



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

JUL 27 2023

COMPTROLLER

The Honorable John Carter
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 request committee approval 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>Army</u>			
1	Camp Tango, Korea	Command and Control Facility	2019	7,800,000
	<u>Navy</u>			
2	Marine Corps Air Station Cherry Point, North Carolina	ATC Tower & Airfield Operations	2020	60,870,000
	<u>Air Force</u>			
3	Yokota Air Base, Japan	C-130J Corrosion Control Hangar	2022	33,678,000
4	Joint Base Andrews, Maryland	Child Development Center	2019	8,880,000
	<u>Air Force Reserve</u>			
5	Youngstown Air Reserve Station, Ohio	Relocate Main Gate	2019	5,200,000
	<u>Washington Headquarters Services</u>			
6	Pentagon, Virginia	Control Tower and Fire Day Station	2020	4,612,000
7	Pentagon, Virginia	North Village Secondary Vehicle Access Control Point and Fencing	2019	2,753,000

A similar letter is being sent to the Chair of the Senate Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of Defense programs.


Michael McCord

Enclosure:
As stated

cc:
The Honorable Debbie Wasserman Schultz
Ranking Member



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COMPTROLLER

The Honorable Patty Murray
Chair
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chair:

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Michael McCord

Enclosure:
As stated

cc:
The Honorable John Boozman
Ranking Member

Requested Date of Congressional Action: September 23, 2023

Military Construction, Army

Reprogramming Request

Installation: Camp Tango, Korea

Project: Command and Control Facility

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

Estimated Cost (\$000):

Previously Appropriated	17,500 ^{1/}
Previously Reprogrammed	0
Requested Reprogramming	7,800
Total Estimated Cost	25,300

^{1/} Project originally funded in FY 2019 for \$17.5 million but was deferred to support section 2808 border barrier projects. Project funding was restored in FY 2021 for \$17.5 million based on cost estimates at the time.

Project Description: This project will construct an underground Command and Control Facility. The work involves constructing the facility and installing secure communications and other Information Technology systems and backbone to connect this facility to the entire Camp Tango Complex. The construction will meet UFC 4-010-5 Sensitive Compartmented Information Facilities (SCIF) Planning, Design, and Construction.

Justification: This project requires an additional \$7.8 million to award the authorized scope and construct a complete and usable facility. The cost increase is due to a project delay of four (4) years combined with a 22.9% increase in square footage.

The project was initially planned for award in April 2019. Project delays were impacted by two years of Host Nation repairs to Tunnel Zero to address life/safety/ health issues. The Host Nation delays resulted in further inflationary costs impacted by the COVID pandemic and supply chain issues.

The project requires additional funding to address the needed scope increases for fire egress requirements, where were authorized in the FY 2023 National Defense Authorization Act. .

A 10 U.S.C. §2853 cost variation notification dated June 14, 2023, 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>
Worldwide, Various Locations Restoral ^{1/}	2020	N/A	N/A	7,800

^{1/} Restored 10 U.S.C. §2808 funding from border barrier projects.

Requested Date of Congressional Action: September 15, 2023

Military Construction, Navy and Marine Corps

Reprogramming Request

Installation: Marine Corps Air Station Cherry Point, North Carolina

Project: ATC Tower & Airfield Operations

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020,
Public Law 166-92

Estimated Cost (\$000):

Previously Appropriated	\$80,040 ^{1/}
Previously Reprogrammed	\$0
Requested Reprogramming	\$60,870
Total Estimated Cost	\$140,910

^{1/} The previously appropriated amount is the sum of both FY 2020 (\$61.34 million) and FY 2022 (\$18.7 million) enacted funding.

Project Description: Constructs a new air traffic control tower, air traffic control maintenance building, airfield operations building, and range management department building. These facilities will have operational spaces for airfield and air traffic control, administrative space, maintenance spaces and training area.

Justification: The requirement for additional funding is attributable to the following:

- Schedule delays: Prolonged schedule delays were caused by a protracted review and approval of the environmental permit for driving foundation piles, as well as a need to redesign all facilities to updated building codes which became effective during the delay period. The initial solicitation of March 2020 was cancelled because the state of North Carolina and U.S. Environmental Protection Agency raised concerns that the proposed pile driving could promote groundwater migration and aquifer cross contamination. Subsequent analysis and approval of alternate foundation options required over two and a half years to complete, with approved designs solicited in November 2022.
- Market conditions: From 2018 to 2022, the construction industry experienced historic levels of inflation, supply chain disruption, and labor market challenges which were exacerbated by the schedule delay described above resulting in extraordinary price escalation. The escalation in the region was further compounded by the surge in construction demand created

by Hurricane Florence recovery including a \$2.5 billion construction program for the various U.S. Marine Corps installations in the area.

