rely on large communications networks, including Frito-Lay Inc., Plano, Texas; Boeing Computer Services, Inc., Seattle, Washington; Electronic Data Systems Inc., Herndon, Virginia, and Plano, Texas; JC Penney Co., Inc., Dallas and Plano, Texas; and Texas Instruments, Plano, Texas.

Also, we reviewed documentation prepared for Defense describing the lessons that Electronic Data Systems personnel learned as they implemented corporate telecommunications for General Motors. We also reviewed other studies prepared for Defense, including telecommunications management benchmarking studies and best practices reports prepared by Booz Allen & Hamilton, Inc.; COMPASS America, Inc.; Real Decisions Corporation; and Nolan, Norton & Co.

Our work was performed between June 1994 and May 1995 in accordance with generally accepted government auditing standards.

The Assistant Secretary of Defense, Command, Control, Communications and Intelligence (ASD/C³I), provided written comments on a draft of this report. These comments are discussed in the "Agency Comments and Our Evaluation" section and are reprinted in appendix I.

Ineffective Telecommunications Management Places DISN at Increased Risk

Organizations that successfully implement corporate telecommunications strategies identify critical elements for success, including:

• a valid description of the organization's communications requirements,
• a coherent plan for implementing a system that meets those requirements, and
• a clear definition of the roles and responsibilities for managing that system.

At present, DISN lacks these three key elements. Over 3 years into the program, Defense has yet to validate its operational requirements for DISN. Inadequate program planning and lack of effective management oversight have contributed to program slippage. In addition, Defense has yet to define the end-to-end network management roles and responsibilities essential to effective operation of near-term DISN.

Defense Has Not Validated DISN Operational Requirements

Defining and validating operational requirements is an essential first step in the telecommunications acquisition and process. These requirements form the basis for properly identifying and evaluating alternative approaches, and selecting an appropriate solution. However, more than 3 years after it began planning and implementing DISN, Defense has yet to define and validate DISN's operational requirements. Personnel in the Office of the Joint Chiefs of Staff observed in March 1994 that all DISN implementation efforts, near-term and far-term, had proceeded without an overarching requirements document.

Senior Defense managers have recently taken some steps to address this shortcoming. For example, the Joint Requirements Oversight Council has approved a statement outlining DISN's required capabilities in broad terms. Further, DISA and the Office of the Joint Chiefs of Staff are directing efforts to specifically define and document the Department's operational requirements for DISN; validated operational requirements are expected by

August 1995. Nevertheless, until Defense completes this critical first step, it cannot ensure that any actions it takes to plan, design, or implement its DISN communications capabilities will efficiently, effectively, or economically meet its needs.

Planning and Management of DISN Are Inadequate

A second problem facing Defense is that inadequate program planning and management have impaired its near-term efforts to integrate existing networks into DISN. Electronic Data Systems Corporation personnel found, while building General Motors' global corporate communications network, that thorough planning—based on resources, costs, and time—was the key to success. Although Defense initially followed a similar approach with DISN planning, it did not sustain this effort. Defense's May 1992 Defense Information System Network Near-Term Transition Plan clearly outlined an implementation strategy, identified resources, presented a detailed schedule, and estimated DISN costs over a 6-year life cycle. In addition, the Deputy ASD/C³I for Defense Communications chaired three telecommunications program reviews to oversee DISN planning and implementation.

Since that time, DISN's strategy and schedule have changed significantly. For example, although the initial near-term strategy called for completing the integration of eight large independent networks by the second quarter of fiscal year 1993, these efforts are still under way. Efforts to integrate the Navy's transmission network are still in process, while integration of the Defense Logistics Agency's Corporate Network has just begun. The integration of Navy and Air Force router networks are now planned to be completed by October 1995 and October 1996, respectively. Despite these changes, the transition plan, schedule, and resource estimates initially developed to justify and guide DISN implementation have never been updated. Further, Defense's near-term DISN efforts have not undergone a program review in over 2 years. In the absence of adequate planning and management, Defense's efforts to achieve DISN's objectives will not be timely or cost-effective.

