



UNDER SECRETARY OF DEFENSE  
1 100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 30 2024

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 justifications for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Air Force</u>			
1	Remote Maui Experimental Site #1, Hawaii	Secure Integration Support Lab with Land Acquisition	2023	25,269,000
2	Royal Air Force Base Tindal, Australia	PDI: Bomber Apron	2024	58,943,000
	<u>Army Reserve</u>			
3	Gainesville, Florida	Equipment Concentration Site Tactical Equipment Maintenance Facility and Warehouse	2021	6,810,000
	<u>Air National Guard</u>			
4	Hulman Regional Airport, Indiana	Construct Small Arms Range	2018	6,650,000

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

Enclosures:  
As stated

cc: The Honorable Debbie Wasserman Schultz  
Ranking Member



UNDER SECRETARY OF DEFENSE  
1 100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 30 2024

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

Dear Madam Chair:

The purpose of this letter is to request committee approval of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justifications for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Air Force</u>			
1	Remote Maui Experimental Site #1, Hawaii	Secure Integration Support Lab with Land Acquisition	2023	25,269,000
2	Royal Air Force Base Tindal, Australia	PDI: Bomber Apron	2024	58,943,000
	<u>Army Reserve</u>			
3	Gainesville, Florida	Equipment Concentration Site Tactical Equipment Maintenance Facility and Warehouse	2021	6,810,000
	<u>Air National Guard</u>			
4	Hulman Regional Airport, Indiana	Construct Small Arms Range	2018	6,650,000

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

Enclosures:  
As stated

cc: The Honorable John Boozman  
Ranking Member

Requested Date of Congressional Action: October 15, 2024

Military Construction, Air Force

Reprogramming Request

Installation: Remote Maui Experimental Site #1, Hawaii  
Project: Secure Integration Support Lab with Land Acquisition  
Authorization: National Defense Authorization Act (NDAA) for  
Fiscal Year (FY) 2023, Public Law (P.L.) 117-263

Estimated Cost (\$000):

Previously Appropriated	90,000
Previously Reprogrammed	0
Requested Reprogramming	25,269
Total Estimated Cost	115,269

Project Description: This project constructs a new laboratory facility to include a high-performance computing data center, laboratories, a remote telescope operations center, administrative spaces, conference center, warehouse functions, a security entry control point, and a controlled area.

Justification: The project cost increase is due primarily from the extraordinary impacts of the Maui wildfires of August 2023. Sharply higher labor costs resulted from a shortage of available local labor, necessitating a significant off-island labor force that must largely be transported daily to and from Maui due to a severe shortage of transient housing on the island. Heightened demand for construction materials along with fluctuating prices is making suppliers hesitant to commit to pricing for the long bid expiration period, which has increased pricing due to the associated risk.

A 10 U.S.C. §2853 cost variation notification dated June 26, 2024, 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 & Design	2024	607,874	N/A	25,269
Total:				25,269

Requested Date of Congressional Action: September 1, 2024

Military Construction, Air Force

Reprogramming Request

Installation: Royal Australian Air Force Base Tindal, Australia

Project: PDI: Bomber Apron

Authorization: National Defense Authorization Act (NDAA) for  
Fiscal Year (FY) 2024, Public Law (P.L.) 118-31

Estimated Cost (\$000):

Previously Appropriated	93,000
Previously Reprogrammed	0
Requested Reprogramming	58,943
Total Estimated Cost	151,943

Project Description: This project constructs a 57,596 square-meter aircraft parking apron with supporting shoulders, taxiway, and hydrant refueling system to accommodate six B-52 bomber aircraft in support of bilateral Enhance Air Cooperation missions. The project includes jet blast deflectors, site improvements, utilities, and removal of existing pavement.

Justification: The project cost increase is due to the high demand for construction in the market area, workforce logistics issues, and significant risks associated with material prices. A surge in the number of projects in the Northern Territory of Australia is driving a high demand for labor resulting in increased costs to attract and retain laborers. Due to the remote location, workforce accommodation is a large cost item at Tindal. The limited worker accommodation in the nearby town of Katherine is at capacity, driving higher prices for the contractor's temporary worker facilities/lodging and other accommodations. Increased demand for construction materials along with fluctuating prices is making suppliers hesitant to commit to pricing for the long bid expiration period, resulting in escalated pricing to mitigate risk.

A 10 U.S.C. §2853 cost variation notification dated June 17, 2024, 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>
Joint Base San Antonio – Randolph, TX T-X ADAL Ground Based Training System Simulator	2021	19,500	0 <sup>1/</sup>	5,805
Joint Base Andrews, MD, PAR Relocate Haz Cargo Pad & EOD Range	2023	74,000	65,751	1,023
Muwaffaq Salti, Arzaq, Jordan, Bulk Petroleum/Oil/Lubricants Storage	2023	37,900	33,307 <sup>2/</sup>	4,369
Muwaffaq Salti, Arzaq, Jordan, Fuel Cell & Phase Maintenance Hangars	2023	20,400	17,709 <sup>3/</sup>	2,652
RAAF Darwin, Squadron Operations Facility	2024	33,400	9,983 <sup>4/</sup>	23,416
Tinian, Airfield Development Phase 1, Inc.	2024	109,000 <sup>5/</sup>	95,503	13,496
Tinian, Parking Apron, Inc.	2024	98,000 <sup>6/</sup>	89,818	8,182
Total:				58,943

<sup>1/</sup> Construction contract was not awarded for this project. The authorization expired at enactment of FY 2024 NDAA. As a result, 10 U.S.C. §2853 cancellation notification was not required.

