



UNDER SECRETARY OF DEFENSE

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October 8, 2004, 4:30 PM

FOR: SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

FROM: Tina W. Jonas *TWJ*

SUBJECT: Peacetime Authorities in a Wartime Environment

- On Monday, October 4, 2004, Ambassador Negroponte sent a cable to the National Security Council (NSC), the Secretary of State, and you requesting relief from 20 specific restrictions in the Federal Acquisition Regulation (FAR), which are slowing the timeliness of Iraq reconstruction.
- An interagency group with contracting specialists and legal advisors from State, Defense, the Office of Management and Budget, and the NSC met throughout the week and drafted a response for the Secretary of State to send to the Ambassador.
 - The Under Secretary of Defense for Acquisition, Technology and Logistics has primary action for Defense.
 - The goal is to have the Secretary of State sign the cable by Monday.
- The interagency group found that the Ambassador currently has the authority to waive the FAR in 15 of the 20 areas specified in his cable. The draft interagency response identifies the specific citations to waive the FAR.
- The interagency group found additional authority is required in two instances. The FY 2005 National Defense Authorization Act approved by the Conferees solves both problems.
- There are three issues that are yet unclear. All relate to insurance indemnification and liability. The draft cable explains that these issues require further review and commits the interagency group to resolve these issues.

COORDINATION: None.

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