

The KBR logo is displayed in a bold, red, sans-serif font.A stylized map of the Middle East and Central Asia region is shown in white against a blue background. The map is partially obscured by the text and other elements.

LOGCAP III ME/CA

Communications

Number 2

April 14, 2009

Personnel Alignment and Reduction

LOGCAP III Employees:

As we continue our commitment to transparency on the LOGCAP III project, I want to dedicate this Blue Border Communications Bulletin to Transition, and what you can expect.

In Iraq, as I am sure you have seen in the news, the military has started a drawdown of troops. Most of the "combat" troops will withdraw from Iraq by the end of next year. That does not mean all troops will leave Iraq, but troop-levels will be significantly lower. General Raymond Odierno, Commanding General of Multi-National Forces – Iraq, has challenged all contractors to begin reducing their workforce by five-percent each quarter. Our client has also instructed us to get our Basis of Estimate (BOE) updated and in line with current operations.

So, what does that mean for the KBR workforce? In a nutshell, it will result in some realignment and drawdown of our workforce. That should come as no surprise given what is currently being reported in the news. We are currently working on a plan called Personnel Alignment and Reduction (PAR). Many of you have already heard this term, and it is something in which your Project Managers are already involved.

You will read stories regarding the transition from LOGCAP III to LOGCAP IV. The Army Sustainment Command, which operates LOGCAP, recently released a story which appeared on the official Army Web site outlining this transition. In the story, the author said there are many issues that will impact the transition to LOGCAP IV. With all of the information that is available for you to review, I want to be very transparent on the PAR process.

Over the next couple of weeks, we will communicate to the workforce how we will implement this procedure, and its affect on our employees. These communications could be through Blue Borders, PM messages, All-Hands meetings, or other means. The bottom-line is: We will be upfront with information concerning the PAR as it is developed.

At the lowest levels, it is business as usual. I can't put a timetable on this yet, but something will be announced in the near future.

I want to thank all of you for continuing to produce Quality work for our customers in a Safe manner.

We Deliver,

A handwritten signature in black ink, appearing to read "Guy LaBOA".

GUY LaBOA
Principal Program Manager
LOGCAP III Middle East/Central Asia