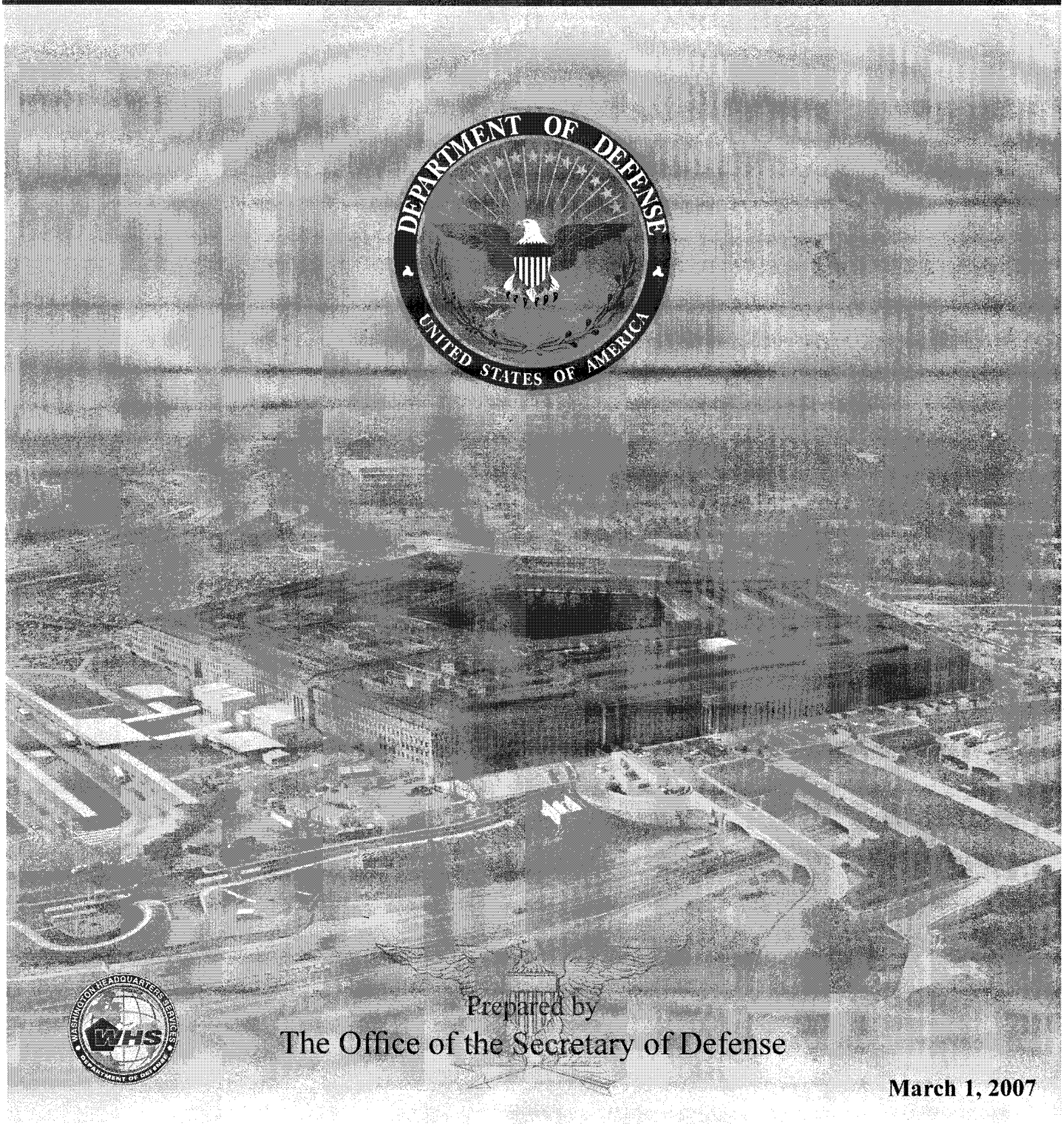
A Status Report to Congress

The Renovation of the Pentagon



Prepared by

The Office of the Secretary of Defense

March 1, 2007

ANNUAL STATUS REPORT TO CONGRESS

March 1, 2007 **17th Edition**

This report is provided to Congress in compliance with Title 10, United States Code, section 2674. The Secretary of Defense is required to submit an annual report on the status of the renovation of the Pentagon Reservation.

This is the seventeenth annual report on the Renovation of the Pentagon under 10 USC 2674. The report covers CY 2006. In addition, information is included on several related projects that support the overall objectives of the Pentagon Reservation's operations and maintenance.

MESSAGE FROM THE DIRECTOR

Sajeel S. Ahmed, Director

The Pentagon Renovation and Construction Program Office (PENREN) supports the Secretary of Defense, Departmental Leadership and other customers in accomplishing its core mission of providing the Pentagon Reservation with safe, secure and high-performing facilities and Information Technology through major renovation and modernization. It is an historic effort to modernize six and a half million square feet within the Pentagon, a structure that is 65 years old.

After the September 11, 2001 terrorist attack, Congress directed acceleration of the Pentagon Renovation schedule from the original 2014 planned completion date. Today, the Department of Defense is on course to complete the Renovation of Wedges 2-5 by the end of 2011. The completion of Wedge 2 and Wedge 3, Phase 1 signaled the halfway point toward accomplishing the Program's accelerated 2011 completion date. The construction activities for Wedge 3 and preparation for Wedge 4 was our primary focus in 2006. The entire Wedge 3 area covers approximately 1,000,000 square feet. The demolition and abatement for Wedge 3 began in June 2005. Today, the first Phase of Wedge 3, encompassing 325,000 square feet, including food courts is completely renovated and tenants have returned to newly renovated offices.

