



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



COMPTROLLER

OCT 22 2008

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 projects and amounts shown below. Detailed justifications are enclosed.

<u>Service/Installation</u>	<u>Project</u>	<u>Fiscal Program</u>	<u>Reprogramming Request</u>
<u>Department of Army</u>			
Salem Army Aviation Support Facility at McNary Field, Oregon	Flight Operations Facility	2005	\$3,300,000
<u>Department of Air Force</u>			
Various Locations, Worldwide	Minor Construction	2008	\$2,400,000
<u>Defense-wide</u>			
Fort Bragg, North Carolina	SOF Headquarters and Motor Pool Complex	2008	\$6,958,000

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,

Douglas A. Brook
 Acting

Enclosure:
 As stated

cc:
 The Honorable Zach Wamp
 Ranking Member



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OCT 22 2008

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

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

Sincerely,

Douglas A. Brook
Acting

Enclosure:
As stated

cc:
The Honorable Kay Bailey Hutchison
Ranking Member

Bid Expiration Date: December 1, 2008
 Military Construction, Army National Guard
 Reprogramming Request

Installation: McNary Field, Salem, Oregon
Project: Army Aviation Operations Facility
Authorization: National Defense Authorization Act for FY 2005 (P.L. 108-375)

Estimated Cost (\$000):

Previously Appropriated	4,917
Previously Reprogrammed	-
Requested Reprogramming	3,300
Total Estimated Cost	8,217

Description: This project funds the construction of a flight operations facility. The facility has flight planning, pilot safety equipment (ALSE) storage, classroom & locker rooms. This project will replace existing facilities, which can not accommodate the airframes and functionality of the unit.

Justification: In September of 2005 a contract for the flight operations facility was awarded but later cancelled as a result of unforeseen environmental issues that prohibited execution of the project in that location. Since then, the Guard has been working to identify alternative sites and in FY 2008, a contract was awarded with an architect and construction contractor to complete the design phase. During the design phase, cost estimates to complete the project were developed, and these estimates revealed that the project is \$3.3 million higher than originally estimated. The primary reason is due to sharp increases in construction materials and subsequent inflation increases to date.

Source of Funds. The following project has been cancelled and funds left from this project will be used as the source of funds for this reprogramming action.

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Estimate (\$000)</u>	<u>Amount Reprogrammed (\$000)</u>
Boardman, Oregon, Multi Purpose Training Range	2007	3,314	-	3,300

Bid Expiration Date: N/A
 Military Construction, Air National Guard
 Reprogramming Request

Installation: Various

Project: Unspecified Minor Military Construction

Authorization: National Defense Authorization Act for Fiscal Year 2008.

Estimated Cost (\$000):

Previously Appropriated	2,400
Previously Reprogrammed	-
Requested Reprogramming	-
Total Estimated Cost	2,400

Description: 10 USC 2805 authorizes the Service Secretaries to carry out unspecified minor military construction projects not otherwise authorized by law.

Justification: The following projects were authorized as minor construction projects but appropriated as major construction projects. The Air National Guard requests a Congressional reprogramming to realign the projects from Major Construction to the Unspecified Minor Military Construction program.

Source of Funds: Projects to be realigned are as follows:

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Duluth, MN/ Replace Storage Facility	2008	1,500	1,500	1,500
Rapid City, SD/ Joint Forces Headquarters	2008	900	900	900

Bid Expiration Date: N/A
Military Construction, Defense-Wide
Reprogramming Request

Installation: Fort Bragg, North Carolina
Project: SOF Headquarters and Motor Pool Complex
Authorization: FY 2008 National Defense Authorization Act (P.L. 110-181)

Estimated Cost (\$000):

Previously Appropriated	39,250
Previously Reprogrammed	-
Requested Reprogramming	<u>6,958</u>
Total Estimated Cost	46,208

Description: The SOF Headquarters and Motor Pool Complex provide facilities to house a new 91st Civil Affairs Battalion (CAB) to accommodate the 95th Civil Affairs Brigade transformation from one battalion to one brigade and four battalions.

Justification: Congress appropriated \$39.25 million for this project in the United States Special Operations Command's (USSOCOM) FY 2008 Military Construction program.

The higher funding requirement for the SOF Headquarters and Motor Pool Complex is due to the complexity and volume of construction currently ongoing at Fort Bragg, North Carolina. The pool of qualified bidders, reduced skilled labor available in the area, and volatile market conditions for a variety of construction materials have all resulted in a higher bidding climate.

USSOCOM awarded a contract for this project on February 29, 2008 for \$38,019,000. However, a four-company operations module was not affordable at the time, but USSOCOM was able to negotiate an option. Reprogramming additional funds will fully fund the option (to the original scope of the project) to support the 91st CAB activation in FY 2009. USSOCOM could not have foreseen or reasonably anticipate this bidding climate when the budget for this project was set in 2006.

Source of Funds: Funds are available due to bid savings on the following project. A contract was awarded for this project to a contractor already mobilized on an adjacent site

taking advantage of proximity and reduced equipment mobilization costs, and the availability of pre-existing relationships with suppliers, and storage and lay down areas.

<u>Location/ Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
Fort Campbell KY SOF Battalion Operations Complex	2008	35,000	28,042	6,958