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Exhibit R-2, RDT&E Budget Item Justification				Date: February 2007				
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/05				R-1 ITEM NOMENCLATURE Defense Message System/PE 0303129K				
COST (in millions)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Defense Message System/DM01	11.717	11.160	0.0	0.0	0.0	0.0	0.0	0.0

A. Mission Description and Budget Item Justification:

The Defense Message System (DMS) provides secure and accountable messaging services to meet the full range of organizational messaging needs throughout the Department of Defense (DoD). The Office of Assistant Secretary of Defense for Networks, Integration and Information (OASD/NII) directed development of DMS and mandated DoD's transition from legacy systems to DMS. DMS fulfills Joint Staff validated and prioritized operational requirements for an integrated writer-reader capable, organizational messaging system that is accessible worldwide (to include tactically deployed military personnel), and interfaces to our Allies. DMS utilizes Commercial-Off-the-Shelf (COTS) and modified COTS components to provide multi-media messaging and directory capabilities that complement and leverage the Global Information Grid (GIG). DMS capability exceeds that of pure COTS applications with reliable handling of information at all classification levels, compartments, and handling instructions, thus meeting DoD's unique messaging requirements and maintaining interoperability with our Allies. DMS incorporates state-of-the-art information technologies, including the internationally developed Allied Communications Protocol (ACP) 120 implementation of the Common Security Protocol (CSP), which provides automated access controls for compartments, code words, and caveats. Public Key Infrastructure (PKI) certificates are used for authentication and access control. DMS utilizes DoD Class 4 PKI products developed by the National Security Agency (NSA) to provide message signature and encryption via approved algorithms and protocols (FORTEZZA). This is referred to as DMS "high grade" service and supports the level of protection required for unclassified and classified military organizational messaging. A key tenet of the DMS acquisition strategy is to leverage commercial products to the maximum extent possible. This strategy necessitates continued software integration and testing of commercial product updates (operating systems and applications) throughout the life cycle to avoid obsolescence and to ensure adequate life cycle support.

The DMS received its Milestone III approval from ASD/C3I in July 2002. ASD/NII designated DMS as a sustainment effort on 16 May 2005 resulting in the termination of investment funding starting in FY08. During the sustainment phase, system/product modifications and associated integration and testing are focused on commercial evolution, security improvements to meet changing security threats, and minor product usability improvements.

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DISA is working with the Joint Staff, Services, Agencies, and industry to insure DoD's Command and Control (C2) messaging requirements are met through convergence with emerging commercial capabilities. This Program Element (PE) is under Budget Activity 5 and involves commercial evolution that ensures supportability, improves usability, improves performance, and defends against changing security threats. A number of DMS products formerly provided by NSA have been maintained by DISA since FY 2006, as part of each maintenance release. While these products have become part of DMS releases (including operating system updates).

Accomplishments/Planned Program:

DMS Maintenance Release	FY 06	FY 07	FY 08	FY 09
Subtotal Cost	7.616	7.750	0.000	0.000

RDT&E funds support software integration and developmental testing activities required to avoid complete divergence of DMS products from current commercial technology and activities required to meet evolving DoD security policies and to counter evolving information warfare threats. Products newly implemented by the Services and Agencies must also be tested and integrated into the system to ensure compatibility and interoperability and for configuration management. System improvements, such as patches (for bug fixes), commercial service packs, and mitigation of emerging security vulnerabilities, are integrated and implemented through DMS software releases, which are similar to commercial Service Packs. Beginning in FY 2006, a number of DMS products formerly provided by NSA began to be maintained by DISA (updated and integrated as part of each DMS Release), including operating system updates. Future DMS releases will provide for engineering and integration of security, interoperability, and communications support capabilities and functionality unique to DMS operations in the Intelligence Community (IC) and tactical environments. Areas of focus will be resolution of IC- functional capabilities and legacy interoperability issues that are identified as the IC increases their implementation of DMS.

In addition, DMS security services (FORTEZZA) will be migrated from a principally client/server topology to a principally domain or "boundary server" topology. This represents a significant evolution of the DMS to provide a

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higher degree of user service while removing the complexities associated with FORTEZZA from the users' workstations. To allow full-scale implementation, existing products will require significant performance and scalability enhancements. In FY 2006 and FY 2007, the DMS program will continue to maintain a number of DMS products formerly provided by NSA in addition to the regular suite of DMS products originally developed and maintained by DISA.

