



UNDER SECRETARY OF DEFENSE
 1100 DEFENSE PENTAGON
 WASHINGTON DC 20301-1100



MAR 17 2007

COMPTROLLER

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

Dear Mr. Chairman:

The purpose of this letter is to notify the Committee of the proposed reprogramming of funds for the project and amount shown below. Detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Fiscal Program</u>	<u>Reprogramming Request</u>
<u>Department of Army</u> Military Ocean Terminal, Sunny Point, North Carolina	Center Wharf Expansion (PN 41874)	2007	\$17,100,00

A similar letter is being sent to the Chairman and Ranking Member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee of the Senate Appropriations Committee.

Sincerely,


 Tina W. Jonas

Enclosure:
 As stated

cc:
 The Honorable Zach Wamp
 Ranking Member





COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON DC 20301-1100



MAR 17 2008

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

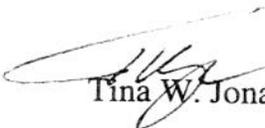
Dear Mr. Chairman:

The purpose of this letter is to notify the Committee of the proposed reprogramming of funds for the project and amount shown below. Detailed justification is enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Fiscal Program</u>	<u>Reprogramming Request</u>
<u>Department of Army</u>			
Military Ocean Terminal, Sunny Point, North Carolina	Center Wharf Expansion (PN 41874)	2007	\$17,100,00

A similar letter is being sent to the Chairman and Ranking Member of the Military Construction, Veterans Affairs, and Related Agencies Subcommittee of the Senate Appropriations Committee.

Sincerely,


Tina W. Jonas

Enclosure:
As stated

cc:
The Honorable Kay Bailey Hutchison
Ranking Member



Bid Expiration: 30 April 2008

Military Construction, Army

Reprogramming Request

Installation: Military Ocean Terminal, Sunny Point, North Carolina

Project: Center Wharf Expansion, Project Number (PN 41874)

Authorization: FY 2007 National Defense Authorization Act, P.L. 109-364

Estimated Cost:

Previously Appropriated	\$ 46,000,000
Previous Reprogramming	\$0
Requested Reprogramming	\$17,100,000
Total Estimated Costs	\$63,100,000

Description: This project expands and modernizes the Center Wharf of Military Ocean Terminal, Sunny Point (MOTSU). The wharf, which was built during the early 1950s, is configured to handle cargo using the “break-bulk” process involving pallets and supporting cargo handling equipment. However, munitions are rarely shipped in this configuration today, as containerization offers a more expedient and efficient method. This modernization will configure the wharf to receive the installation of two overhead 80-gauge gantry cranes to move cargo using contemporary containerized processes. The project includes widening the wharf from 87-feet to 107-feet on the landside, demolition of the existing wharf deck to install the two crane rails for the new cranes, new pilings, repairs of existing pilings, a new fendering/mooring system, utility infrastructure upgrades, and replacement of the operations building with a new 3,000 square feet building.

Justification: The Request for Proposal was issued in April 2007 and all of the proposals received exceeded the available funding. The cost of materials, including steel, cement, and concrete, as well as fuel, have risen dramatically since the original cost projection. Additionally, labor prices in this geographical area also show increases as a result of more competition for qualified labor. As MOTSU supports the surface transshipment of the vast majority of munitions in support of global, military operations and serves as a key node and strategic partner in the Army and Air Force prepositioning afloat programs, this project is critical to meeting Army mission requirements. Consequently, this reprogramming is being submitted to allow a contract to be awarded and the work to proceed.

Source of Funds: Funds are available a result of bid savings on the following projects.

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u> (\$000)	<u>Current Estimate</u> (\$000)	<u>Proposed Reprogramming</u> (\$000)
Ft Campbell, KY Barracks (PN 48671)	2007	50,000	47,277	2,723
Ft Campbell, KY Barracks (PN 65742)	2007	26,000	25,773	227
Ft Campbell, KY Vehicle Maint Shop (PN 64904)	2007	10,000	9,886	114
Pyongyang, Korea, Digital MP Range (PN 58957)	2007	4,350	4,165	185
Pyongyang, Korea, Shoot House (PN 58953)	2007	1,450	1,295	155
Pyongpyong, Korea, Shoot House (PN 58955)	2007	1,600	1,498	102
Vilseck, Germany, Barracks (PN 61890)	2007	19,000	17,250	1,750
Vilseck, Germany Barracks Complex, Phase II (PN 60382)	2006	13,464	12,024	1,440
Grafenwoehr, Germany, Barracks (PN 55986)	2007	29,000	28,859	141
Ft Leavenworth, KS, Battle Seminar Facility (PN 53333)	2007	15,000	11,340	3,660

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u> (\$000)	<u>Current Estimate</u> (\$000)	<u>Proposed Reprogramming</u> (\$000)
Ft Lewis, WA, Barracks Complex (PN 55197)	2007	35,000	34,487	513
Ft Drum, NY, Brigade Complex (PN 63776)	2007	37,400	36,400	1,000
Ft Stewart, GA, Combined Arms Collective Training (PN 54373)	2007	23,000	18,000	5,000
Fort Riley, KS, Barracks Complex (PN 47149)	2007	32,000	31,910	90
Total funds available				17,100