

FEB 11 2021



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

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 projects and amounts shown below. Detailed justification for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	White Sands Missile Range, New Mexico	Information Systems Facility	2019	13,100,000
	<u>Navy</u>			
2	Naval Station Rota, Spain	Seamanship Training Facility	2021	8,500,000

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,

Douglas A. Glenn  
Performing the Duties of the Under Secretary of  
Defense (Comptroller)/Chief Financial Officer

Enclosures:  
As stated

cc:  
The Honorable John Carter  
Ranking Member



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COMPTROLLER

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

Dear Mr. Chairman:

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Enclosures:  
As stated

cc:  
The Honorable John Boozman  
Ranking Member

Bid Expiration Date: March 18, 2021

Military Construction, Army

Reprogramming Request

Installation: White Sands Missile Range, New Mexico

Project: Information Systems Facility

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019,  
Public Law 115-232

Estimated Cost (\$000):

Previously Appropriated	40,000
Previously Reprogrammed	0
Requested Reprogramming	13,100
Total Estimated Cost	53,100

Project Description: This project constructs an Information Systems Facility (ISF) and a Communications Center. The project includes administrative offices, laboratory space, a server farm area, enterprise storage systems, telephone switch room, information assurance secure operations center, Network Operations Center (NOC) and supporting activities.

Justification: An additional \$13.1 million is required to award this project based on the accepted bid. There are several variables contributing to the increase in cost. First, there is currently a high demand for skilled labor and raw materials in New Mexico's construction industry. High demand coupled with a limited supply has resulted in a significant cost escalation for labor and material. Second, the remote location and security level required by the work force resulted in additional costs. Finally, this project is the first of its kind programmed by the Army and there was no standard design to use in project development. These variables increased in cost as the project design progressed, resulting in a higher unit of measure cost than in the initial design.

A 10 U.S.C. §2853 cost variation notification dated June 29, 2020 was submitted to Congress. The previously expected cost growth of \$24.5 million documented in that 10 U.S.C. §2853 cost variation notification was developed before a more favorable bid was secured for the project.

**Source of Funds:** Savings from the following project will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Fort Irwin, CA Multipurpose Range Complex	2019	24,500 <sup>1/</sup>	0 <sup>2/</sup>	13,100
Total				13,100

<sup>1/</sup> While the Multipurpose Range Complex, Fort Irwin, CA was appropriated at \$29.0 million, the Army reprogrammed \$4.5 million to the Battalion Headquarters Complex, Fort Hood, TX, after approval by Congress in October 2020.

<sup>2/</sup> A 10 U.S.C. §2853 cancelation notification dated April 28, 2020 was submitted to Congress.

Bid Expiration Date: Not applicable

Military Construction, Navy

Reprogramming Request

Installation: Naval Station Rota, Spain

Project: Seamanship Training Facility

Authorization: Title 10 United States Code (U.S.C.) 2803, Emergency Construction

Estimated Cost (\$000):

Previously Appropriated	0
Previously Reprogrammed	0
Requested Reprogramming	8,500
Total Estimated Cost	8,500

Project Description: Constructs a low-rise, high-bay Integrated Navigation, Seamanship and Ship-handling Trainer (I-NSST) facility. The facility will provide an integrated bridge and Combat Information Center (CIC) to meet newly mandated navigation, seamanship and ship-handling courses. High-bay space will include adequate clearance to accommodate simulators and training equipment.

Justification: Separate collisions at sea in the summer of 2017 involving USS John S. McCain and USS Fitzgerald resulted in the death of 17 sailors, hundreds of millions of dollars in repairs, and degraded force posture. Official investigations cited a lack of integrated shipboard mariner skills training as a contributing factor to the incidents. As a result, the Department of the Navy established a requirement for an increased virtual integrated bridge and CIC training capability for the surface Fleet. Under the Readiness Reform and Oversight Council directed Mariner Skills Training Program, modernized integrated training facilities are being fielded at nine key fleet concentration areas, including Naval Station Rota, by the end of 2022. A new facility is required to provide this enhanced integrated training to crews assigned to Destroyer Squadron 60.

The new I-NSST will provide three overlapping displays that include bridge and bridge wing views, an ownership control station with steering system controls, propulsion system controls, internal and external communication systems, bridge navigation station, weapons control station and a CIC. The facility must be in place in time to support installation of simulators and training equipment by the end of 2022.

The Department of Navy originally pursued use of FY 2020 unspecified minor construction (UMC) funds to resource the project due to the emergent need for the capabilities to be provided. However, the construction proposals exceed the statutory threshold of \$6 million thus requiring use of emergency construction authority. The Navy was unable to award the project within the threshold

despite significant value engineering efforts and negotiations through a competitive contracting process.

Deferral of this project for inclusion in the next Military Construction Authorization Act would delay the delivery of the project by a minimum of one year and would require our sailors to operate within one of the world's most congested seas with critical gaps in training, placing them at a heightened risk of potential death, injury, and damage. The Department of the Navy will be unable to deliver the necessary capability to properly train ship crews homeported at Rota to safely and effectively handle and navigate ships in challenging environments. Without this increased training capability, the Navy will continue to have deficiencies in navigational readiness presenting a risk to national security and the protection of health, safety, and the environment.

A 10 U.S.C. §2803 emergency construction notification dated December 18,2020 was submitted to Congress.

Source of Funds: Savings from the following projects will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Unspecified Worldwide Locations, Unspecified Minor Construction	2020	81,327	72,737	6,000
Naval Air Station Lemoore, CA F-35C Engine Repair Facility	2017	22,873 <sup>1/</sup>	19,000 <sup>2/</sup>	2,500
<b>Total</b>				<b>8,500</b>

<sup>1/</sup> Reflects a revised program authority of \$22.873 million as a result of a \$3.850 million reprogramming decrease approved by Congress in December 2018. The project was used as a source.

<sup>2/</sup> A 10 U.S.C. §2853 cost variation notification dated July 5, 2017 was submitted to Congress.