Looking ahead, 2007 major milestones will include completion of Wedge 3, including the return of the Secretary of Defense, Chairman Joint Chiefs of Staff and other senior personnel to their original locations. The commencement of major construction efforts for Wedges 4 and significant design efforts for Wedge 5 are also planned for 2007.

We have two Wedges remaining. Our Program's greatest challenges are managing the aggressive construction schedule, program cost, sequencing, tenant fit-out, security requirements, and precisely executing tenant moves in a timely manner to complete the renovation of the Pentagon. PENREN is focused on superior management of the accelerated schedule and cost, to ensure that the operation of the Pentagon's core infrastructure (including information technology) is robust, flexible, secure and economical.

The Pentagon Renovation and Construction Program Office has continued to provide optimum customer service and remains committed to its mission. We will deliver a quality product by leveraging superior customer service and constructing sustainable facilities, which will provide modern, efficient, modest, and flexible renovated spaces for the Department of Defense.

Sajeel S. Ahmed
Director

EXECUTIVE SUMMARY

I. PROGRAM OVERVIEW

Prior to the renovation of Wedge 1, the Pentagon, designated a National Historic Landmark in 1992, had never undergone a major renovation. After more than 60 years of operation and use, renovation is essential in order to meet current health, fire and life-safety codes, and to provide reliable electrical, air-conditioning and ventilating services.

The passage of time and the cumulative effect of decades of deferred maintenance had left this historic structure in an advanced state of deterioration. The extent of the decay, against a background of steadily increasing operations and maintenance costs, precludes anything less than a total, slab-to-slab renovation.

The Pentagon Renovation & Construction Program Office's (PENREN's) activities began in 1993 with the Pentagon Heating and Refrigeration Plant. The original completion date for the renovation of Wedges 2-5 was 2014. However, the events of September 11, 2001 made apparent a more immediate need to complete the building's life-safety and security enhancements. Congress provided for the transfer of $300 million in Fiscal Year 2002 to the Pentagon Reservation Maintenance Revolving Fund (Sec. 305(b), P.L. 107-117, Jan 10, 2002) to finance the accelerated Pentagon renovation and to make command centers more secure. As a result, PENREN will complete renovations 36 to 48 months ahead of the original schedule.

PENREN faces complications in completely overhauling the Pentagon, including the presence of asbestos and other hazardous materials, as well as the need to work around more than 20,000 people who cannot afford interruptions in their daily operations. The Pentagon's technology infrastructure is no less in need of modernization, a task that rivals the construction effort in size and complexity.

The Pentagon was designed prior to the advent of computers. The integration of Information Technology within the Pentagon had necessarily been ad hoc. Advances in technology demanded frequent replacements of IT systems. Subsequently, new systems were frequently installed immediately adjacent to, or over the top of, existing systems, which were frequently abandoned in place. This process, repeated many times, created an incomprehensible tangled mix of multiple wiring systems, many of them abandoned and all of them unmarked.

The confusion is not limited to cabling. Computer networks were initially installed by individual tenant agencies. This patchwork infrastructure has proven difficult and expensive to maintain. The focus of the Pentagon Information Technology modernization program is to replace multiple existing systems with a single, centrally designed and managed, secure network for all Pentagon tenants. This effort is being conducted concurrently with the brick-and-mortar renovation under a separate contract.

II. RENOVATION STATUS UPDATE

The Pentagon Renovation and Construction Program Office is currently assisting tenants returning to several office spaces. The ongoing tenant moves mark the near completion of the first Phase of construction for Wedge 3. Wedge 3, Phase 1, covers 325,000 square feet of the Wedge 2-

5 project. The area includes newly constructed office spaces, food courts, and an escalator bank.

Beginning June 2006, PENREN arranged moves for nearly 1,000 Pentagon tenants. The completion of Wedge 2 (2005) led to the subsequent tenant moves. There were also 1,700 moves coordinated for Wedge 3, Phase 1, which involved the joint effort of PENREN teams, Office of the Secretary of Defense, Joint Staff, representatives from each of the Military Services and supporting agencies. The moves are planned for Fall 2007 with the completion of Wedge 3, Phase 1 and 2. It is estimated that approximately 3,100 Pentagon personnel will move into Wedge 3, Phase 2.

PENREN continues to implement sustainable construction for Pentagon projects. One of the practices of sustainable construction is recycling. The Program's goal is to divert waste from landfills by recycling construction debris. The Wedge 2-5 project has consistently diverted 50 percent of its construction debris. For Wedge 2 construction, 16, 625 tons of construction waste debris was diverted. Already, 12,107 tons were diverted for Wedge 3, Phase 1.

Wedge 3 encompasses 1,055,000 internal gross square feet (IGSF). Looking ahead, PENREN will reach another milestone for the Wedge 2-5 project. Wedge 3 will be completely renovated in 2007. Additionally, Wedge 4 will be under renovation by the end of 2007. It is an area that covers 1,132,000 IGSF within the Pentagon.

PENREN, with Army support, continues to implement a modernized Enterprise IT infrastructure for the Department of Defense (DoD). Renovation and construction are concurrent with efforts to provide support for voice, data and video capability. The Program's mission for DoD's IT enterprise includes providing secure, survivable, manageable IT infrastructure. It is a project that enables continuous Pentagon operations. In 2007, the Program will continue to aggressively integrate the requirements, architecture, engineering, implementation, testing, and transition of a complex IT infrastructure for the Pentagon.