<sup>2/</sup> Project was awarded on September 29, 2023 for \$33.307 million.

<sup>3/</sup> Project was awarded on August 23, 2023 for \$17.709 million.

<sup>4/</sup> A 10 U.S.C. §2853 cost decrease notification was submitted to the congressional committees on April 25, 2024.

<sup>5/</sup> Project was incrementally funded in FY 2020 (\$25M), FY 2023 (\$58M), and FY 2024 (\$26M).

<sup>6/</sup> Project was incrementally funded in FY 2020 (\$25M), FY 2023 (\$41M), and FY 2024 (\$32M).

Requested Date of Congressional Action: 21 September 2024

Military Construction, Army Reserve

Reprogramming Request

Installation: Gainesville, Florida

Project: Equipment Concentration Site Tactical Equipment Maintenance Facility and Warehouse

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

Estimated Cost (\$000):

Previously Appropriated	36,000
Previously Reprogrammed	7,290 <sup>1/2/3</sup>
Requested Reprogramming	6,810
Total Estimated Cost	50,100

*1/ Below threshold reprogramming (BTR) in September 2021 increased funded amount by \$1.793 million from \$36 million to \$37.793 million.*

*2/ Congress approved the reprogramming of \$3 million in April 2023 increasing the funded amount from \$37.793 million to \$40.793 million.*

*3/ BTRs for two (2) contract modifications increasing the funded amount by \$2.497 million from \$40.793 million to \$43.290 million.*

Project Description: This project constructs an Equipment Concentration Site consisting of a tactical equipment maintenance facility, general purpose warehouse, and organizational parking directly supporting the equipment readiness of Army Reserve units assigned within the state of Florida.

Justification: The cost increase is attributed to unforeseen site conditions and design errors and omissions. The roof of the existing warehouse to be renovated was found in worse condition than expected which necessitated a full replacement. The utility permit review identified deficiencies in the proposed storm water management system requiring re-design of the system as well as the foundation of the Tactical Equipment Maintenance Facility due to increased water flow, resulting in additional cost and schedule delay. Correction of design errors also required increasing the size of exterior lighting bases and poles and increasing the depth of pavement in the military equipment parking area at greater cost. The Army is evaluating these design errors and omissions for potential claims against the designer of record.

A 10 U.S.C. §2853 cost variation notification dated May 30, 2024, was submitted to the 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>
<del>Panama City, FL Emergency Hurricane Damage</del>	<del>2020</del>	<del>3,300</del>	<del>2,643<sup>1/</sup></del>	<del>356</del>
Worldwide, Unspecified Unspecified MMCAR	2022	6,400 <sup>2/</sup>	0	6,400
<del>Worldwide, Unspecified Unspecified MMCAR</del>	<del>2023</del>	<del>7,301<sup>3/</sup></del>	<del>7,247</del>	<del>54</del>
Worldwide, Unspecified Unspecified MMCAR	2023	7,301 <sup>3/</sup>	7,247	410
Total:				6,810

<sup>1/</sup> Project awarded at \$2.6M

<sup>2/</sup> Enacted in FY22 at \$14.544 million to fund MMCAR; source for ATR resulting in an available program amount of \$6.4M

<sup>3/</sup> Enacted in FY23 at \$30.049 million; source for several ATRs resulting in available program amount of \$7.3M



Requested Date of Congressional Action: 5 Sept 2024

Military Construction, Air National Guard

Reprogramming Request

Installation: Hulman Regional Airport, Hulman Field (HUF), IN

Project: Construct Small Arms Range

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, Public Law (P.L.) 115-91<sup>1/</sup>

Estimated Cost (\$000):

Previously Appropriated	8,000
Previously Reprogrammed	0
Requested Reprogramming	6,650
Total Estimated Cost	14,650 <sup>2/</sup>

<sup>1/</sup> Authorization extended through FY 2024 per NDAA for FY 2024, P.L. 118-31

<sup>2/</sup> Project was deferred in accordance with 10 U.S.C. §2808 in April 2020 and funding restored in June 2021

Project Description: This project constructs a 10,500 SF indoor small arms range and 1,800 SF Combat Arms Training and Maintenance Facility with Automatic Target Rail System. The facility will house a modular containerized small arms training set and a combat arms training and maintenance facility to provide classroom training space, administrative space, and arms cleaning and inspection areas.

Justification: The project cost increased due to historic general economic inflation and enduring price escalation resulting from supply chain disruption and material and labor shortages.

A 10 U.S.C. §2853 cost variation notification dated April 22, 2024, was submitted to the 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>
-------------------------	--------------------	----------------------------	---------------------------------	-------------------------------

Anderson Air Force Base, Joint Region Marianas Space Control Facility #5	2021	27,800 <sup>1/</sup>	0,000	6,650
--	------	----------------------	-------	-------

Total:				6,650
--------	--	--	--	-------

*<sup>1/</sup> Appropriated at \$20M per FY2021 Consolidated Appropriations Act; Increased by \$7.8M via FY2022 Consolidated Appropriations Act, Sec 135 Spend Plan*