



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

Office of the Assistant Secretary

29 JUL 2003

SAF/IEI
1665 Air Force Pentagon
Washington DC 20330-1665

The Honorable Joel Hefley
Chairman, Subcommittee on Readiness
Committee on Armed Services
United States House of Representatives
Washington, DC 20515-6035

Dear Mr. Chairman

The Air Force intends to reprogram funds in the amount of \$9.2M from Housing Maintenance to Housing Privatization. Of this \$7.3M is needed to offset FY03 budget request reductions and continue the development, source selection and construction oversight for projects at the attachment. The remaining \$1.9M will fund the concept development of five additional privatization projects to meet the accelerated AF Housing Goal of eliminating inadequate military family housing units by 2007.

Representatives of the Air Force are available to provide any additional information you or your staff may desire. I thank you for your consideration in this matter.

A similar letter has been sent to the Ranking Minority Member of your Subcommittee and to the Chairmen and Ranking Minority Members of the House Committee on Armed Services and the Senate Armed Services Committee.

Sincerely

A handwritten signature in black ink, appearing to read "Fred W. Kuhn".

FRED W. KUHN
Deputy Assistant Secretary of the Air Force
(Installations)

Attachment
Complete Project Listing

Bid Expiration Date: N/A

Family Housing Operation and Maintenance, Air Force

Reprogramming Request

Installation: Various

Project: Family Housing Privatization Support

Authorization: National Defense Authorization Act, 2003 (Public Law 107-314)

Estimated Cost:

Previously Appropriated	\$15,341,000*
Previously Reprogrammed	0
Requested Reprogramming	<u>9,200,000</u>
Total Estimated Costs	\$24,541,000

* Reflects across-the-board inflation reduction required by the 2003 Military Construction Appropriations Act, Public Law 107-249.

Description:

This reprogramming action is required to fund concept development and other planning and oversight costs associated with privatizing family housing at Maxwell AFB, AL; Luke AFB, AZ; Beale AFB, CA; Moody AFB, GA; Scott AFB, IL; Columbus AFB, MS; Keesler AFB, MS; Offutt AFB, NE; Nellis AFB, NV; Shaw AFB, SC; Cannon AFB, NM; Holloman AFB, NM; Altus AFB, OK; Tinker AFB, OK; Sheppard AFB, TX; Langley AFB, VA; Hill AFB, UT; McChord AFB, WA; and FE Warren AFB, WY.

Justification:

This request offsets the impact of congressional reduction of \$5.0 million to the family housing privatization support account in FY 2003 and enables the Air Force to pursue privatization more aggressively to eliminate its inadequate family housing inventory by 2007. Without the additional \$9.2 million, the Air Force cannot proceed with the necessary planning and concept development of 19 projects including eight FY 2004 and FY 2005 projects intended to provide 7,799 privatized units. Failure to approve this request will delay privatization efforts and ultimately cost the Air Force more in increased maintenance costs on units currently programmed for privatization.

Source of Funds:

In order to fund the critical privatization support account, the family housing maintenance account will be reduced by \$9.2 million. While both the maintenance and privatization support funds are equally necessary, privatization efforts will improve the greatest number of inadequate units in the shortest time.

	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Fam Hsg O&M Maintenance	2003	\$473,214	\$464,014	\$9,200

PROJECT LISTING

Base	Units
Little Rock AFB, AR	1,535
Altus AFB, OK	921
Moody AFB, GA	606
Shaw AFB, SC	1,447
Offutt AFB, NE	2,255
Barksdale AFB, LA	432
Tinker AFB, OK	935
Sheppard AFB, TX	1,288
Luke AFB, AZ	874
McChord AFB, WA	983
Hill AFB, UT	1,141

Base	Units
F.E. Warren AFB, WY	265
Maxwell AFB, AL	626
Langley AFB, VA	1,268
Cannon AFB, NM	1,205
Beale AFB, CA	1,344
Nellis AFB, NV	1,313
Scott AFB, IL	475
Columbus AFB, MS	122
Keesler AFB, MS	1,682
Holloman AFB, NM	1,440

PROJECT LISTING

FY04		FY 05	
Base	Units	Base	Units
Tinker AFB, OK	935	Scott AFB, IL	475
Sheppard AFB, TX	1,288	Columbus AFB, MS	122
Luke AFB, AZ	874	Keesler AFB, MS	1,682
McChord AFB, WA	983	Holloman AFB, NM	1,440

FY03 Reprogramming Funding Requirement

Little Rock Title II Inspection Services	\$1,100K
21 Project Manager Positions	\$3,780K
13 Metes and Bounds Surveys	\$1,520K
7 RFP Development	\$665K
4 Support Industry Forum, Solicitation, Award	\$1,421K
AFCEE Contract Support	\$782K
TOTAL	\$9.268K