



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

COMPTROLLER

AUG 08 2017

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

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 justification for the projects is enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Air Force</u>			
1	Fort Meade, Maryland	United States Cyber Command Joint Operations Center	2014	17,000,000
	<u>Defense Logistics Agency</u>			
2	New Cumberland, Pennsylvania	Replace Reservoir	2013	1,570,000

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 Defense programs.

Sincerely,

David L. Norquist

Enclosures:  
As stated

cc:  
The Honorable Debbie Wasserman Schultz  
Ranking Member





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

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The Honorable Brian Schatz  
Ranking Member



Funds Required by September 29, 2017

Military Construction, Air Force

Reprogramming Request

Installation: Fort George G. Meade, Maryland  
Project: United States Cyber Command Joint Operations Center  
Authorization: National Defense Authorization Act for Fiscal Year 2014, P.L. 113-66

Estimated Cost (\$000):  
Previously Appropriated 337,000  
Previously Reprogrammed -  
Requested Reprogramming<sup>1</sup> 17,000  
Total Estimated Costs 354,000

<sup>1</sup> This incrementally-funded project was authorized in FY 2014 for \$358 million; the final increment was appropriated in FY 2016.

Description: This project constructs a Joint Operations Center and supporting infrastructure to provide the United States Cyber Command with the necessary cyber joint operations environment to successfully monitor, identify and counter attacks on DoD networks.

Justification: This project was authorized in the National Defense Authorization Act for FY 2014 for \$358 million. The project was incrementally funded in fiscal years 2014, 2015, and 2016 for a total of \$337 million (less than the authorized amount of \$358 million). The Air Force reduced the project's current working estimate based on favorable contract bids and submitted a Title 10 U.S.C. §2853 cost decrease notification to Congress on April 2, 2014.

Recently, the United States Army Corps of Engineers, in coordination with the National Security Agency, performed a rigorous cost risk analysis on all remaining elements of construction to validate the estimated cost to complete. This analysis identified the need for an additional \$17 million (5% above the appropriated amount but within the authorized amount of \$358 million) to complete this unique facility, which is being delivered as part of a larger campus construction effort at Fort Meade. These funds are required for pending contract modifications; requests for equitable adjustment currently in negotiation; other potential liabilities during commissioning phase; and associated Supervision and Administration costs. Currently available contingency funds are projected to be exhausted in late October 2017, and the additional \$17 million obligation authority is required no later than September 29, 2017.

A Title 10 U.S.C. §2853 authorized cost variation notification reflecting the increased Current Working Estimate was delivered to the Congress on July 7, 2017.

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

(Dollars in Thousands)

<u>Location &amp; Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated (\$000)</u>	<u>Current Working Estimate (\$000)</u>	<u>Proposed Reprogramming (\$000)</u>
USAF Academy, CO Front Gates Force Protection Enhancements XQPZ094013	2016	10,000	6,716	3,200 <sup>1/</sup>
Davis-Monthan AFB, AZ HC-130J AGE Covered Storage FBNV113008	2016	4,700	1,750	2,800 <sup>2/</sup>
Luke AFB, AZ F-35A Aircraft Maintenance Hangar Hangar (Squadron 3) NUEX123005	2016	13,200	11,843	1,100
Yokota AB, Japan C-130J Flight Simulator Facility ZNRE143000	2016	8,461	7,706	700
Luke AFB, AZ F-35A Bomb Build-Up Facility NUEX123002	2016	5,500	4,848	600
Andersen AFB, Joint Region Marianas APR - South Ramp Utilities Phase 2 AJJY133030	2016	7,100	6,425	600
Eielson AFB, AK F-35A Hangar/Propulsion MX/Dispatch FTQW170106	2017	44,900	40,387	4,000
Tinker AFB, OK KC-46A Depot System Integration Laboratory WWYK173003	2017	17,000	13,908	2,200
Eielson AFB, AK F-35A ADAL Field Training Detachment Facility FTQW170100	2017	22,100	20,214	<u>1,800</u>
			Total:	17,000

- 1/ Title 10 U.S.C. 2853 notifications were submitted to the congressional committees on October 19, 2016.
- 2/ Title 10 U.S.C. 2853 notifications were submitted to the congressional committees on February 28, 2017.

Bid Expiration Date: September 30, 2017

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: Defense Logistics Agency, New Cumberland, PA

Project: Replace Reservoir

Authorization: National Defense Authorization Act for Fiscal Year (FY) 2013, Public Law 112-239

Estimated Cost (\$000):

Previously Appropriated\* 4,295

Sequestration Reduction -332

Revised Appropriated Amount 3,963

Requested Reprogramming 1,570

Total Estimated Cost 5,533

*\*Reflects section 3001 and 3004 in P.L. 113-6*

Description: This project will construct an elevated potable water storage tank for emergency use. It will provide connections to the existing water supply line with valving and level controls, and include telemetry and an instrumentation control system for adequate tank water level. Site work, security fencing, and demolition of the existing reservoir are also included in the project.

Justification: Changes to the installation fire flow requirements as well as revisions to Federal Aviation Administration (FAA) permit requirements delayed completion of the project design until 2016. Specifically, FAA restrictions on the height of the elevated water tank and updated fire flows necessitated larger fire pumps. The larger pumps required reconfiguration of the existing fire pump building and upgrades to the electrical system. In June 2017, the project base bid was awarded, but the award for the remaining contract options to provide a complete and useable facility that meets all mission requirements requires additional funds. Further, the FY 2013 sequestration reduction applied to this project is also contributing to the need for additional funds to complete the project.

A Title 10 USC 2853 notification was submitted to Congress on June 1, 2017.

Source of Funds: Savings from the following projects are available to fund this requirement.

<u>Project/Location</u>	<u>Fiscal Year</u>	<u>(Dollars in Thousands)</u>		<u>Proposed Reprogramming</u>
		<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	
Operations Center Phase 1 Richmond, VA	2014	87,000	82,134	337
Replace Hydrant Fuel System/Robins AFB, GA	2015	19,900	15,900	834
Replace Fuel Pier & Distribution Facility/ JB Langley-Eustis, VA	2016	28,000	23,155	<u>399</u>
			Total	1,570