



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

APR 15 2003

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am providing to you the congressionally required annual report on multiyear contracts as an enclosure to this letter. Section 2306b of title 10, United States Code, requires that the Secretary of Defense submit an annual report to the congressional Defense Committees providing contract information on each multiyear contract and any extension of an existing multiyear contract entered into or planned to be entered into during the current or preceding year. The Secretary has delegated that authority to me.

The new multiyear contracts planned for fiscal year 2003 that exceed \$500 million include: an Army contract for the Family of Medium Tactical Vehicles, and a multi-service (Air Force/Navy) contract for C-130J aircraft that I reported earlier.

I am also sending the required report to the Chairmen and Ranking Members of the other congressional Defense Committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Dov S. Zakheim", with a long horizontal flourish extending to the right.

Dov S. Zakheim

Enclosure:
As stated

cc: The Honorable Ike Skelton
Ranking Member

Multiyear Procurement (MYP) Contracts Report
 FY 2003
 TOA, \$, Millions

Section A: New Multiyear Procurement (MYP) Contracts

<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
ARMY	OPA	FMTV A1	154	273	462	453	461	-	1,803
		% of OPA	2.7%	6.5%	10.0%	8.9%	8.4%	0.0%	5.6%
		% of Total Army Procurement	1.2%	2.5%	4.2%	3.5%	3.0%	0.0%	2.2%
	Total New MYPs (OPA)		154	273	462	453	461	-	1,803
	% of OPA		2.7%	6.5%	10.0%	8.9%	8.4%	0.0%	5.6%
	% of Total Army Procurement		1.2%	2.5%	4.2%	3.5%	3.0%	0.0%	2.2%
	PAA	MACS-Combustible Case M231 & M232	26	17	18	20	22	-	103
		% of PAA	2.1%	1.3%	1.6%	1.6%	1.5%	0.0%	1.3%
		% of Total Army Procurement	0.2%	0.2%	0.2%	0.2%	0.1%	0.0%	0.1%
	PAA	MACS M232 7993 Propellant	6	7	7	-	-	-	20
% of PAA		0.5%	0.5%	0.6%	0.0%	0.0%	0.0%	0.2%	
% of Total Army Procurement		0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	
Total New MYPs (PAA)		32	23	25	20	22	-	123	
% of PAA		2.6%	1.8%	2.2%	1.6%	1.5%	0.0%	1.5%	
% of Total Army Procurement		0.3%	0.2%	0.2%	0.2%	0.1%	0.0%	0.2%	
Total ARMY	Total New Procurement MYPs (ARMY)		186	296	488	473	483	-	1,926
	% of Total Army Procurement		1.5%	2.8%	4.4%	3.7%	3.1%	0.0%	2.4%
NAVY	APN	KC-130J	280	40	278	278	278	238	1,390
		% of APN	3.2%	0.5%	3.1%	2.5%	2.2%	1.2%	2.0%
		% of Total Navy Procurement	1.1%	0.1%	0.9%	0.8%	0.7%	0.5%	0.7%
	Total New MYPs (APN)		280	40	278	278	278	238	1,390
	% of APN		3.2%	0.5%	3.1%	2.5%	2.2%	1.2%	2.0%
	% of Total Navy Procurement		1.1%	0.1%	0.9%	0.8%	0.7%	0.5%	0.7%
	PMC	LW 155	44	90	-	-	-	-	134
		% of PMC	3.3%	8.4%	0.0%	0.0%	0.0%	0.0%	1.3%
		% of Total Navy Procurement	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%

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Multiyear Procurement (MYP) Contracts Report
 FY 2003
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<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
		Total New MYPs (PMC)	44	90	-	-	-	-	134
		% of PMC	3.3%	8.4%	0.0%	0.0%	0.0%	0.0%	1.3%
		% of Total Navy Procurement	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%
Total NAVY		Total New Procurement MYPs (NAVY)	324	130	278	278	278	238	1,524
		% of Total Navy Procurement	1.2%	0.4%	0.9%	0.8%	0.7%	0.5%	0.7%
AIR FORCE	APAF	C-130J	70	369	734	568	548	372	2,660
		% of APAF	0.5%	3.1%	5.5%	3.9%	3.5%	2.0%	3.0%
		% of Total Air Force Procurement	0.3%	1.3%	2.3%	1.7%	1.5%	0.9%	1.3%
		Total New MYPs (APAF)	70	369	734	568	548	372	2,660
		% of APAF	0.5%	3.1%	5.5%	3.9%	3.5%	2.0%	3.0%
		% of Total Air Force Procurement	0.3%	1.3%	2.3%	1.7%	1.5%	0.9%	1.3%
Total AIR FORCE		Total New Procurement MYPs (Air Force)	70	369	734	568	548	372	2,660
		% of Total Air Force Procurement	0.3%	1.3%	2.3%	1.7%	1.5%	0.9%	1.3%
TOTAL DoD		TOTAL NEW Procurement MYPs (DoD)	580	795	1,499	1,318	1,309	609	6,110
		% of TOTAL DOD PROCUREMENT	0.8%	1.1%	1.9%	1.6%	1.4%	0.5%	1.2%

