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.

<table>
<thead>
<tr>
<th>#</th>
<th>Service/Agency/Installation</th>
<th>Project</th>
<th>Program</th>
<th>Request ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Air Force</td>
<td>Consolidated HELO/TRF OPS/AMU and Alert Facility</td>
<td>2018</td>
<td>61,460,000</td>
</tr>
<tr>
<td>2</td>
<td>Francis E. Warren</td>
<td>Improve MFH, KAB Stearyl Heights (130UN)</td>
<td>2019</td>
<td>39,849,000</td>
</tr>
<tr>
<td>3</td>
<td>Air Force Base, Japan</td>
<td>Camp Bullis Dining Facility</td>
<td>2018</td>
<td>15,359,000</td>
</tr>
<tr>
<td>4</td>
<td>Joint Base San Antonio, Texas</td>
<td>Commercial Vehicle Inspection Facility</td>
<td>2019</td>
<td>8,315,000</td>
</tr>
<tr>
<td>5</td>
<td>Joint Base San Antonio, Texas</td>
<td>Air Traffic Control Tower</td>
<td>2018</td>
<td>6,526,000</td>
</tr>
<tr>
<td>6</td>
<td>Tinker Air Force Base, Oklahoma</td>
<td>Weapons Storage Facility</td>
<td>2016</td>
<td>5,100,000</td>
</tr>
<tr>
<td>7</td>
<td>Fort Greely, Alaska</td>
<td>Missile Field #1 Expansion</td>
<td>2019</td>
<td>4,510,000</td>
</tr>
</tbody>
</table>
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.

Michael McCord

Enclosures:
As stated

cc:
The Honorable John Carter
Ranking Member
The Honorable Martin Heinrich  
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. Detailed justification for the projects are enclosed.

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<td>Francis E. Warren Air Force Base, Wyoming</td>
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<td>2018</td>
<td>61,460,000</td>
</tr>
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<td>Improve MFH, KAB Stearly Heights (130UN)</td>
<td>2019</td>
<td>39,849,000</td>
</tr>
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<td>Camp Bullis Dining Facility</td>
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<td>15,359,000</td>
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<td>Tinker Air Force Base, Oklahoma</td>
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<td>2019</td>
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<td>Air Traffic Control Tower</td>
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A similar letter is being sent to the Chairwoman of the House Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of Defense programs.

Michael McCord

Enclosures:
As stated

cc:
The Honorable John Boozman
Ranking Member
Bid Expiration Date: September 20, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Francis E Warren Air Force Base, Wyoming

Project: Consolidated Helo/TRF OPS/AMU and Alert Facility


Estimated Cost ($000):

Previously Appropriated 80,100
Previously Reprogrammed 0
Requested Reprogramming 61,460
Total Estimated Cost 141,560

Description: A new, adequately sized and configured integrated helicopter operations facility providing proper command, control, maintenance, and fueling capabilities for helicopter operations, to include a series of buildings that will become the control point for all unit flight related training tasks.

Justification: Cost increased due to market changes in cost of materials and labor. Contractors are raising construction prices amid tight labor market conditions and increases in the cost of many of the materials used to build projects. Job growth and pay increases in construction are outpacing those in the overall economy. Contractors continue to have difficulty finding qualified workers with the number of unemployed workers who have construction experience at the lowest level in 19 years.

A 10 U.S.C. §2853 cost variation notification dated April 28, 2022 was submitted to Congress.

Source of Funds: 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>Sanem CRSF</td>
<td>2018</td>
<td>67,400</td>
<td>97,071</td>
<td>35,363</td>
</tr>
<tr>
<td>ERI: Construct ECAOS DABS Storage</td>
<td>2018</td>
<td>90,130</td>
<td>0 (^1)</td>
<td>12,069</td>
</tr>
<tr>
<td>Joint Base San Antonio (JBSA), TX</td>
<td>2018</td>
<td>38,000</td>
<td>0 (^2)</td>
<td>14,028</td>
</tr>
<tr>
<td>BMT Recruit Dormitory 7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JBSA, TX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMT Classrooms/Dining Facility 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>61,460</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) A 10 U.S.C. §2853 cancellation notification dated September 27, 2018 was submitted to the Congressional committees.