III. ADDITIONAL EFFORTS

PENREN is the construction agent for the Pentagon Memorial Project, a joint effort among various organizations united to construct a memorial commemorating the 184 lives lost at the Pentagon on September 11, 2001.

Other recently completed and ongoing projects include the new Pentagon Library & Conference Center (PLC2), which is located on the former site of the Pentagon Officers Athletic Club, and several smaller efforts, referred to as Ancillary Projects.

IV. APPENDICES

A timeline of projects completed prior to the scope of this report is included in this report. As required by the National Defense Authorization Act for FY 2000, Section 2881, a description of the use of the Navy Annex property is also included.

RENOVATION STATUS

In Wedge 3, the escalators at the apex of Corridor 7 & 8 are nearing completion.

Four and a half million square feet of space will be modernized in the design-build renovation of Wedges 2-5. This project includes removal of all hazardous building materials, replacement of all building systems, addition of new elevators and escalators to improve vertical circulation, and installation of new security and telecommunications systems. Renovated spaces will be modern, efficient and flexible. The Short-Interval Production Schedule (SIPS) used by PENREN during the renovation of Wedges 2-5 continues to keep the project on schedule. In December 2005, completion of Wedge 2 involved coordination of 4,347 tenant moves. The successful move of Pentagon senior executives in November 2005 was a significant achievement of the program's relocation efforts. The Program successfully built the Unified Command Center (UCC) which is another milestone for ongoing IT modernization efforts throughout the Pentagon. Subsequently, the Program relocated the National Military Command Center (NMCC) and Service Operations Centers. Following the Phased construction approach, demolition and abatement of the first half of Wedge 3 began on June 15, 2005.

The completed Wedges 1 and 2, cover approximately two million square feet. It's a segment of the Wedge 2-5 project, which spans an eight year period of construction and renovation. Wedge 2 was completed in December 2005. The assignable space is now reoccupied by tenants. The momentous undertaking of renovating Wedge 2 required 5,500 cubic yards of concrete, 175,230 sheets of drywall and 1,000,000 pounds of duct work. Wedge 2 has 1,309,000 gross square feet over five floors. Approximately 916,000 square feet of space is assignable to Agencies, DoD Concessions Committee and government IT functions. In addition, Wedge 2 has eleven new passenger elevators and an escalator connecting all five floors at the apex of Corridor 5 and 6. Wedge 2 was renovated to include design features that enhance the functionality of the space. It was also built out with a new modern enterprise IT infrastructure that connects all Wedge 2 users. It is equipped with a number of specialized spaces including a multi-media enhanced conference room, senior leadership executive dining rooms and briefing rooms.

Wedge 3, Phase 1 is now complete. It includes spaces located between A and E rings, first and fifth floors, Corridors 7 and 8. The entire area covers 325,000 square feet within the Pentagon. PENREN's construction efforts for the space required 1.25 million square feet of drywall and 1,500 cubic yards of concrete. There was also 85,000 square feet of terrazzo poured and finished for Wedge 3, Phase 1. In December 2006, the third escalator bank became operational at the apex of Corridor 7/8 for Wedge 3. In addition to new office spaces, there are some specialized spaces for Wedge 3, Phase 1. These spaces include new food courts on the second and third floors of Wedge 3, Phase 1.

Tenant moves began January 2007 and will continue through November 2007. The construction activities for demolition, building the core and shell, and tenant fit out are ongoing in preparation for other tenant moves in 2007. Wedge 3 space includes the permanent locations for the Secretary of Defense, the Deputy Secretary, Chairman Joint Chief of staff and several other senior leaders.

The core and shell design of Wedge 4 began in October 2006. The demolition and abatement of hazardous materials in these spaces will begin March 2007, construction tenant fitout will proceed shortly thereafter.

The Program is rapidly approaching the completion of another segment (Wedge 3) of the Wedge 2-5 project. Concurrently, PENREN is administering sustainable design construction for Pentagon projects. The implementation of sustainable construction for Pentagon renovation projects is part of the Program's strategy to raise awareness of sustainable issues in construction, deconstruction and demolition projects. Some of the sustainable strategies include diverting construction debris from landfills, capturing and re-using site water for dust control, and recycling on site materials for existing project backfills. All construction, renovation, and IT tasks related to the modernization of the Pentagon are performed with minimal interruption and inconvenience to tenants. It is the Program's goal to work efficiently and remain unobtrusive to Pentagon tenants while they continue with their respective missions under the Department of Defense.

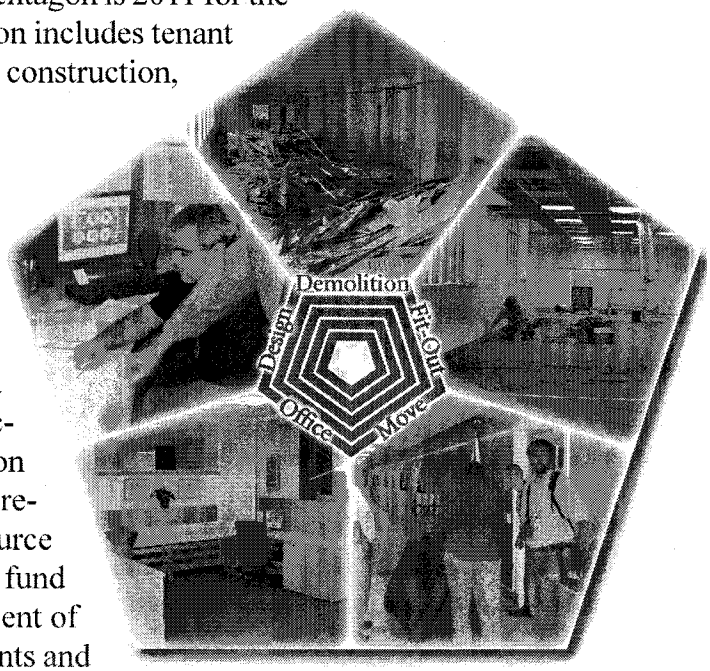
RENOVATION SCHEDULE

The estimated completion date for renovation of the Pentagon is 2011 for the full scope of renovation activities. Pentagon renovation includes tenant move-out, demolition and abatement, core and shell construction, IT installation, tenant fit-out, and tenant move-in.