- Unique facility requirements: The construction market conditions disproportionately impacted the availability and interest of specialized contractors required to construct the 200-foot high Air Traffic Control tower and further limited the number of qualified bidders.
- Contingency and Supervision, Inspection and Overhead (SIOH) costs increased due to overall higher construction costs.

A 10 U.S.C. §2853 cost variation notification dated May 16, 2023, 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.

(Dollars in Thousands)				
<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Bangor, ME Pier and Maintenance Facility	2019	88,960	45,534 ^{1/}	34,171
Marine Corps Base Camp Pendleton, CA I MEF Consolidated information Center (INC)	2022	19,869	0 ^{2/}	19,896
Marine Corps Air Station Cherry Point, NC F-35 Training and Simulator Facility	2020	53,230	48,106	5,124
Marine Corps Air Station New River, NC CH-53K Cargo Loading Trainer	2020	11,320	10,081	1,239
Joint Base Pearl Harbor- Hickam, HI Waterfront Improve, Wharves S1,S11-13,S20-21	2021	48,990	33,070 ^{3/}	440
Total				60,870

^{1/} A 10 U.S.C. §2853 cost reduction notification dated April 25, 2023, was submitted to the congressional committees.

^{2/} A 10 U.S.C. §2853 cost reduction notification dated May 19, 2023, was submitted to the congressional committees.

^{3/} A 10 U.S.C. §2853 cost reduction notification dated September 9, 2022, was submitted to the congressional committees.

Requested Date of Congressional Action: September 16, 2023

Military Construction, Air Force

Reprogramming Request

Installation: Yokota Air Base, Japan

Project: C-130J Corrosion Control Hangar

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022,
Public Law 117-81

Estimated Cost (\$000):

Previously Appropriated	77,000 ^{1/}
Previously Reprogrammed	0
Requested Reprogramming	33,678
Total Estimated Cost	110,678

^{1/} FY 2017 funding was previously deferred to support section 2808 border barrier projects. New appropriations for this project were enacted in FY 2022 at \$67,000 and FY 2023 at \$10,000.

Project Description: Construct a corrosion control facility utilizing conventional design and construction methods to accommodate the mission of the facility. The facility will include an aircraft restorations bay, preparation and drying areas, abrasive blasting rooms, paint booths for mixing and/or applying paint, curing, tool storage, lockers, and administrative support functions tool storage.

Justification: The cost increase is due the protracted and significant cost escalation and labor shortage in the Japanese construction market that were exacerbated by the extended timeline to award the project. General cost escalation has been magnified by the combined magnitude of the U.S. and Government of Japan construction efforts at Yokota Air Base and other major installations throughout mainland Japan, which has further limited the number of available prime and subcontractor firms available to perform this work. Additionally, the uncertainty of further supply chain disruption, associated material price increases, supply chain disruptions, and labor shortages has led to increased costs.

A 10 U.S.C. §2853 cost variation notification dated May 21, 2023, 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>
Vandenberg Space Force Base, CA GBSD Re-Entry Vehicle Facility	2022	48,000	0 ^{1/}	33,678

^{1/} A 10 U.S.C. §2853 cancellation notification dated March 17, 2023, was submitted to the congressional committees.

Requested Date of Congressional Action: September 15, 2023

Military Construction, Air Force

Reprogramming Request

Installation: Joint Base Andrews, Maryland

Project: Child Development Center

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

Estimated Cost (\$000):

Previously Appropriated	28,000 ^{1/}
Previously Reprogrammed	0
Requested Reprogramming	8,880
Total Estimated Cost	36,880

^{1/} Project funded in FY 2019 for \$13.0 million and in FY 2023 cost to complete amount of \$15.0 million.

Project Description: Construct a new Child Development Center (CDC) to accommodate 165 children and staff. Sitework includes utilities, pavements, a playground, and landscaping.

Justification: The cost increase is due to the impacts of the supply chain disruptions, labor shortages, fuel, and material cost increases. Construction materials including steel mill products, aluminum, gypsum, and concrete have experienced significant price increases. Higher diesel fuel prices have increased transportation costs and jobsite machinery operation costs.