\(^2\) A 10 U.S.C. §2853 cancellation notification dated June 7, 2022 was submitted to the Congressional committees.
Bid Expiration Date: September 24, 2022

Family Housing Construction, Air Force

Reprogramming Request

Installation: Kadena Air Base (AB), Japan

Project: Improve MFH, KAB Stearly Heights (130UN)


Estimated Cost ($000):

Previously Appropriated 72,129
Previously Reprogrammed 0
Requested Reprogramming 39,849
Total Estimated Cost 111,978

Project Description: The project provides whole house interior and exterior modernization, renovation and repair of one hundred thirty (130) housing units.

Justification: The project’s programming estimate inadequately anticipated the current construction market conditions in Okinawa. Based on the 2021 Japan Market Survey produced by the U.S. Army Corps of Engineers, Japan Engineer District, there is a continued negative trend showing overall higher pricing for construction projects. This survey noted several factors but highlighted a continued downward trend in labor availability driven by a buildup of large projects, both Japan and U.S. military construction funded, competing in the Okinawa area. These projects drastically deplete the already short supply of available contractors and skilled labor pool. The survey also noted that Japan’s overall labor costs have continuously increased since 2012 and will trend up even after 2022 due to the growing skilled labor shortage, an aging workforce and the initiation of workplace reforms correcting such practices as long working hours. The COVID pandemic has impacted pricing by causing contractors to add schedule/cost risks to proposals due to workforce reductions, material price increases and supply chain impacts. Finally, volatile prices for transporting goods to the island, which can change in as little as sixty days, also contribute to higher pricing.

A 10 U.S.C. §2853 cost variation notification dated April 29, 2022 was submitted to the Congressional committees.

Source of Funds: Savings from the following projects are cited as a source of funds for this cost increase.
<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>Spangdahlem AB, GY</td>
<td>2020</td>
<td>53,584</td>
<td>0 ¹⁄</td>
<td>24,910</td>
</tr>
<tr>
<td>Construct Deficit Military Family Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kadena AB, JA</td>
<td>2021</td>
<td>94,245</td>
<td>0 ²⁄</td>
<td>14,939</td>
</tr>
<tr>
<td>Improve Family Housing, PAIP 15 (117UN)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>39,849</strong></td>
</tr>
</tbody>
</table>

¹⁄ A 10 U.S.C. §2853 cancellation notification dated April 2, 2021 was submitted to the Congressional committees.

²⁄ A 10 U.S.C. §2853 cancellation notification dated March 11, 2022 was submitted to the Congressional committees.
Bid Expiration Date: September 30, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Joint Base San Antonio (JBSA), Camp Bullis, Texas

Project Title: Camp Bullis Dining Facility


Estimated Cost ($000):

Previously Appropriated 18,500
Previously Reprogrammed 0
Requested Reprogramming 15,359
Total Estimated Cost 33,859

Project Description: This project constructs a Dining Facility at JBSA - Camp Bullis and relocates an existing warehouse that is in the footprint of the dining facility. The project will demolish 17 buildings.

Justification: The cost increase is due to market conditions. The construction market in the greater San Antonio area is experiencing a shortage of labor and reduced availability of materials and equipment resulting from a high number of non-federal projects. Construction job growth and pay increases in the greater San Antonio area are outpacing those in the overall economy.

A 10 U.S.C. §2853 cost variation notification dated April 28, 2022 was submitted to the Congressional committees.

Source of Funds: Savings from the following project will fund this requirement:
(Dollars in Thousands)

<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>JBSA, TX</td>
<td>2018</td>
<td>38,000</td>
<td>0¹</td>
<td>15,359</td>
</tr>
<tr>
<td>BMT Classrooms/Dining Facility 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ A 10 U.S.C. §2853 cancellation notification dated June 7, 2022 was submitted to the Congressional committees.
Bid Expiration Date: September 27, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Tinker Air Force Base (AFB), Oklahoma

Project: Commercial Vehicle Inspection Facility


Estimated Cost ($000):

Previously Appropriated 14,000

Previously Reprogrammed 0

Requested Reprogramming 8,315

Total Estimated Cost 22,315

Description: The Commercial Vehicle Inspection Facility (CVIF) project provides a new facility to inspect commercial vehicles and includes features such as a new security control center, inspection stations, gates, inbound roadways, a large vehicle staging area, reject/denial road turnouts, and a final denial barrier system with an overwatch facility.

