



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 29 2015

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 for this project is enclosed.

<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
<u>Missile Defense Agency</u> Deveselu, Romania	Aegis Ashore Missile Defense System Complex	2013	24,701,000

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

APR 29 2015

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cc:
The Honorable Jon Tester
Ranking Member

Need Approval By: June 1, 2015
Military Construction, Defense-Wide (Missile Defense Agency)
Reprogramming Request

Installation: Naval Support Facility Deveselu, Romania
Project: Aegis Ashore Missile Defense System Complex
Authorization: National Defense Authorization Act for Fiscal Year (FY) 2013,
Public Law 112-239

<u>Estimated Cost (\$000):</u>	
Previously Appropriated*	169,842
Sequestration Reduction	<u>-9,252</u>
Revised Appropriated Amount	160,590
Below Threshold Reprogramming	1,999
Requested Reprogramming	<u>24,701</u>
Total Estimated Cost	187,290

** Includes FY 2013 and FY 2014 increments, and reflects Section 3001 and 3004 rescissions in P.L. 113-6.*

Description: This project constructs an Aegis Ashore Missile Defense System Complex (AAMDSC) in Romania utilizing the Aegis shipboard weapon system: launcher, radar, and command and control components to support Phase II of the European Phased Adaptive Approach (EPAA). The site will consist of three Mark-41 launcher foundations, aprons and crane pads; Radar Deckhouse foundation and High-Altitude Electromagnetic Pulse (HEMP) protected Aegis Radar Deckhouse Support Building; 4MW of HEMP protected backup power, HEMP protected power distribution system; communications equipment pad; missile storage facility; secure warehouse; diesel fuel storage; fire water storage tanks and suppression pumps; central security control facility; entry control facility; electronic security system infrastructure; perimeter security fencing, gates and patrol road within the restricted area boundary.

Justification: Congress authorized the AAMDSC in FY 2013, and incrementally funded the project in FY 2013 and FY 2014. An additional \$24.7 million is required immediately to keep the project on track to meet the major milestone of transferring the Aegis Weapons System (AWS) to the Navy in August 2015. After this transfer, the Navy and MDA will conduct extensive system testing to demonstrate the Aegis Ashore technical capability in support of the EPAA Phase II 2015 timetable mandated by the President of the United States.

The additional \$24.7M is needed for:

- HEMP Enclosures (\$6.6M)
 - The AAMDSC Romania construction contract includes the requirement for 24 HEMP enclosures as a "performance based" specification for a modular backup power plant with associated system reliability, availability, and maintainability (RAM) with power available from two sides (A side and B side).

- After contract award, the detailed design determined that the size of the enclosures would have to be larger than originally planned to allow for electrical components integration with appropriate safety clearances.
- As a result, the redesigned enclosures required additional material and labor to fabricate
- Larger, heavier enclosures and components also increased transportation costs
- Facility/Aegis Weapons System Installation and Checkout (INCO) Integration (\$10.6M)
 - To achieve Demonstration, Inspection, and Survey (DEMO/INSURV), the installation and integration of the Aegis Weapons System equipment began in early 2015 in parallel with construction efforts.
 - In order to provide key facility components in time to meet the Installation and Checkout schedule, additional workers, shift work, and workforce management and scheduling were required, and changes were needed to modes of transportation being used (air vice ground/ocean freight).
- Contingency Funds and Supervision and Administration (SIOH)- (\$7.5M)
 - Extensive testing and commissioning will likely identify changes needed to ensure correct operation of critical weapon system components and building support systems; additional contingency funds are required to cover these costs as needed.

A Title 10 USC 2853 cost increase notification, dated April 10, 2015, was sent to the congressional committees.

Source of Funds: Bid savings are available from the following projects to fund this requirement:

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>(Dollars in Thousands)</u>	
			<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
In-Flight Interceptor Communication System Data Terminal Complex, Fort Drum, New York (MDA 639)	2013	23,869 ^{1/}	15,270 ^{2/}	1,801
Mechanical-Electrical Building, Missile Field #1, Fort Greely, Alaska (MDA 649)	2014	82,000	48,813 ^{3/}	22,900
Total				24,701

^{1/} Reflects reduction associated with the FY 2013 sequestration order

^{2/} A Title 10 USC 2853 cost decrease notification, dated June 19, 2013, was sent to the congressional committees.

^{3/} A Title 10 USC 2853 cost decrease notification, dated June 9, 2014, was sent to the congressional committees.