

## Stateside defense IT groups, industry go on war footing

BY [Michael Hardy](#)  
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As the war in Iraq unfolded last week, technology vendors rushed to fill an influx of priority orders for ruggedized laptops, mobile and wireless equipment and secure communications. For some, the rush began last year as planning for the war accelerated. For others, it went full throttle when the bombing began in March.

Many of the orders are coming under the Defense Priorities and Allocation System (DPAS), which requires suppliers to fill the orders before others. Some vendors, besieged by orders from the system, are finding it tough to put everyone first.

"People's DPAS orders are fighting each other," said Jan O'Hara, director of federal sales at Panasonic Computer Solutions Co. "Everything's DPAS now and everybody wants theirs yesterday."

Panasonic makes a line of ruggedized notebook computers called Toughbook, popular with the military, and orders have increased 36 percent as the war effort strengthened, O'Hara said. Panasonic sells all of its government hardware through reseller GTSI Corp. Terri Allen, senior vice president of sales at GTSI, said the company has sold "tens of thousands" of the laptops to the Defense Department in the past 12 months.

The military did much of its stocking up before the war actually began, O'Hara said, but now it needs batteries, battery chargers, AC adapters and hard drives for the computers.

"We're seeing all our stuff in use now," O'Hara said. "In the past, they'd buy 1,000 units, and we'd go back a year later and 500 would still be in the closet. Now everything's being deployed." Once the war ends, she said Panasonic expects demand for the computers and accessories to stay high. "Now we're being solicited for the recovery teams, the humanitarian aid teams," she said.

However, the Toughbooks are more expensive than standard laptops — about \$3,700 for federal buyers of the top-of-the-line Toughbook 28 — and vendors have seen war-related increases in sales of standard units as well.

MPC Computers LLC (formerly MicronPC), for example, has seen an increase in orders for laptops, but its ruggedized machine sales don't seem to be growing disproportionately in demand. However, there is much greater urgency for many of the orders, said Ron Clevenger, vice president of sales. "They want shipment in the next 48 hours, as opposed to standard order cycles where you're delivering within 30 days," he said.

GTSI, seeing that same urgency, has resurrected a verbal order system it implemented after the Sept. 11, 2001, terrorist attacks, Allen said. "If customers have a unique or immediate need and don't have all their paperwork ready, we'll take those verbal orders," she said. The company did the same for about 40 days after the attacks.

GTSI started to see the urgency pick up in January, when the military moved from planning the war to deploying troops, she said. Since then, "it's been full speed ahead."

Tadpole Computer Inc. in Cupertino, Calif., a company that builds laptop-sized servers using Sun Microsystems Inc.'s Solaris system, added to its inventory and hired a small number of additional staff to accommodate its predicted demand increase, said Mark Johnston, president and chief executive officer of the company. "We've done a reasonable job of [meeting demand], but the curve has been rather steep, so at times we've scrambled," he said.

At VeriSign Inc., there's been an increased demand for another kind of product: secure e-mail communication between DOD and the vendors that supply it. Called Interim External Certificate Authority, the system encrypts messages sent via the public Internet.

"It ramped up significantly with the buildup to war," said Barry Leffew, vice president of VeriSign's public sector group. "We have seen approximately 200 percent growth in the usage of that system over the past 60 days."

VeriSign recently increased its support team from eight people to 12 to manage the increased demand.

Another VeriSign system, which allows a secure collaboration environment for the intelligence community, went from zero to 10,000 seats in a matter of weeks as the war drums grew louder. While vendors rush to fill war-related orders, they're also watching other projects, worried that the conflict in Iraq could take away too much funding.

"As long as the war is being pressed at the full force and effect that it is today, it takes away that time and attention aspect from other projects," said Max Peterson, vice president of federal sales at CDW Government Inc. "The critical item is really the supplemental funding [for the war]. There are back-office basics that can't go without attention for too long."