DMS Systems Engineering	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	2.040	2.300	0.000	0.000

RDT&E funds support system engineering activities associated with DMS releases and activities required in support of evolving DoD security policies and to counter evolving information warfare threats. The supported tasks include program and systems management, technical assessments of system performance against operational requirements, and analysis of recommended solutions to any identified deficiencies or security vulnerabilities. Focus for FY06 and FY07 will be on assessment of and resolution of scalability, operational, and security issues which may arise as the Services/agencies consolidate their messaging facilities and implement enterprise-level "boundary server systems".

Testing Support	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Subtotal Cost	2.061	1.110	0.000	0.000

DMS releases undergo developmental, operational, and security testing before widespread fielding. The Joint Interoperability Test Command (JITC) provides DMS test support for all new releases, including correction of problems identified with product functionality or system capability. Information Assurance Vulnerability Alerts (IAVAs) are continually assessed and often require product changes either within a software release or asynchronously. Requisite product changes are tested and delivered to protect and sustain the fielded system. In FY 2006 and FY 2007, changes identified through operational usage will be implemented after completion of appropriate developmental and operational tests.

UNCLASSIFIED

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B. Program Change Summary:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Previous President's Budget	13.176	11.202	7.621	7.596
Current Submission	11.717	11.160	0.000	0.000
Total Adjustments	1.459	-0.042	-7.621	-7.596

Change Summary Explanation:

FY 2006 change due to internal DISA redistribution of funds.
 FY 2007 change due to Budget and Congressional actions.
 FY 2008 and FY2009 changes are due to revised fiscal guidance.

C. Other Program Funding Summary:

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>To Complete</u>	<u>Total Cost</u>
Procurement, DW	8.792	6.222	0.000	0.000	0.000	0.000	0.000	0.000	Contg	Contg
O&M, DW	19.565	18.550	15.140	17.628	17.827	17.323	17.350	Contg	Contg	

D. Acquisition Strategy: The overall strategy is based upon the fundamental premise that Commercial-Off-the-Shelf products will continue their evolution through the constant refresh of commercial technology. To maintain an interoperable system, DMS will continue to use a single contractor as an overall integrator. Contract Administration is under a fee for service arrangement by the DMS Contracting Office, which is based at Maxwell Air Force Base - Gunter Annex, Alabama. Additionally, DMS utilizes contract vehicles within DISA to acquire other equipment and services to support the implementation of DMS, such as Network Centric Solutions (NETCENTS) and the Next Generation Contracts. Contracts have been competitively awarded and provide support in the following areas: program planning and control; analytic services of the DMS system integration; organizational messaging; tactical deployment; operations; configuration management; and training and logistics. These contracts also provide support for the fielding of Virtual

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Private Networking (VPN) technology that provides protection for specific aspects of the DMS backbone. The DMS Global Service Manager employs several strategies for the acquisition of products and services:

1. Ordering of DMS hardware, software, integration, engineering and technical services from the DMS integration contract.
2. Standard commercial products and services required to accomplish DMS implementation are procured via existing GSA Schedule or other high volume/ID-IQ contract vehicles. Specialized security products (libraries/drivers) are currently provided by NSA and incorporated as Government Furnished Equipment (GFE) by the integrator.
3. ASD/NII designated DMS as a sustainment effort on 16 May 2005, resulting in the termination of investment funding starting in FY08.

E. Performance Metrics:

Key Performance Parameters (KPPs) were established to ensure DMS system performance meets or exceeds critical operational requirements contained in the validated Joint Staff requirements document. For each KPP, an objective and threshold value has been established, and measures are monitored each month. There are 24 KPPs for DMS, as defined in the DMS Acquisition Program Baseline. A subset of these KPPs is described below.