Defense Has Not Defined DISN Management Roles, Responsibilities, and Procedures

The third problem in implementing DISN is a lack of clearly defined roles, responsibilities, and procedures for effective management of Defense's operational DISN networks. Benchmarking studies of best private sector practices have found that having clearly defined roles, responsibilities, and procedures that are well-documented and understood by staff at all levels are essential to effective network management. Senior Defense officials,

DISA managers, and DISN program documentation all recognize that effective network management is the key to lowering costs and assuring the interoperability of their global communications systems.

However, despite their recognized importance, the roles, responsibilities, and procedures for effective end-to-end DISN network management have not been defined and documented. A Joint Chiefs of Staff Instruction published in 1993 made DISA responsible for managing DISN in accordance with validated operational requirements; as we previously stated, however, those requirements still do not exist. Further, although they have been under development for over 3 years, DISA has not finalized and approved the comprehensive policies and procedures for DISN management. According to DISN regional network managers, the different versions of DISA's draft guidelines that have been circulating have created confusion because they provide different and sometimes conflicting direction. In addition, there is little direction of any kind regarding responsibilities of the base-level managers at Defense installations where most DISN equipment is actually located. Without clear guidelines outlining the roles, responsibilities, and procedures for end-to-end network management based on joint operational requirements, Defense cannot operate and manage its operational near-term DISN in a way that efficiently and effectively meets its needs.

Defense's Revised DISN Strategy Limits Use of Post-FTS 2000

Defense has stated publicly that it intends a large degree of participation in Post-FTS 2000. Nevertheless, the Department continues its plans to acquire and provide its own services through the DISN initiative. This decision limits Defense's ability to contribute to and benefit from commercial services offered under the consolidated Post-FTS 2000 initiative. As yet, Defense has not justified this course of action.

Spurred by congressional interest in the potential duplication of their acquisition efforts, Defense, GSA, and the IMC established the Joint Concept Review Committee in February 1994 to determine the extent to which the government's telecommunications acquisitions could be consolidated.[5] After assessing technical, economic, and managerial issues, the JCRC could find no insurmountable obstacles to consolidating these acquisitions. Rather, the JCRC found that combining government agencies' buying power

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[5]The JCRC's membership included representatives from the Defense Information System Agency; the General Services Administration; the Interagency Management Council; the Office of the Director, National Communications System; the Department of Veterans Affairs; the Department of the Treasury; and the Department of Agriculture. Acquisition programs specifically considered by the JCRC included Post-FTS 2000, DISN, and the Government Emergency Telecommunications Service.

would actually promote establishment of the Government Services Information Infrastructure advocated by the National Performance Review, while offering significant cost savings to all users of data services.

In his endorsement of the JCRC findings, the ASD/C³I testified in May 1994 before the Senate Committee on Governmental Affairs that a joint Defense/GSA acquisition strategy was the most cost-efficient way to proceed, and stated his commitment to increased cooperation with GSA. In addition, the former DISA director testified that Defense's Cold War strategy to acquire and operate dedicated private networks was driven by its need for unique features that were not commercially available. The director testified further that since that time technology providing security, assured access, and other critical features had matured, and most equivalent services are now readily available commercially.[6]

Defense's increased use of commercial telecommunications services is also supported by an October 1994 report on battlefield information architecture. In this report, the Defense Science Board recommended that Defense increase its use of federal government communications systems and commercial communications services.[7] In making this recommendation, the Board noted that over 80 percent of Defense's communications satellite use during Desert Shield/Desert Storm was provided through commercial communications assets. Furthermore, in March 1995 testimony before the House Committee on Government Reform and Oversight, the ASD/C³I stated that perhaps as much as 70 percent of Defense's telecommunications service needs within the continental United States could be met through the Post-FTS 2000 initiative.