RENOVATION BUDGET

Source of Funds

Section 2804 of the Department of Defense Authorization Act, 1991 (Public Law 101-510, see Appendix) established the Pentagon Reservation Maintenance Revolving Fund (PRMRF). This act transferred responsibility for the operation, maintenance, protection, repair and renovation of the Pentagon Reservation from the General Services Administration to the Secretary of Defense. This revolving fund is the funding source for the Pentagon Renovation Project. In addition, the fund finances a full range of building services for Department of Defense components, including the military departments and other activities housed within the Pentagon Reservation.



PENREN Renovation Process - Design, Vacant, Fit-Out, Move and Turn-Over.

The renovation is designed to be budget-neutral for the Department of Defense, in that the Department could operate, maintain, protect and renovate the Pentagon using the rent that the Department would have paid to the General Services Administration over a 12 to 14-year period.

Accordingly, the PRMRF is designed to operate on a break-even basis over the long term. Revenue for the revolving fund may be generated from various sources; however, the fund depends primarily upon monies collected from a user charge. This charge is paid by Department of Defense components and other tenants using Pentagon Reservation facilities or land, based on a rate per square foot. The rate is established to recover the cost of day-to-day operations, maintenance, protection of reservation facilities and personnel, and essential capital improvements, including all costs associated with the Pentagon Renovation Program.

Certification of Costs

In accordance with Section 8055 of the FY 2005 Defense Appropriations Act (Public Law 108-287) the Pentagon Renovation and Construction Program Office submits the Certification of Costs annually in March.

Section 8055 of the FY 2005 Defense Appropriations Act (Public Law 108-287) requires that the Department of Defense certify that the total cost for the planning, design, construction and installation of equipment for the renovation of Wedges 2-5 cumulatively will not exceed four times the total cost for the planning, design, construction and installation of equipment for the renovation of Wedge 1. The cost of the renovation of Wedge 1 shall be adjusted for any increase or decrease in costs attributable to inflation.

In accordance with the referenced Appropriations Act, the calculation of cost limitation and the cost of each Wedge does not include any cost incurred for repair and reconstruction as a result of the terrorist attack on September 11, 2001, nor costs attributable to additional security requirements deemed essential by the Secretary of Defense, nor costs attributable to compliance with new requirements of federal, state or local laws.

Extensive internal management controls are in place to ensure accurate tracking and monitoring of costs associated with the certification ceiling and to segregate costs of ancillary projects.

Consistent with the cost estimates prepared for projects in the Military Construction Program, this limitation does not include the cost of: 1) purchase and installation of Information Technology equipment, 2) rental and operation of swing space, 3) purchase and installation of furniture for the renovated Pentagon, and 4) separately authorized ancillary projects and security enhancements directed prior to the terrorist attacks.

PENTAGON MEMORIAL PROJECT

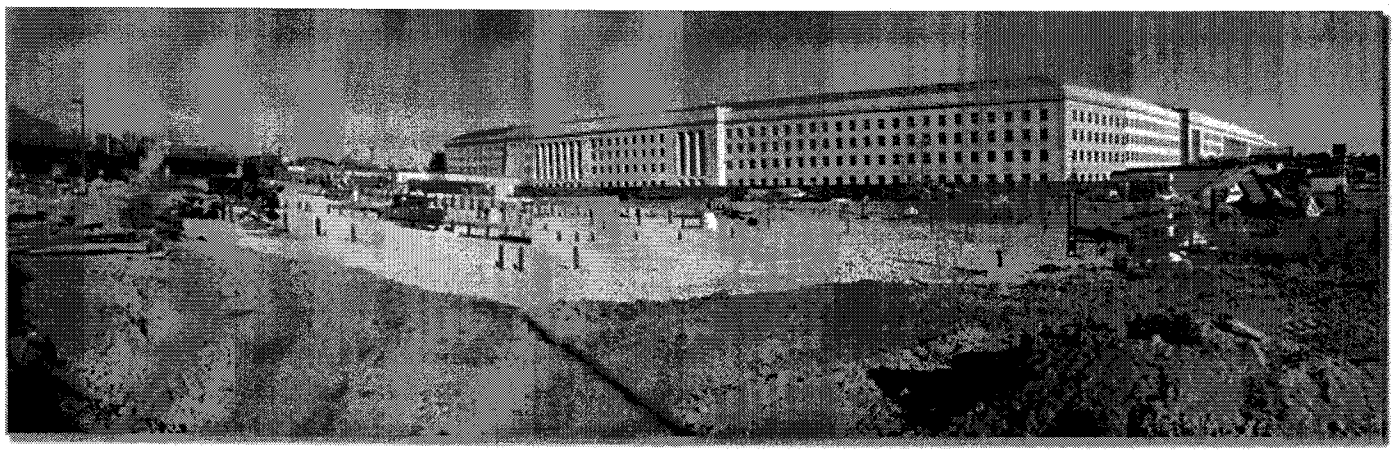
PENREN is the construction agent for the Pentagon Memorial Project, a joint effort by various organizations united to construct a memorial commemorating the 184 lives lost in the September 11, 2001, terrorist attack on the Pentagon.