A 10 U.S.C. §2853 cost variation notification dated June 7, 2023, 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>
Planning and Design (Secure Integration Support Lab, Experimental Site)	2022	8,800	N/A	8,800
Planning and Design (CDC, Luke AFB)	2023	2,700	N/A	80
Total:				8,880

Requested Date of Congressional Action: September 11, 2023

Military Construction, Air Force Reserve

Reprogramming Request

Installation: Youngstown Air Reserve Station (YARS), Youngstown, OH

Project: Relocate Main Gate

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

Estimated Cost (\$000):

Previously Appropriated	8,800
Previously Reprogrammed	0
Requested Reprogramming	5,200
Total Estimated Cost	14,000

Project Description: The project constructs a new main gate complex for security forces to meet anti-terrorism standards. The complex includes roadways with speed and directional controls, guard house, overlook facility, vehicle inspection bay, alternate inspection point, single delivery facility, and visitor center. Project required acquisition of 40 acres of land to meet all anti-terrorism standards and to give security forces the reaction time to deploy anti-vehicle barriers.

Justification: Since 2019, the project cost has been increased due to the impacts of the supply chain disruptions, labor shortages, fuel, and material cost increases. Construction materials including steel mill products, aluminum, gypsum, and concrete have experienced significant price increases. Higher diesel fuel prices have increased transportation costs and jobsite machinery operation costs. The land acquisition for the project was completed on January 5, 2023.

A 10 U.S.C. §2853 cost variation notification dated May 25, 2023, 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>
YARS, OH Assault Strip Widening	2022	8,800	0 ^{1/}	5,200

^{1/} A 10 U.S.C. §2853 cancellation notification dated April 28, 2023, was submitted to the congressional committees.

Requested Date of Congressional Action: October 6, 2023

Military Construction, Defense-Wide (Washington Headquarters Services)

Reprogramming Request

Installation: Pentagon, Virginia

Project: Control Tower and Fire Day Station

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020,
Public Law 166-92

Estimated Cost (\$000):

Previously Appropriated	20,132
Previously Reprogrammed	0
Requested Reprogramming	4,612
Total Estimated Cost	24,744

Project Description: Construct a permanent combined Control Tower and Fire Day Station. This facility will include apparatus bay, administration areas, day training areas, equipment maintenance areas, fitness room, control tower and associated equipment rooms, vehicle exhaust removal system, information systems, fire protection and alarm systems, and Energy Monitoring Control Systems (EMCS) connection.

Justification: An additional \$4.612 million is needed to complete the project and provide a facility that meets mission requirements. The increased funding is required due to the following:

- Differing Site Conditions (\$1.321 million): Relocation of the required temporary administrative office and apparatus bay from its original location was necessary due to the discovery of an active 24" water main that was not identified pre award, and the water line's actual alignment was found to conflict with the proposed facilities. This resulted in an increase in cost.
- Inadequate Electrical System Sizing (\$3.291 million): The contract was awarded with an electrical demand based on minimum code criteria assumptions that were later determined to be insufficient. The new facility will require larger electrical materials, infrastructure and equipment than provided by the contract minimum criteria. The true electrical demand requirement is a 55% increase in amperage over the contract requirement.

Source of Funds: Funds from the following are available to 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/ Unspecified Minor Construction	2020	3,000	2,945	55
Unspecified Worldwide/ Planning and Design	2020	24,400	17,090	4,557
Total				4,612

Requested Date of Congressional Action: October 6, 2023

Military Construction, Defense-Wide (Washington Headquarters Services)

Reprogramming Request

Installation: Pentagon, Virginia

Project: North Village Secondary Vehicle Access Control Point (VACP) and Fencing

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

Estimated Cost (\$000):

Previously Appropriated	12,200
Previously Reprogrammed	-383 ^{1/}
Requested Reprogramming	2,753
Total Estimated Cost	14,570

^{1/} The previously reprogrammed amount is the result of a below threshold reprogramming action.

Project Description: Construct a new permanent VACP with gate arms, Active Vehicle Barriers, under vehicle screening systems, License Plate Readers, passive vehicle barriers, paving for access roadways and installation of pedestrian turnstile. Includes installation of security equipment, intrusion detection system, closed circuit television, fire alarm system, information system, backup power, uninterruptible power supply canopy with pier footer foundation, precast limestone veneer exterior, and lighting.

Justification: An additional \$2.753 million is needed to complete this project and provide a facility that meets mission requirements. The cost increase is due to additional requirements that were identified during the post-award design-build delivery process. After the installation of the temporary physical security equipment for site access, it was found that the temporary equipment would not physically allow throughput for tractor trailer-sized vehicles. The temporary equipment requirements were identical to the permanent equipment intended for the final layout. Therefore, the tractor trailer accessibility issue resulted in the new requirement for an additional active vehicle barrier infrastructure to allow for truck access to the permanent facility.

Source of Funds: The following funds are available to 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 Planning and Design	2020	24,400	17,090	2,753