



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
MANPOWER AND RESERVE AFFAIRS
111 ARMY PENTAGON
WASHINGTON DC 20310-0111



January 2, 2001

REPLY TO
ATTENTION OF

Exemption Number 2000-0005

**MEMORANDUM FOR COMMANDING GENERAL, UNITED STATES ARMY
FORCES COMMAND
COMMANDING GENERAL, HEADQUARTERS, EIGHTH
UNITED STATES ARMY
COMMANDING GENERAL, HEADQUARTERS, UNITED
STATES ARMY, PACIFIC**

SUBJECT: Packaging Exemption Based on Agreements With Japan and Korea

Reference: a. Memorandum, EUSA, EACG, 13 Aug 1999, subject: Update of Defense Reform Initiative Directive (DRID) 20 for Purposes of Federal Activities Inventory Reform Act Implementation.

b. Memorandum, USARPAC, APRM-MC, 13 October 2000, subject: Interim Guidance for Fiscal Year 2000 Inventory of Commercial Activities and Inherently Governmental Activities (Inventory).

c. Memoranda, FORSCOM, AFPI-IMP, 17 October 2000 and 29 November 2000, subject: Interim Guidance for Fiscal Year 2000 Inventory of Commercial Activities and Inherently Governmental Activities.

I have determined that all functions performed by military and civilian personnel in Japan and Korea should be exempted from conversion to contract. This determination is based on my conclusion that the cost-sharing agreements in effect with the Governments of Japan and Korea make it impractical to compete a function under A-76 procedures within the affected commands. The scope of this packaging exemption is defined at the enclosure.

As pointed out in the above references, Korean Nationals comprise about 75 percent of the Army's Table of Distribution and Allowances (TDA) work force in Korea. Under the labor cost-sharing portion of our Special Measures Agreement with the Republic of Korea, 70 percent of the cost of the Korean National work force is borne by the Korean Government. Given the favorable circumstances of our labor cost-sharing agreement, it is not cost effective and practical to compete functions that employ Korean Nationals in the affected commands. Moreover, it is impractical to sever and compete only that portion of the functions performed by United States civilian employees from the portion of the same function performed predominantly by Korean



Nationals. In addition, the replacement costs for the military personnel performing duties in some of those functions makes any planned conversion of the function to contract impractical and more costly to the Government than continued inhouse performance.

As pointed out in the above references, most of the civilian work force in the affected commands in Japan are comprised of local national employees. The Status of Forces Agreements governing the rights of local national employees in Japan require long lead times and indemnity payments to displace an employee, whether by contract or reduction due to the formation of a Most Efficient Organization. More significantly, the Special Master Agreement with Japan reimburses 100 percent of the cost of the civilian work force in the Army organizations located in Japan. Accordingly, I have determined that it is impractical to package a competition involving Army elements in Japan because any such competition would result in no cost savings to the United States Government and the Army.



Patrick T. Henry
Assistant Secretary of the Army
(Manpower and Reserve Affairs)

Enclosure

OCONUS Packaging Exemption

Command Code for 8th Army is P8.

The following TDA/AUG TDA Units with UIC's for USARPAC are:

W0ATAA-HQ, US Army, Japan	WDCA99-Augmentation, 17 th ASG	WCA699-Augmentation, 35 th Supply & Support Bn
WB0399-Augmentation, 83 rd Ordnance Bn	W3LKAA-USA Postal Service Center, Honshu	W3G6AA-USA MP Det, Honshu
W3NDAA- USA Aviation Det, Japan	WERG99-Augmentation, 10 th ASG	WERH99-Augmentation, 505 th Quartermaster Bn

The following UIC's are for FORSCOM (1st Signal Brigade Elements located in Korea):

WDMAAA	WCBSAA	WCBAAA	WHSTAA	WCBEAA
WHKFAA	WFH8AA	WH3HAA	WH3JAA	WCBFAA
W35WAA	WHUGAA	WCGDAA	WFGRAA	WATEAA

UIC's for foreign civilian workforce located in Japan:

WGZU99	WEB899	WJEH99	WEZ099	WJEG99
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3 do not exist in FY03 DB