The contract to construct the Memorial Park was awarded on August 15, 2003. Extensive research and development ensued to finalize the park design and memorial unit, the major element of the park. One memorial unit will be dedicated to each victim of the terrorist attack.

Site preparation began in May 2006 and involves both excavation for the Memorial Park and relocating utilities that currently service the Pentagon and other sites. Site preparation and utility relocation will be completed in early 2007. Construction of the Memorial Park will start soon thereafter to be completed in Fall 2008. Family members are kept informed of progress throughout the project design and construction process.

Key Facts and Milestones
Pentagon Memorial Park and Gateway
Total Size: Approximately 2 acres
Main Feature of the Park: 184 individual Memorial Units
Projected Completion: Fall 2008

Rendering of the Pentagon Memorial.



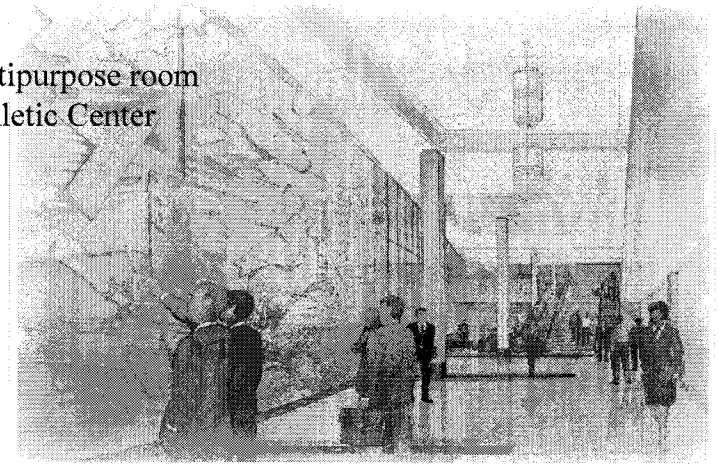
Pentagon Memorial Park site preparation will be completed in early 2007 with construction of the Memorial Park beginning soon afterwards.

PENTAGON LIBRARY & CONFERENCE CENTER (PLC2)

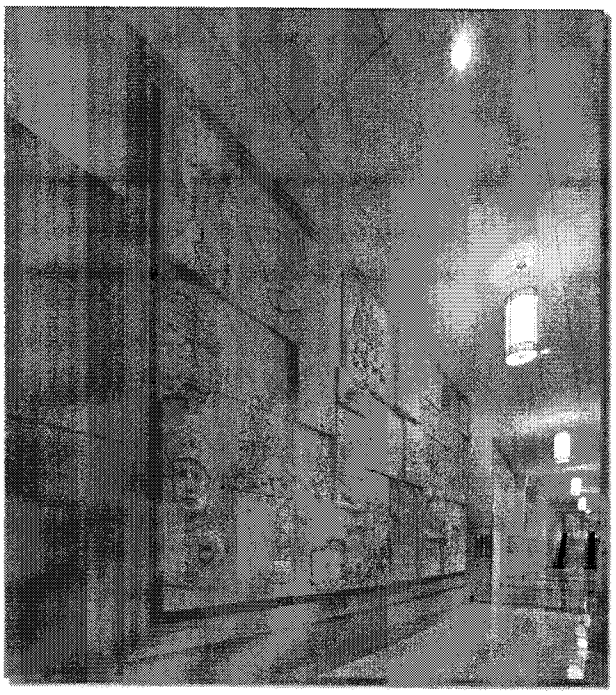
PENREN led Construction Management for the conversion of the old Pentagon Officer's Athletic Center into the Pentagon Library and Conference Center (PLC2). The new facility expands the Pentagon's capacity to hold large meetings and conferences. PLC2 features a total of 14 conference rooms and a multipurpose room with a stage and audio-visual support. These rooms support a variety of events, including conferences and teleconferences, performances, banquets, training, and lectures. The facility also provides in-house catering for conferences and offers a new cafe with seating in an atrium area brightened by skylights. The facility will reduce the Department's dependence on costly and inconvenient meeting room rentals.

The design-build contract for the Pentagon Library & Conference Center was awarded in July 2004. Construction is now complete and the facility is operational.

Key Facts and Milestones
Facility will have 14 conference rooms and 1 multipurpose room
Built in former location of Pentagon Officer's Athletic Center
Building area: 120,000 square foot
Projected Complete: October 2006



Artist's conceptual rendering of the PLC2 Grand Hall.



The Grand Hall of the Pentagon Library and Conference Center after completion in October 2006.

