



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

COMPTROLLER

~~AUG 2 9 2022~~

AUG 3 1 2022

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	Fort Buckner, Torri Station, Okinawa, Japan	Satellite Communications Facility	2013	13,663,000
	<u>Air Force</u>			
2	Joint Region Marianas, Andersen Air Force Base, Guam	APR – SATCOM C4I Facility	2017	<del>15,389,000</del> 15,789,000
3	Cannon Air Force Base, New Mexico	Dangerous Cargo Pad Relocate CATM	2018	4,797,000
	<u>Defense Logistics Agency</u>			
4	General Mitchell International Airport, Wisconsin	POL Facilities Replacement	2020	13,210,000
	<u>Army National Guard</u>			
5	Camp Santiago Joint Training Center, Puerto Rico	Company Headquarters Building, Transient Training	2018	55,987,000
6	Camp Santiago Joint Training Center, Puerto Rico	Enlisted Barracks Transient Training	2018	45,715,000
7	Camp Santiago Joint Training Center, Puerto Rico	Dining Facility, Transient Training	2018	6,213,000

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.

A handwritten signature in blue ink, appearing to read "Michael McCord". The signature is fluid and cursive, with the first name "Michael" written in a more compact, stylized manner and the last name "McCord" written more fully.

Michael McCord

Enclosures:

As stated

cc:

The Honorable John Carter  
Ranking Member



UNDER SECRETARY OF DEFENSE  
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COMPTROLLER

~~AUG 23 2022~~  
AUG 31 2022

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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3	Cannon Air Force Base, New Mexico	Dangerous Cargo Pad Relocate CATM	2018	4,797,000
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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.

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Michael McCord

Enclosures:

As stated

cc:

The Honorable John Boozman  
Ranking Member

Bid Expiration Date: September 15, 2022

Military Construction, Army

Reprogramming Request

Installation: Fort Buckner, Torri Station, Okinawa, Japan

Project: Satellite Communications (SATCOM) Facility

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

Estimated Cost (\$000):

Previously Appropriated	77,897 <sup>1/</sup>
Previously Reprogrammed	24,810 <sup>2/</sup>
Requested Reprogramming	13,663
Total Estimated Cost	116,370

<sup>1/</sup> Includes two across-the-board rescissions (\$103 thousand) as directed in Sections 3001 and 3004 of P.L. 113-06, Division G.

<sup>2/</sup> The Previously Reprogrammed amount is the result of an above threshold reprogramming in 2014.

Project Description: This project will construct a Consolidated Strategic Satellite Communications (SATCOM) Earth Station and Technical Control Facility (TCF) to replace the existing SATCOM/TCF facilities. The scope includes the SATCOM facility, the TCF, a small standard design battalion headquarters with classrooms, a network enterprise center (shown as a DOIM Facility on the DD1391), stand-by generators, and associated supporting facilities.

Justification: This contract was awarded in September 2014 with a seven-year construction schedule. Since that time, numerous issues with the contractor have contributed to the slow pace of construction over the years. The contractor had difficulty keeping administrative and project management people on site. The COVID-19 pandemic further impacted hiring skilled project management personnel and sub-contractors. Travel restrictions, quarantine procedures, and the more recent supply chain issues have resulted in additional delays to the contract schedule. The Government considered terminating the contract but determined the additional delays and costs associated with procurement was not in the Government's best interest. The project completion date is scheduled for early FY 2026. The remaining FY 2013 obligated funding on this project will cancel at the end of FY 2022 and thus will be no longer available for obligations or expenditures. In the absence of sufficient expired funding to cover the remaining obligations for this project, it is permissible to charge unexpired funds starting in FY 2023. There will be no obligation of unexpired funds in FY 2022.

A 10 U.S.C. §2853 cost variation notification dated July 14, 2022 was submitted to the congressional committees.