Justification: The cost increased due to a change in market conditions. The local construction market is saturated with an abundance of construction projects allowing contractors to be selective on the projects they choose to pursue. The costs of materials, such as lumber, steel, oil, gas, and concrete are volatile and materials such as paint, glazing, and specialized hardware are challenging to obtain. Contractors have indicated these market conditions result in considerable risk and are reflected in their pricing.

A 10 U.S.C. §2853 cost variation notification dated April 27, 2022 was submitted to the Congressional committees.

Source of Funds: Savings from the following projects will fund this requirement:
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<th>Location/Project</th>
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<th>Proposed Reprogramming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eielson AFB, AK F-35 CATM Range</td>
<td>2019</td>
<td>19,000</td>
<td>10,055 $^1$</td>
<td>6,859</td>
</tr>
<tr>
<td>Joint Base San Antonio, TX Aquatics Tanks</td>
<td>2020</td>
<td>69,000</td>
<td>66,560</td>
<td>1,456</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>8,315</td>
</tr>
</tbody>
</table>

$^1$ A 10 U.S.C. §2853 cost variation notification dated August 19, 2021 was submitted to the Congressional committees.
Bid Expiration Date: September 30, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Joint Base San Antonio (JBSA), Texas

Project Title: Air Traffic Control Tower


Estimated Cost ($000):
Previously Appropriated 10,000
Previously Reprogrammed 3,052 */
Requested Reprogramming 6,526
Total Estimated Costs 19,578

*/ The Previously Reprogrammed amount is the result of an above threshold reprogramming action in 2021.

Project Description: This project constructs an Air Traffic Control Tower. The control tower houses air traffic control radio and landline consoles, precision approach status indicators, and work space for air traffic controllers and staff members.

Justification: The $6.5 million cost increase is due to extremely competitive construction market conditions in the greater San Antonio area. Contractors are raising construction prices amid tight labor market conditions and increases in the cost of many of the materials used to build projects. Job growth and pay increases in construction are outpacing those in the overall economy. Contractors continue to have difficulty finding qualified workers with the number of unemployed workers who have construction experience at the lowest level in 19 years.

A 10 U.S.C. §2853 cost variation notification dated April 28, 2022 was submitted to the Congressional committees.

Source of Funds: Savings from the following project will fund this requirement:
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</thead>
<tbody>
<tr>
<td>JBSA, TX BMT Recruit Dormitory 7</td>
<td>2018</td>
<td>90,130</td>
<td>0 (^1)</td>
<td>1,790</td>
</tr>
<tr>
<td>Shaw Air Force Base (AFB), SC CPIP MQ-9 MCE Group</td>
<td>2019</td>
<td>53,000</td>
<td>52,094</td>
<td>307</td>
</tr>
<tr>
<td>Eielson AFB, AK F-35 CATM Range</td>
<td>2019</td>
<td>19,000</td>
<td>10,055 (^2)</td>
<td>1,385</td>
</tr>
<tr>
<td>Royal Air Force (RAF) Lakenheath, UK F-35A ADAL Parts Store</td>
<td>2019</td>
<td>13,926</td>
<td>0 (^3)</td>
<td>1,340</td>
</tr>
<tr>
<td>RAF Lakenheath, UK F-35A Dorm</td>
<td>2019</td>
<td>29,541</td>
<td>23,159</td>
<td>1,704</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>6,526</td>
</tr>
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\(^1\) A 10 U.S.C. §2853 cancellation notification dated September 27, 2018 was submitted to the Congressional committees.

\(^2\) A 10 U.S.C. §2853 cost variation notification dated August 19, 2021 was submitted to the Congressional committees.

\(^3\) A 10 U.S.C. §2853 cancellation notification dated April 28, 2020 was submitted to the Congressional committees.
Bid Expiration Date: N/A

Military Construction, Air Force

Reprogramming Request

Installation: Francis E Warren Air Force Base, Wyoming

Project: Weapons Storage Facility (WSF)


Estimated Cost ($000):

Previously Appropriated 140,900

Previously Reprogrammed 37,000

Requested Reprogramming 5,100

Total Estimated Costs 183,000

1/ The Previously Appropriated amount is the sum of the following amounts: $95 million in FY 2016, $29 million in FY 2017, and $6.9 million in FY 2021.

2/ The Previously Reprogrammed amount is the sum of an $35 million above threshold reprogramming action in FY 2018 and a $2 million below threshold reprogramming action.