TIMELINE

1996

November	North Parking Pedestrian Ramp

1997

January	River Terrace Handicapped Access
February	Sewage Lift Station
June	Center Courtyard Utility Tunnel
August	Classified Waste Incinerator
September	Heating and Refrigeration Plant
October	River Terrace Vehicle Bridge

1998

May	Corridor 8 Entrance Renovation
August	River Terrace Renovation

1999

June	Swing Space Facilities
September	Mug Handle Infill
October	Basement Segment 2A2

2000

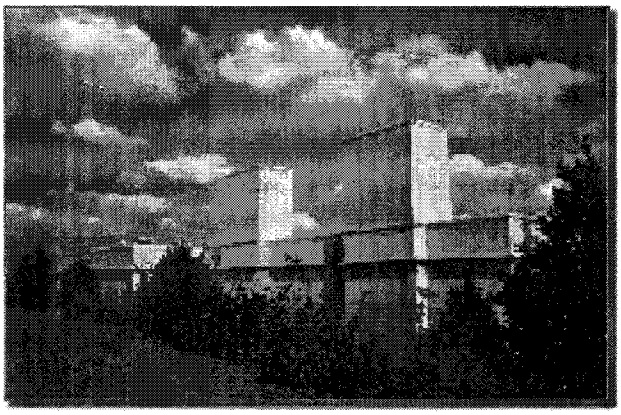
March	Basement/Mezzanine Segment 1
March	DiLorenzo TRICARE Health Clinic
August	Remote Delivery Facility Phase 1
September	Replacement of Underground Water Lines
October	Basement 3A Demolition and Abatement
December	Remote Delivery Facility Phase 2

2001

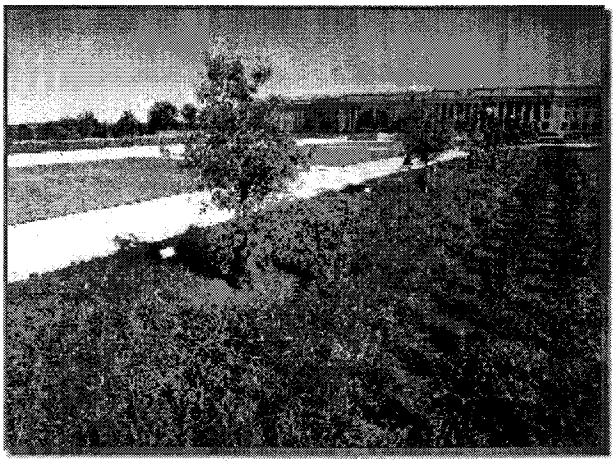
January	Heliport and Fire Station Control Tower
February	South Terrace Pedestrian Bridges
September	Wedge 1
December	Pentagon Transit Center

2002

January	Limestone Cleaning & Repointing
April	Relocation of NIMA Offices
September	Phoenix/Wedge 1 Recovery
September	RDF Power Plant
November	Metro Entrance Facility



Heating and Refrigeration plant was completed in September 1997.



Remote Delivery Facility (RDF) features a roof with vegetation. In November 2005, the RDF became PENREN's third LEED™ certified construction project.

The Metro Entrance Facility (MEF) features an energy efficient roof. In December 2002, the MEF became PENREN's first LEED™ certified renovation project.

APPENDIX

2003

January	Office Build Out -- Air Force Agency
March	Remote Delivery Facility -- Final Completion
May	Joint Director of Military Support (JDOMS), Joint Chief of Staff and Air Force
May	Army Operations Center (AOC) Phase 2
June	Navy Office Build Out
August	PFPA Command Action Center (CAC) Build Out
October	Wedge 2, Phase 1 & 2
October	Heliport Demolition
November	OSD/PA Relocation to Corridor Bridge 3
December	CCSP Wedge 1 Core Facility
December	Wheelchair Lift at Clinic

2004

March	Pentagon Athletic Center
April	Highway 110 Northbound Lanes
June	Highway 110 Southbound Lanes
July	National Geospacial-Intelligence Agency (NGA) Build Out
September	DoD Auditorium
September	PFPA Command Center
October	Roads & Grounds Projects conclude
November	H&RP Intake/Outfall

2005

December	Communications Survivability Program
December	Senior Executive Moves
December	Wedge 2
December	Command and Operation Centers

2006

October	Pentagon Library and Conference Center

In Wedge 2, a blue terrazzo star and adjacent wall indicate their fourth floor location.

The Pentagon Athletic Center (PAC) court used for basketball, volleyball, and badminton activities.

Pentagon Library and Conference Center

PENTAGON RENOVATION

The Department of Defense Appropriations Act, FY 2005, Public Law 108–287, Section 8055 (August 5, 2004)

SEC. 8055. (a) LIMITATION ON PENTAGON RENOVATION COSTS.—
Not later than the date each year on which the President submits to Congress the budget under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of Wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total cost for the planning, design, construction, and installation of equipment for the renovation of Wedge 1.

(b) ANNUAL ADJUSTMENT.—For purposes of applying the limitation in subsection (a), the Secretary shall adjust the cost for the renovation of Wedge 1 by any increase or decrease in costs attributable to economic inflation, based on the most recent economic assumptions issued by the Office of Management and Budget for use in preparation of the budget of the United States under section 1104 of title 31, United States Code.

(c) EXCLUSION OF CERTAIN COSTS.—For purposes of calculating the limitation in subsection (a), the total cost for Wedges 2 through 5 shall not include—(1) any repair or reconstruction cost incurred as a result of the terrorist attack on the Pentagon that occurred on September 11, 2001; (2) any increase in costs for Wedges 2 through 5 attributable to compliance with new requirements of Federal, State, or local laws; and (3) any increase in costs attributable to additional security requirements that the Secretary of Defense considers essential to provide a safe and secure working environment.

(d) CERTIFICATION COST REPORTS.—As part of the annual certification under subsection (a), the Secretary shall report the projected cost (as of the time of the certification) for—(1) the renovation of each Wedge, including the amount adjusted or otherwise excluded for such Wedge under the authority of paragraphs (2) and (3) of subsection (c) for the period covered by the certification; and (2) the repair and reconstruction of Wedges 1 and 2 in response to the terrorist attack on the Pentagon that occurred on September 11, 2001.