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>
Fort Hood, TX Vehicle Maintenance Shop	2019	39,550 <sup>1/</sup>	39,050	123
Fort Carson, CO Company Operations Facility	2020	71,000	63,711	6,345
Fort Hood, TX, Vehicle Bridge	2020	18,500	15,865	2,000
Fort Campbell, KY Automated Infantry Platoon Battle Course	2020	7,100	6,862	109
Natick Soldier Systems Center, MA Human Engineering Lab	2020	42,062 <sup>2/</sup>	40,585	500
Fort Campbell, KY General Purpose Maintenance Shop	2020	44,758 <sup>3/</sup>	41,234	650
Fort Wainwright, AK Child Development Center	2021	60,000	39,736 <sup>4/</sup>	3,936
Total				13,663

<sup>1/</sup> The Vehicle Maintenance Shop at Fort Hood, TX, was originally appropriated at \$33 million in FY 2018. Congress approved the reprogramming of an additional \$6.55 million using FY 2019 funding (April 2020), which provides a total of \$39.55 million. This project is 99% complete and the Army has taken Beneficial Occupancy. The funds used for this reprogramming are unused contingencies at the end of the construction period.

<sup>2/</sup> The Human Engineering Lab at Natick Soldier Systems Center, MA, was originally appropriated at \$50 million in FY 2020. Congress approved the reprogramming of \$7.938 million to the Barracks at Fort Hood, TX, in May 2021.

<sup>3/</sup> The General Purpose Maintenance Shop at Fort Campbell, KY, was appropriated at \$51 million in FY 2020. Congress approved a reprogramming of \$3.092 million to the Live Fire Exercise Shoothouse at Camp Williams, UT (June 2020) and \$3.150 million to the Aircraft Maintenance Hangar at Soto Cano, HO (September 2021).

<sup>4/</sup> A 10 U.S.C. 2853 scope and cost reduction dated November 29, 2021, was submitted to the congressional committees, reflecting a current working estimate of \$39.8 million.

Bid Expiration Date: October 31, 2022

Military Construction, Air Force

Reprogramming Request

Installation: Joint Region Marianas, Andersen Air Force Base, Guam

Project: APR – SATCOM C4I Facility

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, Public Law (P.L.) 114-238 and NDAA for FY 2022, P.L. 117-81

Estimated Cost (\$000):

Previously Appropriated	14,200 <sup>1/</sup>
Previously Reprogrammed	- 400 <sup>2/</sup>
Requested Reprogramming	15,789
Total Estimated Cost	29,589

<sup>1/</sup> FY 2017 funding (\$14.2 million) was previously deferred to support section 2808 border barrier projects.

<sup>2/</sup> FY 2017 funding (\$13.8 million) was restored in FY 2021 based on cost estimates at the time; \$13.8 million will be split funded using FY 2020 funding for this project.

Project Description: The project constructs a new, single-story SATCOM C4I building to provide redundancy and diversity of existing technical and satellite operations.

Justification: The cost increase is due to current construction market conditions on Guam. The effects of supply chain issues, material and labor costs, and Guam construction market saturation has caused contractors to add schedule/cost risks to proposals.

A 10 U.S.C. §2853 cost variation notification dated April 8, 2022 was submitted to Congress.

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>
Worldwide General: Unspecified Locations Restoral	2020	N/A	N/A	15,789

Bid Expiration Date: N/A

Military Construction, Air Force

Reprogramming Request

Installation: Cannon Air Force Base, New Mexico

Project: Dangerous Cargo Pad Relocate CATM

Authorization: National Defense Authorization Act for Fiscal Year (FY) 2018,  
Public Law (P.L.) 115-91

Estimated Cost (\$000):

Previously Appropriated	42,000
Previously Reprogrammed	6,900 <sup>1/</sup>
Requested Reprogramming	4,797
Total Estimated Cost	53,697

<sup>1/</sup> The previously reprogrammed amount is the result of an above threshold reprogramming action in 2022.

Project Description: This project constructs a Dangerous Cargo Pad (DCP) for movement of munitions and other hazardous cargo to and from aircraft without impacting runway operations. Project also includes construction of a new Combat Arms Training and Maintenance (CATM) facility, Rod & Gun Club, and Trap & Skeet Range displaced by the explosive safety quantity-distance (Q-D) criteria of the new DCP.

