COMPTROLLER
The Honorable Debbie Wasserman Schultz
Chairwoman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

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 the project is enclosed.

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U.S. Special Operations Command

| 2  | Yokota Air Base, Japan                      | Airfield Apron                 | 2017    | 25,566,000  |

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,

Elaine McCusker
Deputy Under Secretary of Defense (Comptroller)

Enclosures:
As stated

cc:
The Honorable John R. Carter
Ranking Member
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(Comptroller)

Enclosures:
As stated

cc:
The Honorable Brian Schatz
Ranking Member
Bid Expiration Date: September 30, 2019

Military Construction, Defense-Wide (DoD Education Activity [DoDEA])

Reprogramming Request

Installation: Commander Fleet Activities, Sasebo, Japan

Project: E.J. King High School Replacement/Renovation


Estimated Cost ($000):

Previously Appropriated 37,681
Previously Reprogrammed 0
Requested Reprogramming 21,685
Total Estimated Cost 59,366

Project Description: This project constructs a new multi-story high school building, renovates two existing buildings, and includes the demolition of an existing building. The school will be constructed in accordance with 21st Century Education concepts that include learning “neighborhoods” and all other areas required for a complete high school.

Justification: An additional $21.7 million is needed to award this project. The cost increase is due to a delay in acquisition of more than three years in which the construction market in Japan has progressively become more challenging. This delay was due to the requirement for the FY 2013 Sasebo Elementary School construction project to be completed prior to the award of the this project. The E.J. King High School is immediately adjacent to the FY 13 Sasebo Elementary School project, whose award was delayed due to a lack of contractor interest.

Similar to the Elementary School project, E.J. King High School also experienced delays due to a lack of contractor interest. The high school was advertised for construction with only one responsive bidder. Sasebo is located in a relatively remote area of the Japanese Islands with a small construction market and limited local subcontractors. This had a significant impact on the project cost. Based on an analysis of the prices at the contract line item level, the U.S. Army Corps of Engineers determined that the contractor’s proposal is a reasonable cost estimate to construct this project. As a result, this reprogramming action is required to award this project at full scope to meet the mission requirement.

A 10 U.S.C. §2853 cost notification dated May 2, 2019 was submitted to the Congressional committees.
Source of Funds: Savings from the following project are cited as a source of funds for this cost increase:

(Dollars in Thousands)

<table>
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<tr>
<th>Location/Project</th>
<th>Fiscal Year</th>
<th>Amount Appropriated</th>
<th>Current Working Estimate</th>
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<td>Okinawa (Camp Foster), JA Killin Elementary School Replacement/Renovation</td>
<td>2015</td>
<td>71,481</td>
<td>71,329</td>
<td>21,685(^1)</td>
</tr>
</tbody>
</table>

Total                                                                                       21,685

\(^1\) Funds are available to source this requirement. The FY 2015 Killin Elementary School Replacement/Renovation was awarded using $56,335 of the FY 2014 Lakenheath High School Replacement at RAF Lakenheath, UK. A 10 U.S.C. §2853 cancelation notification for the FY 2014 Lakenheath High School Replacement dated June 4, 2018 was submitted to the Congressional committees.
Bid Expiration Date: August 11, 2019

Military Construction, Defense-Wide (U.S. Special Operations Command)

Reprogramming Request

Installation: Yokota Air Base, Japan

Project: Airfield Apron


Estimated Cost ($000):

Previously Appropriated 52,094

Previously Reprogrammed 0

Requested Reprogramming 25,566

Total Estimated Cost 77,660

Project Description: This project constructs an aircraft parking apron with associated taxiways and shoulders required to accommodate CV-22 aircraft. The project provides all infrastructure and site improvements in support of the apron project as well as three vertical military construction projects that support the bed down of CV-22 aircraft at Yokota Air Base.

Justification: This project was initially authorized and appropriated in FY 2017 at $41.294 million. In May 2017, a cost increase notification was submitted to Congress identifying a changed market condition effecting the cost of construction projects at Yokota. As a result, the FY 2018 President’s Budget included an additional $10.8 million for this project to address the cost escalation occurring in the Japanese market, bringing the total previously appropriated cost of the project to $52.094 million.

The Japanese market has continued to significantly drive up costs for the U.S. and the Government of Japan construction efforts at Yokota Air Base, as well as for privately funded construction on mainland Japan and Okinawa. The local construction market has increased labor rates and reduced contractor availability resulting in a limited number of prime and subcontractor firms available or willing to perform work at Yokota. Prime contractors are using premiums and bonuses to attract qualified construction workers. This reprogramming request is required to complete this project at full scope and support the bed down of CV-22 aircraft at this location.

A 10 U.S.C. §2853 cost notification dated May 6, 2019 was submitted to the Congressional committees.
Source of Funds: Savings from the following project are cited as a source of funds for this cost increase:

(Dollars in Thousands)

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<td>Kadena Air Base, Japan SOF Special Tactics Operations Facility</td>
<td>2018</td>
<td>27,573</td>
<td>923¹</td>
<td>25,566</td>
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Total 25,566

¹ A 10 U.S.C. §2853 cost notification dated May 6, 2019 was submitted to the Congressional committees.