(e) DURATION OF CERTIFICATION REQUIREMENT.—The requirement to make an annual certification under subsection (a) shall apply until the Secretary certifies to Congress that the renovation of the Pentagon Reservation is completed.

PENTAGON MEMORIAL

FY 2002 - NATIONAL DEFENSE AUTHORIZATION ACT - Section 2864 of P.L. 107-107 (Pentagon Memorial)

ESTABLISHMENT OF MEMORIAL TO VICTIMS OF TERRORIST ATTACK ON PENTAGON RESERVATION AND AUTHORITY TO ACCEPT MONETARY CONTRIBUTIONS FOR MEMORIAL AND REPAIR OF PENTAGON.

(a) Memorial Authorized.--The Secretary of Defense may establish a memorial at the Pentagon Reservation dedicated to the victims of the terrorist attack on the Pentagon that occurred on September 11, 2001. The Secretary shall use necessary amounts in the Pentagon Reservation Maintenance Revolving Fund established by section 2674(e) of title 10, United States Code, including amounts deposited in the Fund under subsection (c), to plan, design, construct, and maintain the memorial.

(b) Acceptance of Contributions.--The Secretary of Defense may accept monetary contributions made for the purpose of assisting in--

(1) the establishment of the memorial to the victims of the terrorist attack; and

(2) the repair of the damage caused to the Pentagon Reservation by the terrorist attack.

(c) Deposit of Contributions.--The Secretary of Defense shall deposit contributions accepted under subsection (b) in the Pentagon Reservation Maintenance Revolving Fund. The contributions shall be available for expenditure only for the purposes specified in subsection (b).

NAVY ANNEX - FEDERAL OFFICE BUILDING 2 (FB2)

FY 2000 - National Defense Authorization Act - P.L. 106-65 as amended by Sec 2851 of P.L. 107-314, National Defense Authorization Act for FY 2003, Sec 2863 of P.L. 107-107, National Defense Authorization Act for FY 2002, and Sec 2881 of P.L. 108-375, National Defense Authorization Act for FY 2005.

Subtitle F—Expansion of Arlington National Cemetery
SEC. 2881. TRANSFER FROM NAVY ANNEX, ARLINGTON, VIRGINIA.

(a) LAND TRANSFER REQUIRED- The Secretary of Defense shall provide for the transfer to the Secretary of the Army of administrative jurisdiction over four parcels of real property consisting of approximately 40 acres and known as the Navy Annex (in this section referred to as the 'Navy Annex property').

(b) USE OF LAND- (1) Subject to paragraph (2), the Secretary of the Army shall incorporate the Navy Annex property transferred under subsection (a) into Arlington National Cemetery.

(2) The Secretary of Defense shall reserve not more than four acres of the Navy Annex property south of the existing Columbia Pike as a site for such other memorials or museums that the Secretary considers compatible with Arlington National Cemetery and the Air Force Memorial.(c) REMEDIATION OF LAND FOR CEMETERY USE- Immediately after the transfer of administrative jurisdiction over the Navy Annex property, the Secretary of Defense shall provide for the removal of any improvements on that property and shall prepare the property for use as a part of Arlington National Cemetery.

(d) ESTABLISHMENT OF MASTER PLAN- (1) The Secretary of Defense shall establish a master plan for the use of the Navy Annex property transferred under subsection (a).

(2) The master plan shall take into account (A) the report submitted by the Secretary of the Army on the expansion of Arlington National Cemetery required at page 787 of the Joint Explanatory Statement of the Committee of Conference to accompany the bill H.R. 3616 of the One Hundred Fifth Congress (House Report 105-436 of the 105th Congress), and (B) the use of the acres reserved under subsection (b)(2) for a memorial or museum.

(3) The master plan shall be established in consultation with the National Capital Planning Commission and only after coordination with appropriate officials of the Commonwealth of Virginia and of the County of Arlington, Virginia, with respect to matters pertaining to real property under the jurisdiction of those officials located in or adjacent to the Navy Annex property, including assessments of the effects on transportation, infrastructure, and utilities in that county by reason of the proposed uses of the Navy Annex property under subsection (b).

(4) Not later than 180 days after the date of the enactment of Bob Stump National Defense Authorization Act for FY 2003, the Secretary of Defense shall submit to Congress the master plan established under this subsection.

(e) IMPLEMENTATION OF MASTER PLAN- The Secretary of Defense may implement the provisions of the master plan at any time after the Secretary submits the master plan to Congress.

NAVY ANNEX - FEDERAL OFFICE BUILDING 2 (FB2) con't

(f) LEGAL DESCRIPTION- In conjunction with the development of the master plan required by subsection (d), the Secretary of Defense shall determine the exact acreage and legal description of the portion of the Navy Annex property reserved under subsection (b)(2) and of the portion transferred under subsection (a) for incorporation into Arlington National Cemetery.

(g) REPORTS- (1) Not later than 90 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Secretary of Defense a copy of the report to Congress on the expansion of Arlington National Cemetery required at page 787 of the Joint Explanatory Statement of the Committee of Conference to accompany the bill H.R. 3616 of the One Hundred Fifth Congress (House Report 105-736 of the 105th Congress).

(2) The Secretary of Defense shall include a description of the use of the Navy Annex property transferred under subsection (a) in the annual report to Congress under section 2674(a)(2) of title 10, United States Code, on the state of the renovation of the Pentagon Reservation.