Project Description: This project will provide a new Weapons Storage Facility (WSF) in support of a new weapons system beddown that combines all aspects of the weapons storage, maintenance, inspection, administration and generation operations into a single facility.

Justification: The WSF has very unique robust construction features that add complexity, risk and cost much higher than anticipated by the government. The construction required to make the facility survivable from the design basis threats, contain the blast from a maximum critical event charge weight, and defeat/deny entry by unauthorized personnel results in a high cost facility. The complex nature of the Air Force’s first WSF has required substantial modifications during construction. The pricing for the forced entry resistant doors and blast doors is substantially higher than anticipated. The high cost for heating, ventilation, cooling systems and additional blast containment measures was unforeseen. Additionally, construction activity in the project region has significantly increased in the last few years, increasing competition for resources. The cost of reinforcing steel, concrete and delivery/hauling of products has increased dramatically.

A 10 U.S.C. §2853 scope variation notification dated February 22, 2018 was submitted to the Congressional committees.
Source of Funds: Savings from the following projects will fund this requirement:

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<th>Current Working Estimate</th>
<th>Proposed Reprogramming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Base Langley-Eustis, VA Targeting Center Facility</td>
<td>2021</td>
<td>55,200</td>
<td>51,047</td>
<td>939</td>
</tr>
<tr>
<td>Royal Air Force Lakenheath, UK Consolidated Corrosion Control Facility</td>
<td>2021</td>
<td>55,500</td>
<td>55,114</td>
<td>386</td>
</tr>
<tr>
<td>Joint Region Marianas - Andersen, Guam Stand Off Weapons Complex, MSA 2</td>
<td>2021</td>
<td>56,000</td>
<td>47,519</td>
<td>3,775</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>5,100</td>
</tr>
</tbody>
</table>
Bid Expiration Date: N/A

Military Construction, Defense-Wide (Missile Defense Agency)

Reprogramming Request

Installation: Fort Greely, Alaska

Project: Missile Field #1 Expansion


Estimated Cost ($000):
Previously Appropriated 8,000
Previously Reprogrammed 1,990
Requested Reprogramming 4,510
Total Estimated Costs 14,500

*/ The Previously Reprogrammed amount is the result of a below threshold reprogramming action.*

Project Description: This project completes two (2) additional ground-based interceptor (GBI) launch facilities and supporting utilities infrastructure in support of the Missile Defense System (MDS) at Fort Greely, AK.

Justification: An additional $4.510 million is required to award the optional construction contract line items for the Missile Field #1 (MF #1) Expansion project and provide a complete and useable facility that meets mission requirements. The increased cost is attributed to a delay in execution to incorporate lessons learned from a similar military construction project and a change in market conditions. Specifically, the cost increase is due to the following:

- **Electrical utility system modification ($2.84 million):** The FY 2018 Missile Field #4 project at Fort Greely is in execution and identified lessons learned associated with the electrical utility system. The original plan for MF #1 was to extend the electrical utilities between the two new GBI launch facilities and the existing duct banks. Based on lessons learned, the design has been modified to improve the reliability of the electrical utilities by extending the work to the Mechanical Electrical Building to include the installation of automatic transfer switches.

- **Current market conditions ($1.16 million):** There have been significant increases in labor costs and material pricing across all major construction commodities due to material shortages, supply-chain delays, transportation cost increases, and increases in demand for building materials. Material prices for metal, wood, fuel, rigid conduit, and other commodities have all increased.
Contingency and Supervision, Inspection, and Overhead (SIOH) ($0.51 million): Increases are directly associated with higher construction costs.

A 10 U.S.C. §2853 cost variation notification dated August 9, 2021 was submitted to Congress to increase the authorized cost to $10.0 million. Additionally, a 10 U.S.C. §2853 cost variation notification dated June 7, 2022 was submitted to Congress to increase the authorized cost to $14.5 million.

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

(Dollars in Thousands)

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<th>Fiscal Year</th>
<th>Amount Appropriated</th>
<th>Current Working Estimate</th>
<th>Proposed Reprogramming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Greely, AK</td>
<td>2018</td>
<td>200,000</td>
<td>162,429 1/</td>
<td>4,510</td>
</tr>
</tbody>
</table>

1/ A 10 U.S.C. §2853 cost reduction notification dated January 4, 2019 was submitted to Congress.