



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	East Camp Grafenwoehr, Germany	Mission Training Complex	2019	17,200,000
	<u>Marine Corps</u>			
2	Marine Corps Air Station Beaufort, South Carolina	Laurel Bay Fire Station	2019	12,850,000
	<u>Army National Guard</u>			
3	Peterson Space Force Base, Colorado	National Guard Readiness Center	2021	9,300,000

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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UNDER SECRETARY OF DEFENSE
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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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A similar letter is being sent to the Chair of the House 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 John Boozman
Ranking Member

Requested Date of Congressional Action: September 22, 2023

Military Construction, Army

Reprogramming Request

Installation: East Camp Grafenwoehr, Germany

Project: Mission Training Complex

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

Estimated Cost (\$000):

Previously Appropriated	31,000 ^{1/}
Previously Reprogrammed	0
Requested Reprogramming	17,200
Total Estimated Cost	48,200

^{1/} Project originally funded in FY 2019 for \$31.0 million but was deferred to support section 2808 border barrier projects. Project funding was restored in FY 2021 for \$31.0 million based on cost estimates at the time.

Project Description: This project will construct a Mission Training Complex which includes a battle command training center, entry control facility and Tactical Operations Center (TOC) pads. This facility supports individual and collective digital and battle staff training utilizing constructive simulations with Command, Control, Communications, Computers and Intelligence Interoperability (C4I).

Justification: This project requires an additional \$17.2 million to award the authorized scope and construct a complete and usable facility. The cost increase is due to a project delay of three (3) years.

The project was initially planned for award in June 2019. Project delays and cost increases were impacted by updated Host Nation new building energy efficiency requirements as well as further inflationary costs impacted by the COVID pandemic, the war in the Ukraine and subsequent supply chain as well as fuel 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 29, 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	17,200

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

Requested Date of Congressional Approval: September 11, 2023

Military Construction, Navy and Marine Corps

Reprogramming Request

Installation: Marine Corps Air Station Beaufort, South Carolina

Project: Laurel Bay Fire Station

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

Estimated Cost (\$000):

Previously Appropriated	10,750
Previously Reprogrammed	0
Requested Reprogramming	12,850
Total Estimated Cost	23,600

Project Description: Constructs a fire station that includes an alarm communication center, high bays, equipment maintenance areas, administrative and training areas, living quarters, kitchen, dining and recreational areas.

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

- Execution Delay: Funding for this project was diverted to support an emergency construction requirement authorized pursuant to 10 U.S.C. § 2808. Project funds were restored in July 2021 but construction was further delayed due to a required real estate transfer between the privatized housing partner and the Department of the Navy for a portion of the project site.
- Price Escalation: During the delay period the construction industry and economy experienced historically high inflation, supply chain disruption, and labor market shortages causing significant price escalation. These impacts were exacerbated by a \$2.5 billion construction program for the various U.S. Marine Corps installations in the region to recover from the impact of Hurricane Florence, creating additional premiums on both labor and material prices.

A 10 U.S.C. §2853 cost variation notification dated June 22, 2023 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)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Ventura, CA Directed Energy Weapons Test Facilities	2022	19,907	0 ^{1/}	12,850
Total				12,850

^{1/} A 10 U.S.C. §2853 cancellation notification dated June 15, 2023, was submitted to the Congressional committees.

Requested Date of Congressional Action: November 5, 2023

Military Construction, Army National Guard

Reprogramming Request

Installation: Peterson Space Force Base, Colorado

Project: National Guard Readiness Center

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021,
Public Law 116-283

Estimated Cost (\$000):

Previously Appropriated	15,500
Previously Reprogrammed	0
Requested Reprogramming	9,300
Total Estimated Cost	24,300

Project Description: Construct a 33,812 SF National Guard Readiness Center that supports training, administrative, and logistical requirements for the Colorado Army Reserve National Guard. Construction will include all utility services, information systems, fire detection and alarm systems, roads, walks, curbs, gutters, storm drainage, parking areas, and site improvements.

Justification: This project was bid under full and open competition in FY22 during the COVID out-break. The project cost increase is due to significant escalation in prices for construction materials and diesel fuel resulting from supply chain disruptions and extraordinary price inflation in the general economy. In this uncertain market, contractors have also had to increase contingencies in their bids to mitigate additional potential cost increases.

A 10 U.S.C. §2853 cost variation notification dated July 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>
Springfield, Missouri Readiness Center	2020	12,000	10,323	1,218
Camp Ashland, NE Training Site Rebuild	2020	35,000	29,377	5,623
Camp Shelby, MS Automated Multipurpose Machine Gun Range	2020	8,100	6,123	536
Jamaica, NY Readiness Center	2020	91,000	83,000	1,923
Total				9,300