



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 15 2010

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> |
|--|---|-----------------------|-----------------------------------|
| Department of Army Schofield Barracks, Hawaii | Battle Area Live Fire Complex | 2005 | 13,900,000 |
| Fort Benning, Georgia | Training Area Infrastructure - Northern Area | 2009 | 5,000,000 |
| Fort Benning, Georgia | Range Access Road | 2009 | 6,100,000 |

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,

Robert F. Hale

Enclosure:
As stated

cc:
The Honorable Zach Wamp
Ranking Member



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JUL 15 2010

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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Robert F. Hale

Enclosure:
As stated

cc:
The Honorable Kay Bailey Hutchison
Ranking Member

Bid Expiration Date: September 1, 2010

Military Construction, Army

Reprogramming Request

Installation: Schofield Barracks, Hawaii

Project: Battle Area Live Fire Complex, Project Number 58144

Authorization: Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Public Law 108-375.

Estimated Cost (\$000):

| | |
|-------------------------|--------------------|
| Previously Appropriated | 32,000 |
| Previously Reprogrammed | 2,605 ¹ |
| Requested Reprogramming | 13,900 |
| Total Estimated Cost | 48,505 |

Description: This project constructs a modified Battle Area Complex (BAX) designed for gunnery qualification and training for the weapons systems. The funds identified in this reprogramming request (\$13.9 million) will pay for the cost impact of working in an area containing fragments of depleted uranium (DU) (\$2.45 million), of working in an area where rounds of chemical warfare material (CWM) have been found (\$2.7 million), and of adding previously unawarded, within-scope bid items that will increase the effectiveness of training on the complex (\$8.75 million).

Justification: The project was awarded within the Army's authority in June 2006. All work on the project was suspended in October 2006 due to a Federal court injunction that required the Army to complete additional actions to comply with the National Environmental Policy Act. In April 2008, the Army completed its supplemental

Note 1: The \$2.605 million shown as "Previously Reprogrammed" was paid to settle a claim and includes US Army Corps of Engineers (USACE) supervision & administration costs. A prior approval reprogramming is not needed when the cost increase is due to a claim (Senate Report 100-200), and thus, this figure is not included in the \$13.9 million request, nor is it reflected in the source of funds section.

environmental impact assessment and a record of decision was published. Subsequently, the work suspension was lifted.²

After the project restarted, unanticipated site conditions lead to additional government-directed partial suspensions and revisions to construction. A site characterization survey released in April 2008 identified areas of potential DU contamination. In June 2009, the construction contractor found a CWM round containing phosgene. Safety considerations required the government to selectively suspend construction, direct that construction workers receive special training, and implement procedures to control construction activities. These mandatory actions resulted in additional contract costs, specifically \$2.45 million and \$2.7 million of changes and delays associated with DU and CWM, respectively.

This reprogramming request will also fund four previously unawarded, within-scope bid items with a total cost of \$8.75 million. These four items will greatly enhance the training value of the BAX:

Mobile Armor Target (MAT) – This item constructs an additional MAT, bringing the total to five for the project.

Access Road #1 – This road will provide primary access for vehicles coming into and out of the BAX training area when the adjacent Qualification Training Range is in use.

Service Road #2 – This road will permit safe, timely, and efficient maintenance of targets in the southern part of the BAX.

Demolition – This item provides removal of existing concrete and metal structures which would disrupt the training experience provided by the BAX.

These additional items provide needed training capability, flexibility, resources, and accessibility to improve the throughput, training value, and sustainability of the range. This will have a positive impact on Soldier readiness and increase training effectiveness.

Note 2: Congress was notified on October 22, 2008 of an anticipated reduction in project scope. This precaution was based on the assumption that the suspension and rework cost (SRC) caused by the injunction would be funded with project funds, necessitating either a reduction in scope or the approval of a prior approval reprogramming action. Subsequently, Army legal counsel opined that SRC is a claim and can be addressed through the normal claims process, which would allow funds to be moved onto the project to cover the claim without the need for a reduction in scope or a prior approval reprogramming request.

Source of funds: Funds for this increased cost will be provided from the following projects:

| <u>Location/Project</u> | <u>Fiscal Year</u> | (Dollars in Thousands) | | |
|--|------------------------|--------------------------------|-----------------------------|-----------------------------------|
| | | <u>Amount Appropriated</u> | <u>Current Estimate</u> | <u>Proposed Reprogramming</u> |
| Ft Richardson, AK Multipurpose Machine Gun Range PN: 66144 ^{3/} | 2009 | 3,100 | - | 3,100 |
| Wahiawa, HI Wideband SATCOM Operations Center PN: 57176 ^{4/} | 2009 | 40,000 | 33,000 | 7,000 |
| Ft Richardson, AK Barracks Complex PN: 61240 | 2007 | 50,000 | 46,900 | 2,800 |
| Camp Zama, Japan Sensitive Compartmented Information Facility PN: 62679 ^{4/} | 2009 | 2,350 | 1,350 | 1,000 |

PN = Project Number

Note 3: PN 66144 was cancelled; Congressional notification was provided on or about March 9, 2009.

