



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

MAR 1 2004

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

On February 25, 2000, we notified your Committee of the Department of the Navy's intent to solicit proposals for a privatization project involving family housing located at Stewart Army Subpost, Newburgh, New York. This letter is to notify you that we are canceling this project.

The Department of the Navy issued a solicitation and selected a private sector developer for the purpose of exclusive negotiations. Subsequently, the Department and the private sector developer have mutually agreed to terminate exclusive negotiations due to financial constraints encountered with this project.

To best serve our military families at Stewart Army Subpost, we will likely address family housing requirements at that location in conjunction with a future Department of the Navy family housing privatization project. This would be addressed in future project notifications to the Committees.

Similar letters have been sent to the House and Senate Appropriations Subcommittees on Military Construction and the Senate Armed Services Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Army", written over a circular stamp or seal.

Wayne Army
Deputy Assistant Secretary
(Installations and Facilities)

Copy to:
The Honorable Ike Skelton
Ranking Minority Member