



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

The Honorable Charles W. Dent
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

APR 09 2015

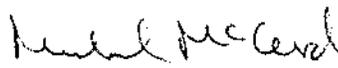
Dear Mr. Chairman:

The purpose of this letter is to notify the committee of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justification for each project is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Requests(\$)</u>
	<u>Air Force</u>			
1	Hill AFB, Utah	F-35 Add/Alter Hangar 45 with Aircraft Maintenance Unit	2013	3,225,000
2	Ramstein Air Base, Germany	Deicing Fluid Storage & Dispensing Facility	2011	1,010,000

A similar letter is being sent to the Chairman of the Senate Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of DoD programs.

Sincerely,


Michael McCord

Enclosure:
As stated

cc:
The Honorable Sanford D. Bishop, Jr.
Ranking Member



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The Honorable Mark Kirk
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The purpose of this letter is to notify the committee of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justification for each project is enclosed.

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Sincerely,

Michael McCord

Enclosure:
As stated

cc:
The Honorable Jon Tester
Ranking Member

Bid Expiration Date: Not Applicable
 Military Construction, Air Force
 Reprogramming Request

Installation: Hill Air Force Base, Utah

Project: F-35 ADAL Hangar 45W/AMU

Authorization: National Defense Authorization Act for Fiscal Year 2013, P.L. 112-239

Estimated Cost (\$000):

Previously Appropriated	7,240*
Previously Reprogrammed	-
Requested Reprogramming	3,225
Total Estimated Cost	10,465

** The requested reprogramming includes \$182 thousand reprogrammed using below-threshold reprogramming (BTR) authority to award the initial contract. If approved, the reprogramming base will be \$10,465 thousand.*

Description: This project adds to and alters (ADAL) a hangar to provide sufficient aircraft maintenance unit (AMU) and aircraft repair facilities to support a squadron of 24 F-35 fighter aircraft.

Justification: The programmed cost for alterations to the existing roof structure required to support the addition and alterations in accordance with the international building code was underestimated. After award of the design-build contract, subsequent design efforts identified unforeseen structural changes that are required to meet code. A Title 10 USC 2853 notification of cost increase was sent to Congress on October 16, 2014.

Source of Funds: The source projects received favorable bids and were awarded at full scope below the appropriated amount. The bid savings may be reprogrammed without impacting completion of the source project.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Little Rock AFB, AR/ C-130 Fuel Systems Maintenance Hangar	2013	26,000	23,499	2,000

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Holloman AFB, NM/ MQ-9 Maintenance Hangar	2013*	25,000	23,053	1,225
Total				<u>3,225</u>

*Reprogramming of \$182,000 of proposed reprogramming amount already accomplished via BTR during FY 2013

Bid Expiration Date: Not Applicable
Military Construction, Air Force
Reprogramming Request

Installation: Ramstein Air Base, Germany
Project: Deicing Fluid Storage & Dispensing Facility
Authorization: Ike Skelton National Defense Authorization Act for Fiscal Year 2011,
P.L. 111-383

Estimated Cost (\$000):

Previously Appropriated	2,671*
Previously Reprogrammed	-155**
Requested Reprogramming	1,010
Total Estimated Cost	3,526

**Original appropriation (\$2,754) less rescissions (\$83 thousand).*

*** On February 7, 2014, the Department of Defense requested congressional approval to reprogram funds (\$155,000) from the Deicing Fluid Storage & Dispensing Facility, to the Fiscal Year 2014, F-35 Aircraft Maintenance Unit Hanger 45E Operations #1, Hill Air Force Base Utah. This request was approved by the Senate Appropriations Committee on February 24, 2014, and the House Committee on Appropriations on February 10, 2014*

Description: Construct a centralized deicing fluid dispensing facility, consisting of a pump-house with controls, above-ground metal storage tanks with accessories and dispensing area on an associated concrete pad in accordance with applicable Host Nation environmental laws and Final Governing Standards (FGS). Scope includes environmental support, disposal of the old tanks, pavements, roads, a roof and all other necessary support. Facility will be equipped with fire suppression and security alarms, lightning protection, as well as heating elements and a catch basin. The system will be interconnected via computer system to the base surface water run-off management system and includes antiterrorism/force protection requirements identified in DoD Unified Facility Criteria. The deicing fluid facility under construction is needed to replace an inadequately sized and configured system with a centralized facility having sufficient storage and dispensing capability in order to expedite deicing operations in support of aircraft flying missions. The facility will minimize the probability of uncontrolled releases of contaminated storm water during the deicing season.

Justification: When construction was 90% completed, a subcontractor installing controls equipment at the facility noted apparent deficiencies with the piping sizes and controls design. The errors were confirmed by a specialized design firm hired by the host nation. Redesign of the piping and controls started in February 2014 and was completed in June 2014. Generally, the

bulk of the cost of implementing the revised design should be borne by the original design architect/engineer (A/E) since this issue is clearly the result of a series of design errors. However, the design A/E entered bankruptcy protection prior to this issue surfacing. The German Ministry of Finance will pursue recoupment from the A/E firm's insurance company, but the Ministry of Finance cannot provide us with an estimated time frame for when that will happen, or a guarantee of recoupment of funds. Without the modifications to the system, the new deicing fluid storage & dispensing facility is not complete and usable, and impact to the flying mission becomes more probable with each winter season that the old system stays in operation. Therefore, the Air Force must now pre-finance the system modifications. The existing system and tanks are beyond economical repair, but will be kept in service for the 2014/2015 winter season. A Title 10 USC 2853 notification of the cost increase was sent to Congress on November 4, 2014.

Source of Funds: Bid savings from the source project will fund this requirement.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Estimate</u>	<u>Proposed Reprogramming</u>
Dover AFB, DE/ C-5M Formal Training Unit Facility	2012	2,800	107	1,010