Note 4: The Army submitted a Title 10, United States Code, Section 2853, Authorized Cost Variation notification for FY 2009 Wideband SATCOM Operations Center, Wahiawa, HI (PN 57176) and FY 2009 Sensitive Compartmented Information Facility, Camp Zama, Japan (PN 62679), on or about January 14, 2009.

Bid Expiration Date: September 27, 2010

Military Construction, Army

Reprogramming Request

Installation: Fort Benning, Georgia

Project: Range Access Road, Project Number 69358

Authorization: Duncan Hunter National Defense Authorization Act for FY 2009,
Public Law 110-417

Estimated Cost (\$000):

| | |
|-------------------------|--------|
| Previously Appropriated | 9,100 |
| Previously Reprogrammed | - |
| Requested Reprogramming | 6,100 |
| Total Estimated Cost | 15,200 |

Description: This project will provide the Army with a road to the Armor Basic Officer Leader Course being built at Fort Benning. This action increases the program by \$6.1 million to return the project to full scope.

Justification: Fort Benning will become the Maneuver Center of Excellence (MCOE) in 2011. Existing roads linking the Harmony Church cantonment area and the Good Hope Maneuver Area were not constructed to support sustained tracked vehicle traffic. A new access road must be built between the two locations. Additional erosion control and wetland mitigation features must also be installed to comply with the current Fort Benning MCOE Environmental Impact Statement (dated August 2009).

Funding the full scope of this project will increase the cost to 167% of the Program Amount. A contract was awarded within the Army's authority for cost variation at reduced scope on April 8, 2010 to construct the most critical project scope. (Notification of scope reduction was made to Congress on March 19, 2010.) Sufficient funding authority was not available at the time to build the full authorized scope of the project.

If this reprogramming request is not funded, it will result in decreased access to the ranges, decreased armor training opportunities, less effective training, increased vehicle maintenance failures due to road conditions, and increased road maintenance costs.

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

| <u>Location/Project</u> | <u>Fiscal Year</u> | (Dollars in Thousands) | | |
|--|------------------------|--------------------------------|-----------------------------|-----------------------------------|
| | | <u>Amount Appropriated</u> | <u>Current Estimate</u> | <u>Proposed Reprogramming</u> |
| Fort Benning, GA Combined Arms Collective Training Facility PN 55103 | 2006 | 20,751 ¹ | 14,634 | 6,100 |

PN = Project Number

Note 1: This project was authorized in P.L. 109-11 at \$20,961,000. The current funding level of \$20,751,000 reflects a one percent across-the-board rescission required by P.L. 109-148.

Bid Expiration Date: September 27, 2010

Military Construction, Army

Reprogramming Request

Installation: Fort Benning, Georgia

Project: Training Area Infrastructure – Northern Area, Project Number 69742

Authorization: Duncan Hunter National Defense Authorization Act for FY 2009,
Public Law 110-417

Estimated Cost (\$000):

| | |
|-------------------------|--------|
| Previously Appropriated | 13,800 |
| Previously Reprogrammed | - |
| Requested Reprogramming | 5,000 |
| Total Estimated Cost | 18,800 |

Description: This project will provide improved access to the Cavalry Scout and M1A1 Armor Crewman ranges that are being built on Fort Benning, Georgia. This action increases the program by \$5 million to return the project to full scope.

Justification: Fort Benning will become the Maneuver Center of Excellence (MCOE) in 2011. The existing tank trails at Fort Benning are in poor condition and cannot support the increased tracked vehicle traffic associated with the MCOE unless they are upgraded. Additional erosion control and wetland mitigation features must also be installed to comply with the current Fort Benning MCOE Environmental Impact Statement (dated August 2009).

Funding the full scope of this project will increase the cost to 136% of the program amount. A contract was awarded within the Army's authority for cost variation at reduced scope on April 8, 2010 to construct the most critical trails. (Notification of scope reduction was made to Congress on March 19, 2010.) Sufficient funding authority was not available at the time to build the full authorized scope of the project.

If this reprogramming request is not approved, it will result in decreased training opportunities, less effective training, increased vehicle maintenance failures due to trail conditions, increased trail maintenance costs, and reduced availability of trails due to the increased trail maintenance that will be required.

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

| <u>Location/Project</u> | <u>Fiscal Year</u> | (Dollars in Thousands) | | |
|---|------------------------|--------------------------------|-----------------------------|-----------------------------------|
| | | <u>Amount Appropriated</u> | <u>Current Estimate</u> | <u>Proposed Reprogramming</u> |
| Fort Benning, GA Tracked Vehicle Drivers Course PN 64797 | 2009 | 16,000 | 9,969 ¹ | 5,000 |

PN = Project Number

Note 1: The Army submitted a Title 10, United States Code, Section 2853 Authorized Cost Variation notification on or about October 6, 2009.