



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221**

AUG 9 2004

IN REPLY I-37
REFER TO

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515-6025

Dear Mr. Chairman:

On June 4, 2004, we informed you that the Defense Logistics Agency's (DLA's) subordinate activity, the Defense Distribution Center, had completed the public-private competition to operate the Defense Distribution Depot Tobyhanna, Pennsylvania (DDTP). The apparent winning entity was determined to be the Government's Most Efficient Organization (MEO). We informed you that directly affected parties had 30 days to appeal the decision and upon expiration of the appeal process, we would provide final notification as required by 10 U.S.C. 2461. The appeal period closed on July 7, 2004, with no appeals forwarded to the Administrative Appeal Authority. As a result, the tentative decision became final and a copy of the press release was faxed to your office on July 8, 2004. Consequently, operations at the depot are expected to convert to MEO performance with 57 permanent employees at the end of January 2005. DDTP will undergo a Reduction-in-Force (RIF) which, as of July 28, 2004, will affect approximately 90 permanent employees, to be effective on or about January 31, 2005. The official RIF letters are to be issued on August 9, 2004.

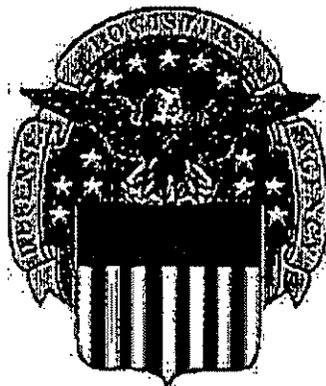
Department of Defense (DOD) Priority Placement Program registration and counseling began June 9, 2004. This program provides referrals to equivalent positions at other DOD activities. Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority (VERA) have been offered and 45 employees have signed up for VSIP/VERA. All employees will be given an "in lieu of separation" offer; if accepted, no involuntary separations will be needed.

If you need additional information on this action, please call Ms. Gail Boyce of the DLA Legislative Affairs staff at (703) 767-5269.

Sincerely,

FREDERICK N. BAILLIE
Executive Director
Distribution & Reutilization Policy
Logistics Operations

cc:
The Honorable Ike Skelton, Ranking Member



**DEFENSE LOGISTICS AGENCY
OFFICE OF CONGRESSIONAL AFFAIRS**

FACSIMILE TRANSMITTAL SHEET

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NOTES/COMMENTS:

The attached letter is forwarded to provide notification of the final decision on the public-private competition at Defense Distribution Depot Tobyhanna, Pennsylvania (DDTP), and to provide notification of a reduction-in-force.

V/ε
Gail Boyce
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703-767-5269

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