

Army Sustainment Command

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LOGCAP III Task Order continues support in Iraq

ROCK ISLAND, III.--The U.S. Army has announced that it will continue the LOGCAP III contract to provide life support services to U.S. Forces in Iraq until the scheduled withdrawal of those forces is completed in December 2011.

Under the Logistics Civil Augmentation Program, or LOGCAP, contractors from the private sector are used to provide a broad range of logistics and support services to U.S. and allied forces during combat, peacekeeping, humanitarian and training operations.

The LOGCAP III contract was competitively awarded to KBR in December 2001. In April 2008, the LOGCAP IV contract was implemented; under that contract, KBR competes for task orders with two other companies – DynCorp International LLC and Fluor Intercontinental Inc.

Since that time, the U.S. Army Sustainment Command (ASC) has managed the transition from LOGCAP III to LOGCAP IV in a manner intended to assure that the delivery of services to field units will continue without interruption.

To date, 12 task orders have been awarded under LOGCAP IV: Three for project management offices (one for each contractor); three for services in Kuwait, where the transition to LOGCAP IV was completed in June 2009; four for services in Afghanistan, where the transition to LOGCAP IV is scheduled to be completed by July; one in support of the U.S. military relief effort to aid the victims of the earthquake that struck Haiti in January; and one to provide corps logistics support, theater transportation, and postal operations services in Iraq.

The LOGCAP IV solicitations for task orders to provide base life support services in Iraq which would have been issued this month have been canceled.

The decision to continue LOGCAP III rather than transition to LOGCAP IV for base life support services was based on three main factors: Input from military commanders in the theater, the projected cost of the transition, and contractor performance.

Theater commanders have raised concerns that a transition from LOGCAP III to LOGCAP IV would strain logistics and transportation assets in Iraq at the same time that a massive withdrawal of U.S. forces, weapons and equipment is under way.

Under a directive issued by President Obama in February 2009, and per agreements between the governments of the United States and Iraq, the level of U.S. forces in Iraq will be reduced to a level of 50,000 by the end of August. That level stood at 142,000 at the time the presidential directive was issued. Per the directive, the U.S. mission in Iraq will transition from combat operations to stability operations, with all U.S. forces withdrawn from Iraq by the end of 2011.

Along with the withdrawal of U.S. military personnel, the drawdown will involve the closure or transfer to the Iraqi government of 139 bases; the withdrawal of about 95,400 contractor personnel; and the retrograde of over 2.9 million separate items of weapons and equipment.

Also in March, a business case analysis (BCA) on the costs and benefits of a LOGCAP III to LOGCAP IV transition was issued by the U.S. Army Central Command (ARCENT). The BCA considered readiness, operational and cost factors in light of the proposed transition.

Specifically, the BCA concluded that up to \$77 million in transition costs would not be recouped, given the relatively short timeframe for withdrawal.

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Per current estimates, the Iraq Base Life Support task orders represent about 20 percent of LOGCAP III. Once the LOGCAP IV transition is complete in Afghanistan, 80 percent of the work that had been performed under LOGCAP III will be done under LOGCAP IV.

Since 2001 the value of the LOGCAP III contract is \$35.7 billion, the value of the LOGCAP IV contract is \$2.4 billion.

LOGCAP HISTORY / TIMELINE

LOGCAP I (1992-1997):

- Total contract amount: \$811 million
- Agency managing contract: U.S. Army Corps of Engineers
- Operating contractor: Brown & Root[®]
- Operations supported: Somalia, Rwanda, Bosnia, Haiti, East Timor

LOGCAP II (1997-2001):

- Total contract amount: \$102 million
- Agency managing contract: Army Materiel Command (AMC) / Communications-Electronics Command (CECOM)
- Operating contractor: DynCorp
- Operations supported: Panama, Colombia, East Timor, the Philippines

LOGCAP III (2001-PRESENT)*:

- Total contract value: \$35.7 billion (as of March 31, 2010)
- Agency managing contract: AMC /Army Sustainment Command (ASC)***
- Operating contractor: KBR
- Operations supported: Afghanistan, Iraq, Kuwait, Republic of Georgia

LOGCAP IV (2007-PRESENT)***:

- Total contract value: \$2.4 billion (as of March 31, 2010)
- Agency managing contract: AMC / ASC
- Operating contractors: DynCorp, Fluor, KBR
- Operations supported: Afghanistan, Iraq, Kuwait, Haiti

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^{*} Now KBR

^{**} Ten-year contract; will expire in December 2011

^{***} Includes predecessor commands; ASC established in 2006

^{****} Ten-year contract; will expire in April 2017