September 16, 2015

Mr. Scott Amey  
POGO  
1100 G Street, NW  
Suite 500  
Washington, DC 20005

Dear Mr. Amey:

This letter is in response to your U.S. General Services Administration (GSA) Freedom of Information Act (FOIA) request (GSA number GSA-2015-000268), dated December 24, 2014, in which you requested "Records from January 1, 2010 to the present indicating the actual costs as well as GSA’s mark-up to agencies for use of services in GSA’s regional telecommunications program. Please include any records about:

a) a breakdown of pricing of the program, including all costs and any additional fees or markup that has been charged to agencies;
b) yearly totals collected from agencies for the regional telecommunications program;
c) yearly totals of running the regional telecommunications program;
d) yearly percentages and totals of any markup that has been included; and
e) Programs and operations that have received funds from the added fees/markup."

Your request included a total of six questions. As discussed in our conference call on July 15, GSA is doing a "rolling release" of the information you requested. As previously mentioned the Office of the Chief Financial Officer will respond to questions 1-3. The office of Information Technology (ITS) will respond to question 4 (b-j). To date, GSA has provided the information to questions 4(a) and 6. This letter is the final response to question 5.

The responses to your request are listed below. Please note that the results shown below are by fiscal year rather than calendar year. The government’s fiscal year begins in October of the proceeding calendar year and ends in September.

a) a breakdown of pricing of the program, including all costs and any additional fees or markup that has been charged to agencies;

<table>
<thead>
<tr>
<th>Regional Network Services - Mark Up %</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25.9%</td>
<td>24.2%</td>
<td>21.9%</td>
<td>17.8%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

U.S. General Services Administration  
1800 F. Street, NW, Room: 7308  
Washington, DC 20405  
Toll Free: (855)-875-3642  
Fax: (202) 501-2727
b) yearly totals collected from agencies for the regional telecommunications program;

<table>
<thead>
<tr>
<th>Regional Network Services - Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in 000's</td>
</tr>
<tr>
<td>General revenue</td>
</tr>
<tr>
<td>Other Surcharges</td>
</tr>
<tr>
<td>Net Revenue</td>
</tr>
</tbody>
</table>

Note: COGS = Cost of Goods Sold = expenses/payments to telecom vendors

<table>
<thead>
<tr>
<th>Regional Network Services - COGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in 000's</td>
</tr>
<tr>
<td>Total COGS</td>
</tr>
</tbody>
</table>

Note: Operating Expenses = Expenses to run the business (salaries, benefits, contractual support, travel, administration, etc.)

c) yearly totals of running the regional telecommunications program;

d) yearly percentages and totals of any markup that has been included; and

The yearly markup for the Network Services Program is shown in the chart provided in response to part (a) of this question. The accompanying total Revenue generated is shown in the chart provided for part (b). The Direct Order, Direct Bill surcharges are not included in the markups shown in part (a), as they are separate fees charged for applicable orders.

e) Programs and operations that have received funds from the added fees/markup.

When any program within the Federal Acquisition Service (FAS), which is funded through the Acquisition Services Fund (ASF), generates positive net operating results at the close of a fiscal year – whether it be Regional Network Services, MAS Schedules, or the GSA Interagency Fleet Program - those funds are deemed corporate in nature and are consolidated into a single net availability of funds from which Investment Reserves are created through a program submission and approval process. This request process ultimately requires final approval from the GSA Administrator. With the exception of relatively small sums that were returned to Treasury in fiscal years 2013 and 2014, it can be presumed that all net operating results for the years in question went into the funding of FAS Investment Reserves. The exception would be for fiscal year 2014 where no net additional contributions were made to the Investment Reserves. In summary, Industrial Funding Fee (IFF) revenues are not allocated to other GSA programs per se, but as noted above, revenues in excess of total costs of operations can represent a portion of the corporate availability used to fund Investment Reserves.

There is no fee associated with fulfilling this FOIA request.
This completes our action for question 5 of your FOIA request. Should you have any further questions regarding this FOIA response, please contact [redacted] or by email at [redacted].

Sincerely,

Travis Lewis
FOIA Program Manager