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 projects and amounts shown below. A detailed justification is enclosed.

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<tr>
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<tr>
<td>1</td>
<td>Army</td>
<td>Okinawa, Japan, Satellite Communications Facility</td>
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A similar letter is being sent to the Chairman of the House Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Additional details will be provided separately. Thank you for your continued support of DoD programs.

Sincerely,

Robert F. Hale

Enclosure:  
As stated

cc:  
The Honorable Mark Kirk  
Ranking Member
The Honorable John Culberson  
Chairman  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

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

Sincerely,

Robert F. Hale

Enclosure:  
As stated

cc:  
The Honorable Sanford D. Bishop, Jr.  
Ranking Member
Bid Expiration Date: September 30, 2014
Military Construction, Army
Reprogramming Request

Installation: Okinawa, Japan (Fort Buckner/Tori Station)
Project: Satellite Communications Facility

Estimated Cost ($000):
Previously Appropriated* 77,897
Previously Reprogrammed (Prior Approval) -
Requested Reprogramming 24,810
Total Estimated Cost 102,707

*Includes two across-the-board rescissions as directed in Sections 3001 and 3004 of P.L. 113-06, Division G.

Description: The project will provide a Consolidated Strategic Satellite Communications (SATCOM) Earth Station and a Technical Control Facility (TCF) to replace the existing SATCOM/TCF facilities, in support of the Joint Chiefs of Staff command, control, communications, and intelligence requirements for the Far East Area of Responsibility. The project will include the SATCOM/TCF facility, a small standard design battalion headquarters with classrooms, a Network Enterprise Center, standby generators, and associated supporting facilities.

Justification: This reprogramming is based on the contractor’s proposal, which is higher than anticipated, and includes the full scope for the project. The project cost increase is attributable to several factors. Market Surveys indicate that many qualified prime contractors throughout Japan are already occupied with existing or anticipated work associated with rebuilding the country’s infrastructure after the tsunami of 2011 and work associated with the 2020 Summer Olympics. This has resulted in the increased cost of construction material, equipment shortages, and a shrinking pool of available prime contractors that are able to obtain the required bonding capacity for projects of this magnitude. This limited availability also extends to the subcontractors that prime contractors rely upon to complete the construction projects. As a result, prime contractors are compelled to submit higher bids to accommodate their increased risk because of the lack of firm prices received from their subcontractors. The inherent risk on this project is already higher because of the long construction period, six and a half years, which will accommodate the phasing of construction, outfitting of the facilities, and demolition such that there is no interruption of the mission.

A 10 U.S.C. §2853 cost increase notification, dated April 24, 2014, was sent to the congressional committees.
**Source of funds:** Bid savings from the following projects will fund this requirement.

<table>
<thead>
<tr>
<th>Location/Project</th>
<th>Fiscal Year</th>
<th>Amount Appropriated</th>
<th>Current Working Estimate</th>
<th>Proposed Reprogramming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Huachuca, AZ Battalion Headquarters PN 66441</td>
<td>2010</td>
<td>6,000</td>
<td>5,862</td>
<td>138</td>
</tr>
<tr>
<td>Fort Benning, GA Warrior in Transition (WT) Complex PN 69999</td>
<td>2010</td>
<td>38,904(^1)</td>
<td>38,300(^2)</td>
<td>125</td>
</tr>
<tr>
<td>Fort Leonard Wood, MO Health Clinic PN 64474</td>
<td>2010</td>
<td>6,237(^3)</td>
<td>5,804</td>
<td>433</td>
</tr>
<tr>
<td>Sunny Point MOT, NC Towers PN 61562</td>
<td>2010</td>
<td>2,355(^4)</td>
<td>2,230</td>
<td>125</td>
</tr>
<tr>
<td>Fort Lee, VA AIT Barracks Complex PN 36113</td>
<td>2010</td>
<td>45,471(^5)</td>
<td>45,200(^6)</td>
<td>750</td>
</tr>
<tr>
<td>Camp Arifjan, KU APS Warehouse PN 71485</td>
<td>2010</td>
<td>82,000</td>
<td>69,058(^7)</td>
<td>5,339</td>
</tr>
<tr>
<td>Bagram AB, AF Army Aviation HQ Facilities PN 72242</td>
<td>2011</td>
<td>18,962(^8)</td>
<td>7,025(^9)</td>
<td>8,650</td>
</tr>
<tr>
<td>Fort Drum, NY Brigade Complex, Ph 1 PN 71472</td>
<td>2011</td>
<td>45,640(^10)</td>
<td>36,330(^11)</td>
<td>9,250</td>
</tr>
</tbody>
</table>

**Total:** 24,810

PN = Project Number

\(^1\) The revised amount reflects a rescission of $11.851 million as part of the $340 million H.R. 1586 Jobs & Education Bill, $1.695 million as part of the $263 million rescission in P.L. 112-10, Section 2010, and a reprogramming action in the amount of $0.550 million for the Brigade.
Complex at Fort Meade, MD. The project is fiscally complete and the remaining contingency funds are being used for this reprogramming.

2 A 10 U.S.C. §2853 cost reduction notification, dated October 4, 2010, was sent to the congressional committees, reflecting a CWE of $38.3 million.

3 The revised amount reflects a rescission of $1.563 million as part of the $263 million rescission reflected in P.L. 112-10, Section 2010.

