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*FedSources Presents:*

**Analysis of the Updated President's Budget to Congress for FY07:  
 Defense Department Detail of IT Investments (Exhibit 53, Updated March 3, 2006)**

The Federal Government's 2007 IT budget request update was released on March 3, 2006. The newly-available IT investment detail for the Department of Defense (DoD) represents a slight decrease from FY06, reflecting (as was also seen in the civilian agency IT budget last month) a greater consolidation of programs (e.g., ground radio systems), and fewer large new IT programs being proposed overall.

For the DoD portion of the IT budget, the overall growth rate from the government fiscal year (GFY) 2006 enacted amount of \$31.7 billion to the **total GFY07 request of \$30.7 billion** represents a **decrease of 3.0%**. As in the civilian portion of the FY07 budget, the DoD FY07 IT total was lower than anticipated. However, while the reduction in funds appropriated for IT programs in FY06 contributed in part to the more modest requests for many FY07 programs, concern over the deficit played a part as well. "The reduction in FY07 IT funding requests is partially a reflection of the administration's attempt to address federal deficit reduction," says FedSources Sr. VP and Chief Knowledge Officer Ray Bjorklund.

A summary of the total DoD IT spending requests by department and agency appears below (see Table 1):

**Table 1: Total DoD IT Investment by Department and Agency, FY06-FY07 (\$billions)**

Department	FY06 Enacted	FY07 Requested	% Change '06-'07
Army	7.96	7.51	-5.6%
Navy/Marine Corps	5.81	5.73	-1.4%
Air Force	7.14	7.33	2.7%
DoD Agencies	10.75	10.14	-5.7%
<b>Total</b>	<b>31.66</b>	<b>30.71</b>	<b>-3.0%</b>

*Source: Exhibit 53 budget (updated), March 3, 2006*

*Note: "DoD Agencies" refer to defense agencies (e.g., DISA, DLA)*

As the above summary shows, the only military department that experienced an increase in requested IT spending in FY07 was the Air Force. This increase in overall IT program requested funds was driven in large part by the following top three Air Force programs in FY07:

- Protect Information – Cryptographic Modernization (**\$263 million in FY07**, up from \$103 million in FY06)
- Expeditionary Combat Support System (**\$212 million in FY07**, up from \$81 million in FY06)
- Minimum Essential Emergency Communications Network (**\$176 million in FY07**, up from 106 million in FY06)

Within DoD, the **top five individual programs** in FY07 by dollar amount appear below (see Table 2):

**Table 2: Top Five Largest Individual DoD IT Programs by Dollar Amount in FY07 (\$millions)**

Program Name	FY06 Enacted	FY07 Requested
Navy Marine Corps Intranet (NMCI)	1,602.6	1,681.5
Defense Information System Network (DISN)	1,359.6	1,317.6
Non-DISN Telecom Programs	1,098.0	1,129.2
Joint Tactical Radio System (JTRS) – Joint Program Office (JPO)	139.5	832.3
Defense Enterprise Computing Centers (DECC)	788.2	781.0

*Source: Exhibit 53 budget (updated), March 3, 2006*

Regarding the biggest winners in this year's budget, the **top five DoD IT programs that experienced the largest requested increase** from FY06 to FY07 appear below (see Table 3).

**Table 3: Top Five DoD IT Programs with the Greatest Increase in Dollar Amount, FY07 (\$millions)**

Program Name	FY06 Enacted	FY07 Requested
Joint Tactical Radio System (JTRS) – Joint Program Office (JPO)	139.5	832.3
Business Transformation Agency (DoD Agencies)	0.0	215.9
Protect Information – Cryptographic Modernization (Joint)	310.2	498.7
Expeditionary Combat Support System (Air Force)	80.5	212.4
Area Common User System Modernization Area (Army)	237.2	340.2

*Source: Exhibit 53 budget (updated), March 3, 2006*

Turning to the losers in this year's budget, the **top five DoD IT programs that experienced the largest decrease** in requested dollars from FY06 to FY07 appear below (see Table 4). Note: these programs were primarily component ground radio programs that are being consolidated into larger DoD-wide programs (e.g., JTRS).

**Table 4: Top Five DoD IT Programs with the Greatest Decrease in Requested Dollars, FY07 (\$millions)**

Program Name	FY06 Enacted	FY07 Requested
COTS Tactical Radios (Army)	608.6	91.4
Joint Tactical Radio Systems (JTRS) (Clusters 1-5)	544.5	118.0
Single Channel Ground and Airborne Radio System (Army)	499.8	116.5
National Geospatial-Intelligence Agency (NGA) Joint Military Intelligence Program (JMIP) IT Resources	462.8	146.8
Defense Logistics Agency (DLA) Business Systems Modernization	181.0	70.3

*Source: Exhibit 53 budget (updated), March 3, 2006*

Regarding broader program areas and themes, the DoD IT budget (as with the civilian agencies) is segmented according to which objective of the Federal Enterprise Architecture (FEA) program the investment addresses. The DoD IT budget includes 63 FEA sub-function categories, the top five largest of which are listed below (see Table 5).

**Table 5: Top Five Largest Federal Enterprise Architecture Subcategory Areas in the DoD IT Budget, FY06-FY07 (\$billions)**

FEA Subcategory	FY06 Enacted	FY07 Requested	% Change '06-'07
Information Management	8.35	8.34	-0.1%
Strategic National and Theater Defense	5.65	5.55	-1.8%
Tactical Defense	4.56	3.63	-20.5%
IT Infrastructure Maintenance	3.50	3.18	-9.2%
IT Security	2.05	2.27	10.6%

*Source: Exhibit 53 budget (updated), March 3, 2006*

These top "Information Management"-related IT infrastructure programs include:

- Defense Enterprise Computing Centers (DECC) (**\$781 million** in FY07, note: also the fifth largest program overall by dollar amount)
- Base Level Communications Infrastructure (**\$392 million** in FY07 in joint investment; \$1.85 billion DoD total)
- Navy Computing Infrastructure (**\$332 million** in FY07)

As on the civilian side, information security and integrity is a key area of investment in the DoD IT budget. The top DoD-wide joint "IT Security"-related IT investments include:

- Protect Information (**\$1.22 billion** in FY07)
- Defend Systems & Networks (incl. Computer Network Defense) (**\$294 million** in FY07)
- Transform & Enable Information Assurance (IA) Capabilities (**\$162 million** in FY07)

Finally, the FEA subcategory areas that experienced the largest year-over-year growth in dollar terms in FY07 appear below (see Table 6). Note that "IT Security" appears at the top of this ranking.

**Table 6: Top Five Federal Enterprise Architecture Subcategory Areas in the DoD IT Budget with the Largest Increase in Requested Dollars, FY06-FY07 (\$millions)**

FEA Subcategory	FY06 Enacted	FY07 Requested	% Change '06-'07
IT Security	2,052.5	2,269.8	10.6%
Budget & Finance	604.9	781.2	29.1%
Improved Acquisition	244.8	360.8	47.4%
Inventory Control	293.0	401.8	37.1%
System Development	172.0	220.3	28.1%

*Source: Exhibit 53 budget (updated), March 3, 2006*

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