Justification: Construction costs in eastern New Mexico are higher for qualified labor and material shipments. The sudden rise in fuel prices and of construction materials due to inflation and recent supply chain issues contributed to higher bids. A bid extension was required, and the additional cost is reflective of that action.

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

Source of Funds: Savings from the following project is cited as a source of funds for this cost increase.



(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Al-Udeid Air Base, QA Cargo Marshalling Yard	2021	26,000	0 <sup>1/</sup>	4,797

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated March 2, 2022, was submitted to the congressional committees.

Bid Expiration Date: October 11, 2022

Military Construction, Defense-Wide (Defense Logistics Agency)

Reprogramming Request

Installation: General Mitchell International Airport, WI

Project: POL Facilities Replacement

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020,  
Public Law 116-92

Estimated Cost (\$000):

Previously Appropriated	25,900
Previously Reprogrammed	0
Requested Reprogramming	13,210
Total Estimated Cost	39,110

Project Description: Construct a new consolidated fueling facility that includes aboveground fuel storage tanks, pump house with a control room, product recovery tank, POL operations building with a laboratory, refueling vehicle parking, truck loading and unloading points, motor gas storage tank, diesel storage tank, and supporting facilities. Anti-terrorism, cyber-security, and sustainable design principles are incorporated into the design and construction.

Justification: An additional \$13.210 million is needed to provide a complete and useable project that meets mission requirements. The cost increase is due to a change in market conditions. The project was initially solicited in 2020 with bids exceeding the available funds, triggering a re-design and value engineering efforts to reduce costs. The time required to complete these efforts resulted in a further delay in award. During the intervening time, the COVID 19 pandemic has increased material costs; supply chain delays have increased the time to procure materials and reduced availability/selection; and labor shortages have both increased the cost of skilled and unskilled labor. Additionally, historic market volatility has increased risk to contractors and their sub-contractors/suppliers.

A 10 U.S.C. §2853 cost variation notification dated June 6, 2022 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>
<del>Sigonella, IT Construct Hydrant System</del>	<del>2018</del>	<del>22,400</del>	<del>17,000</del>	<del>3,210</del>
<del>NSA Souda Bay Crete, GR Construct Hydrant System</del>	<del>2018</del>	<del>18,100</del>	<del>7,505 <sup>1/</sup></del>	<del>10,000</del>
<del>Total</del>				<del>13,210</del>
<del><sup>1/</sup> A 10 U.S.C. §2853 cost variation (decrease) notification dated April 9, 2019, was submitted to the congressional committees.</del>				
Joint Base Elmendorf- Richardson, AK Operations Facility Replacement	2019	14,000	11,378	2,622
Joint Base San Antonio, TX Energy Aerospace Operations Facility	2019	10,200	7,700	2,500
Richmond, VA Operations Center Phase 2	2020	98,800	90,712	8,088
Total				13,210

Bid Expiration Date: September 15, 2022

Military Construction, Army National Guard

Reprogramming Request

Installation: Camp Santiago Joint Training Center (CSJTC), Puerto Rico  
Project: Company Headquarters Building, Transient Training  
Authorization: Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (subdivision 1 of division B, Public Law 115-123)

Estimated Cost (\$000):

Previously Appropriated	47,000
Previously Reprogrammed	0
Requested Reprogramming	55,987
Total Estimated Cost	102,987

Description: To construct an 84,620 square feet space to perform daily administrative and supply activities to be used by Active and Reserve Component units conducting training at major training area Camp Santiago that will meet the requirements for the Puerto Rico Army Reserve National Guard and other units utilizing the facilities. These facilities will be built on Federal Land.

Justification: An additional \$56.0 million is required to meet mission requirements and provide full scope of the project. All contractor proposals for the project's solicitation exceeded the funded amount due to the rise of unprecedented construction costs stemming from extreme material shortages, and long lead times. In addition, the effects of COVID-19 pandemic on the economy, the national inflation, construction workforce shortages, increase in minimum wages, and construction material shortages due to the hurricanes and the local earthquakes, caused Architectural-Engineering firms to identify significant increases in their final cost of the bids due to these factors. The formal reprogramming will ensure the facility is complete and useable.