Despite these public statements, however, Defense's program strategy for DISN indicates that it intends only limited use of Post-FTS 2000 to meet DISN requirements. For example, in December 1994, the ASD/C³I, the Office of the Joint Chiefs of Staff, and the military services agreed on a revised DISN approach that will use the follow-on Post-FTS 2000 program primarily to acquire the communications bandwidth it needs to build a private DISN network. That is, rather than acquire its communications services within the continental United States directly from a communications services

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[6]A study of Defense telecommunications conducted by Booz Allen Hamilton in 1994 for DISA found that, in analyzing 24 military-unique features, 20 of these features had commercial equivalents that matched or exceeded the required capabilities.

[7]Report of the Defense Science Board Summer Study Task Force on Information Architecture for the Battlefield, October 1994.

provider, Defense is buying its own communications equipment, and plans to operate its own network by leasing bandwidth from Post-FTS 2000.

Defense has approved this revised DISN approach without first documenting that development, operation, and management of its own network infrastructure is the sole or most cost-effective way to meet its requirements. For example, Defense's documentation supporting this revised approach exists in draft form; there is no validated economic analysis or approved program plan supporting this decision. A draft cost/benefit analysis developed by DISA in November 1994 was based on requirements that had not been validated.[8] Nevertheless, the ASD/C³I has authorized DISA to invest over $100 million over the next 2 years to implement its DISN concept within the continental United States despite this lack of plans and agreement regarding requirements. As a result, Defense's intent to build its own, redundant communications infrastructure risks hundreds of millions of dollars to establish and operate a telecommunications capability that might not cost-effectively meet its needs. Further, Defense's actions jeopardize the benefits of a consolidated telecommunications acquisition program as envisioned by the JCRC.

Conclusions

Defense managers recognize that improving the efficiency and cost-effectiveness of the Department's communications services is essential to all operations, including its warfighting mission. Despite this recognition, Defense has not taken the basic steps to efficiently and effectively plan, acquire, and manage its own major communications initiative, DISN.

Defense has revised its DISN strategy without a clear understanding of its operational and management requirements, without fully considering all alternatives for meeting those requirements, and without first documenting that the development, operation, and maintenance of its own network infrastructure would be the most cost-effective way to meet these needs. As a result, there is no assurance that Defense's approach to DISN will meet its long-standing telecommunications needs. What is assured is that this approach will limit Defense's ability to contribute to and benefit

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[8]The revised far-term DISN approach recently underwent a review by Defense's Major Automated Information System Review Council. In providing Milestone 0 approval, the Assistant Secretary of Defense (C³I) directed the DISA Director to provide a total proposed program strategy for DISN, including implementation strategy, schedule, and plans for developing supporting cost and economic analyses, to the OASD/C³I by April 28, 1995. DISA has missed this deadline; a program strategy is still being developed.

from a consolidated governmentwide Post-FTS 2000 initiative, and will perpetuate its practice of acquiring and managing its own redundant networks.

Recommendations

We recommend that the Secretary of Defense direct the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to develop a strategy and plans that establish and document the roles, responsibilities, and procedures essential to ensuring the efficient and effective end-to-end management of its operational near-term DISN services.

We recommend further that the Secretary of Defense direct the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to:

- reassess DISA's proposed far-term DISN approach, reconsider decisions on Post-FTS 2000 participation, and ensure that the approach is based on valid operational requirements and approved plans, and
- fully justify any decision to procure communications circuits rather than services from the Post-FTS 2000 program. This should include identifying the additional life-cycle acquisition, operations, maintenance, and support costs that will be incurred in developing and operating DISN, as well as the effects on Defense's warfighting and administrative support missions.

Agency Comments and Our Evaluation

We obtained written comments on a draft of this report and have incorporated those comments where appropriate. These comments are presented in appendix I.