(h) DEADLINE- The Secretary of Defense shall complete the transfer of administrative jurisdiction required by subsection (a) not later than

(1) January 1, 2010; or

(2) the date when the Navy Annex property is no longer required (as determined by the Secretary) for use as temporary office space due to the renovation of the Pentagon.

Under the current schedule for the renovation of the Pentagon, the Navy Annex property and facilities will be used for temporary office space until the conclusion of the renovation program. A potential revision to the 2000 National Defense Authorization Act (NDAA), proposed for the 2008 NDAA would authorize transfer of this property in 2013 due to BRAC 2005 timing considerations. The rationale for this includes a number of factors: (1) Arlington National Cemetery plans to begin developing the property after 2014; (2) allows DoD to economically wind down occupancy of FB2 as specified by BRAC; (3) minimizes costs to lease additional space until BRAC actions and Pentagon Renovations are completed; (4) prevents multiple moves by a single agency; and (5) addresses limitations on availability of leased space complying with Antiterrorism Standards within the National Capital Region. This would not impact Arlington National Cemetery's projected need for the property in 2014 to prepare the property for burials beginning in the post 2020 time frame.

In the absence of a change to Section 2881 of the 2000 NDAA, the Secretary of Defense will assign administrative jurisdiction of the Navy Annex property to the Secretary of the Army by January 1, 2010, as stated in Section 2881. Furthermore, in accordance with Section 2851 of the 2003 NDAA, a draft FB2 Master Plan, defining the utilization of this property, was completed in June 2003. Arlington County, Virginia Department of Transportation (VDOT), and Arlington National Cemetery (ANC), have reviewed the draft Master Plan and provided concurrence with its initial concepts. The draft was not finalized for

NAVY ANNEX - FEDERAL OFFICE BUILDING 2 (FB2) con't

two main reasons: (1) Arlington County had commissioned a study to address the revitalization of the Columbia Pike Corridor; and, (2) Arlington National Cemetery was finalizing their facility master plan. Both these actions impacted final agreements to the proposed land uses defined in the draft FB2 Master Plan.

The draft FB2 Master Plan, in compliance with Section 2881 of the 2000 NDAA and Section 2851 of the 2003 NDAA, restructures this area with respect to transportation movement, access, and population; maximizes land gain by establishing contiguous property to facilitate use by Arlington National Cemetery; reconfigures the road network; enhances pedestrian paths and bicycle trails; accommodates a future bus rapid transit or light rail system coordinated through Arlington County and Washington Metropolitan Area Transit Authority (WMATA); and allows for the possible future relocation of existing Arlington National Cemetery receiving/maintenance yard to enhance land use. Relocation of this receiving/maintenance yard is proposed within an established industrial zone adjacent to Virginia Department of Transportation's (VDOT) maintenance facility. The Master Plan concepts include: (a) reserving a maximum of four acres of the property north of Columbia Pike for future memorials and museums that the Secretary of Defense may consider compatible with Arlington National Cemetery and the Air Force Memorial; (b) acquiring South Gate Road for Arlington National Cemetery; (c) realigning Columbia Pike and reconfiguring the intersection with Route 27; (d) providing a new access to Henderson Hall west of the existing FB2; and (e) completing demolition of FB2 and the Navy Exchange gas station and convenience store.

FB2's existing acreage equals 39.28 acres. The Master Plan, once implemented, will reflect a total acreage equal to approximately 45.07 acres, not including 4 acres set aside for memorials and/or museums such as the Arlington Heritage Center. Arlington County supports a proposed Arlington Heritage Center adjacent to the original Freedmen's Village site. Property exchange between Arlington County and the Department of Defense is under consideration, supports development of this Arlington Heritage Center, and enhances the land utilization gains for Arlington National Cemetery. With the removal of Joyce Street and South Gate Road, a secondary, enhanced access to Henderson Hall and the adjoining neighborhood community to the west will be provided as part of the draft FB2 Master Plan's development. The demolition of Wing 8 occurred in 2004 to accommodate the construction of the Air Force Memorial that began in 2005 and was completed and dedicated in 2006.

APPENDIX

REPORT DISTRIBUTION

Copies of the 2006 Report to Congress sent to:

United States Senate
Honorable Richard B. Cheney, President of the Senate
Honorable Carl Levin, Chairman, Committee on Armed Services
Honorable John McCain, Ranking Member, Committee on Armed Services
Honorable Barbara Boxer, Chairman, Committee on Environment and Public Works
Honorable James M. Inhofe, Ranking Member, Committee on Environment and Public Works
Honorable Robert C. Byrd, Chairman, Committee on Appropriations
Honorable Thad Cochran, Ranking Member, Committee on Appropriations
Honorable Daniel K. Inouye, Chairman, Subcommittee on Defense, Committee on Appropriations
Honorable Ted Stevens, Ranking Member, Subcommittee on Defense, Committee on Appropriations

United States House of Representatives
Honorable Nancy Pelosi, Speaker
Honorable Ike Skelton, Chairman, Committee on Armed Services
Honorable Duncan Hunter, Ranking Member, Committee on Armed Services
Honorable James L. Oberstar, Chairman, Committee on Transportation and Infrastructure
Honorable John L. Mica, Ranking Member, Committee on Transportation and Infrastructure
Honorable David R. Obey, Chairman, Committee on Appropriations
Honorable Jerry Lewis, Ranking Member, Committee on Appropriations
Honorable John P. Murtha, Chairman, Subcommittee on Defense, Committee on Appropriations
Honorable C. W. Bill Young, Ranking Member, Subcommittee on Defense, Committee on Appropriations

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