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<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
Section B: Ongoing Multiyear Procurement (MYP) Contracts									
<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
ARMY	APA	Total Ongoing MYPs	783	629	301	237	-	-	1,950
		% of APA	34.8%	29.6%	16.1%	8.7%	0.0%	0.0%	11.3%
		% of Total Army Procurement	6.3%	5.8%	2.7%	1.8%	0.0%	0.0%	2.4%
	MPA	Total Ongoing MYPs	429	-	-	-	-	-	429
		% of MPA	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%
		% of Total Army Procurement	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
	WTCV	Total Ongoing MYPs	436	-	-	-	-	-	436
		% of MPA	19.6%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%
		% of Total Army Procurement	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
	PAA	Total Ongoing MYPs	280	62	52	4	-	-	398
		% of PAA	22.7%	4.7%	4.6%	0.3%	0.0%	0.0%	4.9%
		% of Total Army Procurement	2.2%	0.6%	0.5%	0.0%	0.0%	0.0%	0.5%
	OPA	Total Ongoing MYPs	571	128	23	-	-	-	722
		% of OPA	10.0%	3.0%	0.5%	0.0%	0.0%	0.0%	2.3%
		% of Total Army Procurement	4.6%	1.2%	0.2%	0.0%	0.0%	0.0%	0.9%
TOTAL ARMY	TOTAL ONGOING MYPs (ARMY)		2,499	819	376	241	-	-	3,935
	% of TOTAL ARMY PROCUREMENT		20.0%	7.6%	3.4%	1.9%	0.0%	0.0%	4.9%
NAVY	APN	Total Ongoing MYPs	2,522	2,141	491	557	-	-	5,711
		% of APN	29.2%	24.4%	5.5%	5.0%	0.0%	0.0%	8.1%
		% of Total Navy Procurement	9.5%	7.4%	1.6%	1.6%	0.0%	0.0%	2.7%
	SCN	Total Ongoing MYPs	991	1,570	1,638	-	-	-	4,199
		% of SCN	10.9%	13.7%	14.6%	0.0%	0.0%	0.0%	5.6%
		% of Total Navy Procurement	3.7%	5.4%	5.4%	0.0%	0.0%	0.0%	2.0%
	WPN	Total Ongoing MYPs	20	25	-	-	-	-	45
		% of WPN	1.1%	1.3%	0.0%	0.0%	0.0%	0.0%	0.3%
		% of Total Navy Procurement	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%

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**Multiyear Procurement (MYP) Contracts Report
FY 2003
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<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
	OPN	Total Ongoing MYPs	13	10	-	-	-	-	23
		% of OPN	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
		% of Total Navy Procurement	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
	PMC	Total Ongoing MYPs	331	-	-	-	-	-	331
		% of PMC	24.4%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%
		% of Total Navy Procurement	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
TOTAL NAVY PROC		TOTAL ONGOING MYPs (NAVY)*	3,877	3,746	2,129	557	-	-	10,309
		% of TOTAL NAVY PROCUREMENT	14.6%	13.0%	7.1%	1.6%	0.0%	0.0%	4.9%
		*(EXCLUDES NMCI)							
NAVY O&M	OMN	Total Ongoing MYPs (OMN)	1,066	1,513	1,514	1,522	1,522	-	7,136
		% of OMN	3.8%	5.2%	5.4%	5.3%	5.3%	0.0%	4.1%
AIR FORCE	APAF	Total Ongoing MYPs	3,134	2,290	2,589	2,686	2,015	-	12,714
		% of APAF	24.4%	19.0%	19.4%	18.4%	12.8%	0.0%	14.5%
		% of Total Air Force Procurement	11.3%	7.8%	8.0%	7.8%	5.5%	0.0%	6.3%
TOTAL AIR FORCE		TOTAL ONGOING MYPs (AIR FORCE)	3,134	2,290	2,589	2,686	2,015	-	12,714
		% of TOTAL AIR FORCE PROCUREMENT	11.3%	7.8%	8.0%	7.8%	5.5%	0.0%	6.3%
TOTAL DOD PROC		TOTAL ONGOING MYPs (DoD)*	9,510	6,855	5,094	3,484	2,015	-	26,958
		% of TOTAL DOD PROCUREMENT	13.5%	9.4%	6.6%	4.1%	2.1%	0.0%	5.3%
		*(EXCLUDES NMCI)							