In commenting on the draft report, the Department of Defense concurred with our findings and recommendations. In its concurrence with our recommendation that Defense fully justify any decisions to procure circuits rather than services from the Post-FTS 2000 program, Defense stated that any strategic decision to procure circuits rather than services would be fully documented and justified. We want to emphasize that our recommendation is that Defense fully justify any actions or decisions to procure circuits in lieu of services from the Post-FTS 2000 program.

As agreed with your office, unless you publicly announce the contents of this report earlier, we will not distribute it until 30 days from its date. We

will then send copies to the Chairman of your Committee, the House Committee on Government Reform and Oversight, the House and Senate Appropriations Committees, the House National Security Committee, the Senate Armed Services Committee, and other interested congressional committees, the Secretary of Defense, and the Director of the Office of Management and Budget. Copies will also be sent to others upon request. Please contact me at (202) 512-6240 if you or your staff have any questions. Major contributors to this report are listed in appendix II.

Sincerely yours,

Jack L. Brock, Jr.
Director, Information Resources Management/
National Security and International Affairs

Contents

Abbreviations

ASD/C^{3}I	Assistant Secretary of Defense for Command, Control, Communications, and Intelligence
DCTN	Defense Commercial Telecommunications Network
DISA	Defense Information Systems Agency
DISN	Defense Information System Network
DISN-FT	DISN Far-Term
DISN-NT	DISN Near-Term
DOD	Department of Defense
FTS	Federal Telecommunications System
GSA	General Services Administration
IMC	Interagency Management Council
JCRC	Joint Concept Review Committee
OASD/C^{3}I	Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence

Comments From the Department of Defense

ASSISTANT SECRETARY OF DEFENSE

6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

July 6, 1995

COMMAND, CONTROL,
COMMUNICATIONS
AND INTELLIGENCE

Mr. Gene L. Dodaro
Assistant Comptroller General
Accounting and Information
   Management Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Dodaro:

    This is the Department of Defense's (DoD) response to
the General Accounting Office (GAO) draft report, "DEFENSE
COMMUNICATIONS: Management Problems Jeopardize DISN
Implementation," dated May 24, 1995 (GAO Code 511271), OSD
Case 9685-A. The Department concurs with the report.
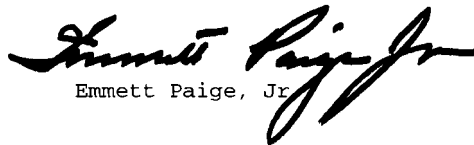
    The GAO has concluded that the DoD has not effectively
planned and managed the Defense Information System Network
(DISN), identifying three causes: (1) lack of validated
requirements; (2) lack of an approved plan; and (3) lack of
guidelines to ensure efficient and effective end-to-end
management of the network. The DoD agrees that those items
are necessary. Additional impacts to DISN, its evolution
and implementation, result from both legacy and external
circumstances. A legacy impact is DISN's integration/
evolution and expansion from a partially documented
operational baseline of disparate networks and systems. As
a result, some elements of the DISN documentation and
oversight have lagged behind the decisionmaking process.
External impacts include the rapid changes in information
technology, especially in networking and network management
and the DoD reorganization, drawdowns and budget reductions.
As a result, some DISN elements have been modified to
reflect changing assessments of technology through the year
2010 and its availability in the global marketplace, and
some scheduling and implementations have been modified to
meet changed mission and funding profiles. The DoD does not
necessarily share the GAO view as to the degree of
importance those factors have on the DISN and how they have
affected the network.

        I assure you that the Office of the Assistant Secretary
of Defense for Command, Control, Communications, and
Intelligence and the Defense Information Systems Agency are,
and will continue, to review the governing management
processes and procedures, and take any necessary actions to
improve the future efficiency and effectiveness of their
program oversight, execution and documentation.

        Our comments regarding each specific recommendation are
contained at the enclosure. The Department appreciates the
opportunity to comment on the draft report.

                                Sincerely,

                                Emmett Paige, Jr.