4 The revised amount reflects a rescission of $1.493 million as part of the $263 million rescission reflected in P.L. 112-10, Section 2010, and $0.052 million as part of the FY 2014 $200 million unobligated balances rescission in H.R. 3547, Section 130.

5 The revised amount reflects a rescission of $10.355 million as part of the $340 million H.R. 1586 Jobs & Education Bill, and $9.174 million as part of the $263 million rescission reflected in P.L. 112-10, Section 2010.

6 A 10 U.S.C. §2853 cost reduction notification, dated March 24, 2014, was sent to the congressional committees, reflecting a CWE of $45.2 million.

7 A 10 U.S.C. §2853 cost reduction notification, dated April 14, 2014, was sent to the congressional committees, reflecting a CWE of $69.058 million.

8 The revised amount reflects a 0.2% rescission as directed in Section 1119 of Public Law 112-10.

9 The Army Aviation Headquarters Facilities at Bagram Air Base, AF, is no longer required, and a 10 U.S.C. §2853 cancellation notification, dated March 24, 2014, was sent to the congressional committees.

10 The revised amount reflects a 0.2% rescission as directed in Section 1119 of Public Law 112-10, and $9.250 million as part of the FY 2014 $200 million unobligated balance rescission in H.R. 3547, Section 130.

11 A 10 U.S.C. §2853 cost reduction notification, dated May 30, 2012, was sent to the congressional committees, reflecting a CWE of $36.33 million.
Bid Expiration Date: September 15, 2014
Military Construction, Army National Guard
Reprogramming Request

Installation: Kapolei, Hawaii

Project: Army Aviation Support Facility Ph 1, PN 150023


Estimated Cost ($000):

Previously Appropriated* 27,082
Previously Reprogrammed (Prior Approval) -
Requested Reprogramming 7,996
Total Estimated Cost 35,078

* Includes a rescission totaling 0.132 % ($0.037 million) as directed in §3001(b) and §3004(c) of Public Law 113-6, the Consolidated and Further Continuing Appropriations Act, 2013, and a reduction of $0.881 million as directed in Public Law 112-25, the Budget Control Act of 2011.

Description: This project will construct the first phase of the Army Aviation Support Facility (AASF) at Kapolei, HI. The AASF will provide modern facilities for aircraft maintenance personnel to perform the necessary tasks to maintain the unit’s readiness posture. The project includes adequate space for maintenance, training, storage, and administrative areas, including an Aviation Operations Support Building and Aviation Hangar. Also, it includes pavement for vehicle parking, rigid and flexible paving for aircraft parking/tie down pads, aviation lighting, utility system connections, back-up generator and fencing. This project also includes the demolition of existing facilities.

Justification: The project was solicited three times. Initially, it was solicited as a Small Business Set Aside and bids exceeded $40 million. The project design was then adjusted using value engineering and solicited under open competition and bids exceeded $38 million. Finally, the scope was reduced by 8,385 SF (12.5 percent). The project was redesigned and solicited under open competition. No single functional area was reduced in scope by more than 25 percent. The redesign provides a facility that meets the full intent of the congressionally approved project and provides a complete and usable facility. The scope removed will be considered for inclusion in the future phase of the project.

The project amount (PA) was calculated when the bidding climate for construction was extremely favorable and significant bid savings were being realized. Also, the PA was impacted by both sequestration and a rescission in FY 2013.
The 10 U.S.C. §2853 cost increase notification was sent to the congressional committees on April 23, 2014, reflecting a current working estimate (CWE) of $35.1 million.

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

<table>
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<tr>
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<th>Amount Appropriated</th>
<th>Current Working Estimate</th>
<th>Proposed Reprogramming</th>
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</thead>
<tbody>
<tr>
<td>Wichita, KS Armed Forces Reserve Center</td>
<td>2011</td>
<td>31,031(^1)</td>
<td>26,283(^2)</td>
<td>4,000</td>
</tr>
<tr>
<td>PN: 200063</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wichita, KS Field Maintenance Shop</td>
<td>2011</td>
<td>18,575(^3)</td>
<td>13,244(^4)</td>
<td>3,996</td>
</tr>
<tr>
<td>PN: 200090</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 7,996

PN = Project Number

\(^1\) The appropriated amount reflects a 0.2% rescission of ($0.086 million) directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriation Act 2011, the Budget Control Act of 2011 (Sequestration) reduction of $0.578 million. Additionally, $11.305 million was used to source two previously approved Above Threshold Reprogramming (ATR) requests.

\(^2\) A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on February 10, 2012, reflecting an award CWE of $26.283 million. The Army National Guard will use bid savings from this project for other ATR requests. This project is 99% complete with final estimate at $26.283 million.

\(^3\) The appropriated amount reflects a 0.2% rescission of ($0.048 million) directed in Section 1119 of Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriation Act 2011, the Budget Control Act of 2011 (Sequestration) reduction of $0.373 million. Additionally, $5.004 million was used to source a previously approved ATR.

\(^4\) A 10 U.S.C. §2853 cost reduction notification was sent to congressional committees on February 10, 2012, reflecting an award CWE of $13.243 million. The Army National Guard will use bid savings from this project for other ATR requests. This project is 95% complete with final estimate at $13.243 million.