A 10 U.S.C. §2853 cost variation notification dated June 30, 2022, was submitted to the congressional committees.

Source of Funds: Savings from the following project is cited as a source of funds for this cost increase.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Camp Santiago, Puerto Rico, Aircraft Maintenance Hangar	2018	64,000	0 <sup>1/</sup>	55,987

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated June 30, 2022, was submitted to the congressional committees.

Bid Expiration Date: September 15, 2022

Military Construction, Army National Guard

Reprogramming Request

Installation: Camp Santiago Joint Training Center (CSJTC), Puerto Rico

Project: Enlisted Barracks Transient Training

Authorization: Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (subdivision 1 of division B, Public Law 115-123)

Estimated Cost (\$000):

Previously Appropriated	156,800 <sup>1/</sup>
Previously Reprogrammed	0
Requested Reprogramming	45,715
Total Estimated Cost	202,515

<sup>1/</sup> \$44,800 in Military Construction National Guard (MCNG) Cost to Complete (CTC) funding provided by section 135 of the Consolidated Appropriations Act, 2022.

Description: To construct a 242,609 SF Enlisted Barracks Transient Training and Transient Training Officer Quarters that houses unaccompanied enlisted personnel, officers, and authorized civilians conducting training at Camp Santiago. These facilities are designed to meet billeting requirements for units that train at CSJTC. These facilities will be built on Federal Land.

Justification: An additional \$45.7 million is required to meet mission requirements and provide full scope of the project. All contractor proposals for the project's solicitation exceeded funded amount due to the rise of unprecedented construction costs stemming from extreme material shortages, and long lead times. In addition, the effects of COVID-19 pandemic on the economy, inflation, construction workforce shortages, increase in minimum wages, and construction material shortages due to the hurricanes and the local earthquakes, caused Architectural-Engineering firms to identify significant increases in their final cost of the bids due to these factors. The formal reprogramming will ensure the facility is complete and useable.

A 10 U.S.C. §2853 notification dated June 30, 2022, was sent to the congressional committees.

Source of Funds: Savings from the following projects are cited as a source of funds for this cost increase.

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Camp Santiago, Puerto Rico, National Guard Readiness Center	2018	50,000	0 <sup>1/</sup>	30,787
Camp Santiago, Puerto Rico, Power Substation/Switching Station Building	2018	18,500	0 <sup>2/</sup>	14,928
Total				45,715

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated June 30, 2022, was sent to the congressional committees.

<sup>2/</sup> A 10 U.S.C. §2853 cancellation notification dated June 30, 2022, was sent to the congressional committees.

Bid Expiration Date: September 15, 2022

Military Construction, Army National Guard

Reprogramming Request

Installation: Camp Santiago Joint Training Center (CSJTC), Puerto Rico

Project: Dining Facility, Transient Training

Authorization: Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (subdivision 1 of division B, Public Law 115-123)

Estimated Cost (\$000):

Previously Appropriated	13,000
Previously Reprogrammed	0
Requested Reprogramming	6,213
Total Estimated Cost	19,213

Description: To construct 12,412 SF (two each 6,206 SF) of Dining Facility that supports military personnel and authorized civilians, to be used by Active and Reserve Component units conducting training at Camp Santiago Joint Training Center and the Puerto Rico Army National Guard. These two dining facilities are designed to meet feeding requirements for units that train at Camp Santiago Joint Training Center. These facilities will be built on Federal Land.

Justification: An additional \$6.2 million is required to meet mission requirements and provide full scope of the project. All contractor proposals for the project's solicitation exceeded the funded amount due to the rise of unprecedented construction costs stemming from extreme material shortages, and long lead times. In addition, the effects of COVID-19 pandemic on the economy, the national inflation, construction workforce shortages, increase in minimum wages, and construction material shortages due to the hurricanes and the local earthquakes, caused Architectural-Engineering firms to identify significant increases in their final cost of the bids due to these factors. The formal reprogramming will ensure the facility is complete and useable.

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(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Camp Santiago, Puerto Rico, National Guard Readiness Center	2018	50,000	0 <sup>1/</sup>	6,213

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated June 30, 2022, was sent to the congressional committees.