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DEA Mid-Atlantic Region

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The Honorable Daniel K. Inouye United States Senate Suite 722, Hart Senate Office Building Washington, DC 20510-1102

Dear Senator Inouye:

Thank you for your letter dated May 21, 2001, on behalf of your constituent Mr. W.F. Clifford, regarding his concern over the Navy's release of the Dry dock AFDM 8 to TDX Corporation. The subject vessel was reported for disposal to the General Services Administration (GSA) on August 14, 2000. After two unsuccessful attempts at transferring the vessel, the AFDM 8 was transferred to the Alaska State Agency for Surplus Property (AK SASP) on March 22, 2001. The AK SASP subsequently donated the vessel to the Tanadgusix Corporation (TDX), an eligible native Alaskan organization based in Anchorage. Our response to Mr. Clifford's concerns are listed below:

 Regarding TDX's relationship with Marisco, TDX has contracted with Marisco to repair the vessel and remove any PCBs. TDX has up to one year to place the vessel into use and plans to have the vessel transported to Alaska between the months of September and November 2001. This dock will not become the property of Marisco.

Regarding its intended use, TDX has forwarded a letter of intent to GSA through the AK SASP and has executed a notarized vassel conditional transfer document in accordance with federal property management regulations. The AK SASP and GSA will monitor TDX's compliance with these documents closely. Any non-compliance with result in TDX losing all rights and privileges to the vessel. As stated above, the dock will not remain in Honolulu. The dock will be used for economic development, including job training, in Alaska. We are unaware of any petitions by TDX for this donation. Again, any activity (lease, barter, trade, etc.) by TDX that violates federal regulations would result in the dock being recovered from TDX.

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TDX Corporation has already responded to these specific donation concerns via their enclosed letter dated May 5, 2001 to the AK SASP. In this letter, TDX explains the rationale for utilizing Mariaco Shipperd for repair purposes and hazardous material abatement. TDX also certifies that there is no rent or lesse agreement for use of the vessel with Mariaco or any other entity. Furthermore, TDX certifies that their initial intent for the vessel has not changed — "economic development within the Alaska region."

We have also enclosed copies of the transfer order, vessel conditional transfer document, and TDX's letter of intent for your review and information. Please do not hepitate to contact Joseph M. Hvorecky of my staff if you have any further questions regarding this matter. He can be reached on (215) 656-3922.

Sincerely,

ames A. Williams

Acting Regional Administrator

Éndosures

Exhibit 59
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