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Section C: New & Ongoing Multiyear Procurement (MYP) Contracts									
<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
ARMY	APA	Total New & Ongoing MYPs	783	629	301	237	-	-	1,950
		% of APA	34.8%	29.6%	16.1%	8.7%	0.0%	0.0%	11.3%
		% of Total Army Procurement	6.3%	5.8%	2.7%	1.8%	0.0%	0.0%	2.4%
	MPA	Total New & Ongoing MYPs	429	-	-	-	-	-	429
		% of MPA	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%
		% of Total Army Procurement	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
	WTCV	Total New & Ongoing MYPs	436	-	-	-	-	-	436
		% of WTCV	19.6%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%
		% of Total Army Procurement	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
	PAA	Total New & Ongoing MYPs	312	85	77	24	22	-	521
		% of PAA	25.3%	6.5%	6.8%	1.9%	1.5%	0.0%	6.5%
		% of Total Army Procurement	2.5%	0.8%	0.7%	0.2%	0.1%	0.0%	0.6%
	OPA	Total New & Ongoing MYPs	725	401	485	453	461	-	2,525
		% of OPA	12.7%	9.5%	10.5%	8.9%	8.4%	0.0%	7.9%
		% of Total Army Procurement	5.8%	3.7%	4.4%	3.5%	3.0%	0.0%	3.1%
TOTAL ARMY		TOTAL NEW & ONGOING MYPs	2,685	1,115	864	714	483	-	5,861
		% of TOTAL ARMY PROCUREMENT	21.5%	10.4%	7.8%	5.6%	3.1%	0.0%	7.2%
NAVY	APN	Total New & Ongoing MYPs	2,802	2,181	769	835	278	238	7,101
		% of APN	32.4%	24.8%	8.6%	7.5%	2.2%	1.2%	10.1%
		% of Total Navy Procurement	10.5%	7.5%	2.6%	2.5%	0.7%	0.5%	3.4%
	WPN	Total New & Ongoing MYPs	20	25	-	-	-	-	45
		% of WPN	1.1%	1.3%	0.0%	0.0%	0.0%	0.0%	0.3%
		% of Total Navy Procurement	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
	SCN	Total New & Ongoing MYPs	991	1,570	1,638	-	-	-	4,199
		% of SCN	10.9%	13.7%	14.6%	0.0%	0.0%	0.0%	5.6%
		% of Total Navy Procurement	3.7%	5.4%	5.4%	0.0%	0.0%	0.0%	2.0%

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<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
	OPN	Total New & Ongoing MYPs	13	10	-	-	-	-	23
		% of OPN	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
		% of Total Navy Procurement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	PMC	Total New & Ongoing MYPs	375	90	-	-	-	-	465
		% of PMC	27.6%	8.4%	0.0%	0.0%	0.0%	0.0%	4.6%
		% of Total Navy Procurement	1.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.2%
	OMN	Total New & Ongoing MYPs	1,066	1,513	1,514	1,522	1,522	-	7,136
		% of OMN	3.8%	5.2%	5.4%	5.3%	5.3%	0.0%	4.1%
		% of Total Operation & Maintenance, Navy	3.8%	5.2%	5.4%	5.3%	5.3%	0.0%	4.1%
TOTAL NAVY		TOTAL NEW & ONGOING MYPs	4,201	3,876	2,407	835	278	238	11,833
		% of TOTAL NAVY PROCUREMENT	15.8%	13.4%	8.0%	2.5%	0.7%	0.5%	5.6%
		TOTAL NEW & ONGOING MYPs	1,066	1,513	1,514	1,522	1,522	-	7,136
		% of TOTAL O&M, NAVY	3.8%	5.2%	5.4%	5.3%	5.3%	0.0%	4.1%
AIR FORCE	APAF	Total New & Ongoing MYPs	3,204	2,659	3,323	3,254	2,563	372	15,374
		% of APAF	24.9%	22.0%	24.9%	22.3%	16.2%	2.0%	17.5%
		% of Total Air Force Procurement	11.5%	9.1%	10.2%	9.5%	7.0%	0.9%	7.7%
TOTAL AIR FORCE		TOTAL NEW & ONGOING MYPs	3,204	2,659	3,323	3,254	2,563	372	15,374
		% of TOTAL AIR FORCE PROCUREMENT	11.5%	9.1%	10.2%	9.5%	7.0%	0.9%	7.7%

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<u>Section D: Total DoD New & Ongoing Multiyear Procurement (MYP) Contracts</u>									
<u>Service/ Agency</u>	<u>Appn</u>	<u>Item(s) Acquired</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Total FY 03-08</u>
TOTAL DOD		TOTAL NEW & ONGOING MYPs* % of TOTAL DOD PROCUREMENT *(EXCLUDES NMCI)	10,090 14.3%	7,650 10.5%	6,593 8.5%	4,802 5.7%	3,324 3.5%	609 0.5%	33,069 6.5%

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