

EXHIBIT 3-A

Greg James

From: Lawrence A Freeman [lfreeman@usgs.gov]
Sent: Tuesday, June 21, 2005 5:38 PM
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Subject: USGS 2006 program cost increase

Dear Marina Field Office cooperators.

The cost increase for 2006 FY is 6.25% over the 2005 FY costs. The USGS acknowledges that this is a significantly greater increase than the previous few years. For the most part this increase is needed to cover the additional costs of salary increases approved by Congress, but not funded, and the very large jump in fuel prices. There have been other cost increases as well, and the overall impact is that we have to raise our prices to this level so that we can continue to perform the functions each of you have become accustomed to.

The 6.25% increase means that the standard streamgage O&M price increased from \$17,600 for the 2005 FY to \$18,700 for 2006.

Program letters are being prepared over the next few weeks. These letters will be available prior to my meeting with each of you. I will be available for meetings beginning the week of July 4th. I will start contacting each of you when I return from vacation at the end of next week.

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