Enclosure

**GENERAL ACCOUNTING OFFICE DRAFT REPORT
(GAO CODE 511271) OSD CASE 9685-A**

**"DEFENSE COMMUNICATIONS: MANAGEMENT PROBLEMS JEOPARDIZE
DISN IMPLEMENTATION," DATED MAY 24, 1995**

DOD RESPONSE TO GAO RECOMMENDATIONS

<u>**RECOMMENDATION 1**</u>: The GAO recommended that the Secretary of
Defense direct the Assistant Secretary of Defense for
Command, Control, Communications, and Intelligence
(ASD(C3I)) to develop a strategy and plans that establish
and document the roles, responsibilities, and procedures
essential to ensuring the efficient and effective end-to-end
management of its operational near-term Defense Information
Systems Network (DISN) services. (p. 23/GAO Draft Report)

<u>**DOD RESPONSE**</u>: Concur. The ASD(C3I) and the Defense
Information Systems Agency (DISA) have decided upon an
overall strategy and are developing detailed plans outlining
roles, responsibilities and procedures. The strategy will
be finalized once the formal DISN Joint Operational
Requirements Document (JORD) has been published. Staffing
of the JORD with the Military Departments, the Commanders-
in-Chief, and Defense Agencies is expected to be completed
by September 1, 1995. In addition, DISA will disseminate
DISA Circular 310-70-xx, "Defense Information Infrastructure
Systems and Network Management," to the Joint Staff, the
Military Departments, the Commanders-in-Chief, and the
Defense Agencies for coordination within 60 days. Final
publication is expected to be completed by July 1996.

<u>**RECOMMENDATION 2**</u>: The GAO recommended that the Secretary of
Defense direct the Assistant Secretary of Defense for
Command, Control, Communications, and Intelligence to
reassess DISA's proposed far-term DISN approach, reconsider
decisions on Post-FTS2000 participation, and ensure that the
approach is based on valid operational requirements and
approved plans. (pp. 23-24/GAO Draft Report)

<u>**DOD RESPONSE**</u>: Concur. The DoD is planning for maximum
possible usage of Post-FTS2000 (PF2K) based on service
availability, satisfaction of operational and technical
requirements, and cost. The DISA actively participated with
the General Services Administration (GSA) in the development
of the PF2K requirements. These requirements are similar to

those shown in the DISN Program Strategy, dated March 1995.
The DISA will continue to work with GSA on the PF2K Program.
The DoD anticipates that PF2K will eliminate many of the
current impediments under the FTS2000 contracts to meeting
DISN requirements. These requirements, as stated in the
DISN Mission Need Statement, were validated by the Joint
Requirements Oversight Council (JROC) on March 1, 1995. The
DISN JORD document will validate those requirements in more
specific detail.

RECOMMENDATION 3: The GAO recommended that the Secretary of
Defense direct the Assistant Secretary of Defense for
Command, Control, Communications, and Intelligence to fully
justify any decisions to procure communications circuits
rather than services from the Post-FTS2000 program. This
should include identifying the additional life-cycle
acquisition, operations, maintenance, and support costs that
will be incurred in developing and operating DISN, as well
as the effects on Defense's warfighting and administrative
support missions. (p. 24/GAO Draft Report)

Now on p.10.

DOD RESPONSE: Concur. Once PF2K is implemented, any
strategic decision to procure circuitry as opposed to
services will be fully justified and documented in
accordance with the DISA Cost and Benefit Analysis Program
(Draft DISA Instruction 600-60-1). That instruction defines
specific elements of the justification and when those
elements will be completed. The justification will include
acquisition, operations, maintenance, and support costs as
well as the effects on DoD warfighting and administrative
support missions. The DISA Comptroller issued interim
guidance on March 17, 1995 indicating that the draft DISA
Instruction 600-60-1 will be used until a formal instruction
is published. The formal DISA instruction will be
published within 90 days of the governing publication, DoD
Instruction 7041.3 (draft) "Economic Analysis for Decision
Making."

Major Contributors to This Report

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