



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



SEP 2 2003

COMPTROLLER

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

Dear Mr. Chairman:

In accordance with statute, I am notifying you of the Department's intent to transfer \$8.998 million of Department of the Air Force family housing construction funds into the Department of Defense Family Housing Improvement Fund (FHIF) to finance a project to privatize military family housing units at Dover Air Force Base (AFB), Delaware. The Department would also like to transfer into the FHIF \$9.692 million of Air Force family housing construction funds associated with the FY 1999 family housing construction project at Patrick AFB, Florida.

The Dover AFB privatization project is still under development. Since the fund source for this project is FY 1999 family housing construction funds that will expire at the end of FY 2003, the Department plans to transfer the funds into the FHIF prior to expiration.

The award of the privatization project at Patrick AFB has been delayed pending the outcome of a court challenge. It has been determined that this privatization project does not require any monetary contribution by the Air Force. However, the Department would like to transfer into the FHIF the FY 1999 family housing construction funds that had been reserved as seed money for this privatization project before the funds expire at the end of FY 2003. These funds would then be used to finance future Air Force family housing privatization projects.

A similar letter is being sent to the Chairmen of the Senate and House Appropriations Subcommittees on Military Construction and the Chairman of the Senate Armed Services Committee.

Sincerely,

Dov S. Zakheim

cc: The Honorable Ike Skelton  
Ranking Member