KPP Name	Objective	Actual Result	Status
Backbone System Availability	≥ 99% availability of Regional Node	99.67%	Green
Local Site Availability	≥ 99% availability of	99.4%	Green

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Directory Search, Level 5-8	Commissioned Sites ≤ 5 sec for DMS user over Network LAN	0.82 sec	Green
Directory Browse, Level 5-8	≤ 20 Sec for DMS user over Network LAN	9.74 sec	Green
Backbone Speed of Service	Normal - ≤ 20 min for speed of service	1.53 min	Green
Directory Accuracy (Data Errors)	≤ 2% detected via scan	1.3%	Green

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Exhibit R-3 Cost Analysis						DATE: February 2007						
APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NAME AND NUMBER					
RDT&E, Defense-Wide/05			Defense Message System (DMS)/PE 0303129K				Defense Message System/DM01					
Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY07 Cost	FY 07 Award Date	FY08 Cost	FY 08 Award Date	FY09 Cost	FY09 Award Date	Cost To Complete	Total Cost	Target Value of Contract
<u>Product Development</u>												
Maintenance Release & Sys Engineering	CPAF/C	Lockheed Martin, Manassas, VA	27.652	10.050	05/07	0.00		0.00		0.00	37.702	37.702
Subtotal Product Development			27.652	10.050		0.000		0.000				
<u>Test and Evaluation</u>												
Developmental Test & Evaluation	MIPR	Joint Inter-Operability Test Command (JITC), Indian Head, MD	6.696	1.110	10/06	0.000		0.000		0	7.848	7.848
	CPAF/SS	Data Systems Analysts Fairfax, VA	1.570	0.000	N/A	0.000	N/A	0	N/A	0	1.570	1.570
Conduct ST&E	MIPR	Field Security Ops/ DISA, Letterkenny Army Depot, PA	0.000	0.000	N/A	0.000	N/A	0		0	0.000	0.000
Operational Test & Evaluation	MIPR	JITC Ft Huachuca, AZ	1.050	0.000	N/A	0.000	N/A	0		0	1.050	1.050
Subtotal Test and Evaluation			9.316	1.110		0.000		0.000				
TOTAL			36.968	11.160		0.000		0.000				

UNCLASSIFIED

Exhibit R-4 Schedule Profile													Date: February 2007																									
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/05													Program Element Number and Name Defense Message System PE 0303129K													Project Number and Name DMS/DM01												
Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013									
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4						
DMS Product Development and Testing Assessment (DMS R3.1 Maintenance Release and yearly Updates)	△		△		△		△																															
Security Product Development and Testing		△				△																																

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Exhibit R-4 Schedule Profile														Date: February 2007																											
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/05														Program Element Number and Name Defense Message System PE 0303129K														Project Number and Name DMS/DM01													
Fiscal Year	2006				2007				2008				2009				2010				2011				2012				2013												
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4									
DMS Product Operational Assessment (DMS R3.1 Maintenance Release and yearly Updates)	△			△	△			△																																	
Implementation to Infrastructure	△		△		△		△																																		

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Exhibit R-4a Schedule Detail		DATE: February 2007						
APPROPRIATION/BUDGET ACTIVITY	PROGRAM ELEMENT			PROJECT NAME AND NUMBER				
RDTE, Defense-Wide/05	Defense Message System / PE 0303129K			DMS / DM01				
<u>Schedule Profile</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Begin Development and Testing of DMS R3.1 MR & yearly Updates Security Product Development & Testing R3.1 & R3-1 Update Operational Assessment Implementation To Infrastructure	1Q & 3Q	1Q & 3Q						
	2Q	2Q						
	1Q & 4Q	2Q & 4Q						
	1Q & 3Q	1Q & 3Q						

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Defense Information Systems Agency
FY 2008 President's Budget Submission
R-5 Exhibit
Termination Liability Funding For Major Defense Acquisition Programs
RDT&E Funding (\$000)

<u>Program</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Defense Message System (DMS) PE0303129K	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<p>1. The government may terminate a contract based on convenience by providing the contractor with a written notice within a specified number of days. The preliminary notice will include an issue to stop future work on the current contract. The government follows FMR guidance as determined by specified contract.</p> <p>2. If the government exercises this option, the termination measure will be in concordance with those measures as set forth by GSA Schedules, IDIQ contracts and the FAR.</p> <p>3. The total termination contract value will be determined by a mutual agreement between the contractor and the government.</p>								