



COMPTROLLER

UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1 100

NOV 0 5 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>
1	Army, Fort Eisenhower, Georgia	Cyber Instructional Facility (Classrooms)	2024	56,913,000
2	Navy, Joint Expeditionary Base Little Creek – Fort Story, Virginia	Land Acquisition	2025	32,155,000
3	Air Force, Campia Turzii, Romania	EDI: DABS-FEV Storage Complex	2021	14,361,000
4	Air Force, Tinker Air Force Base, Oklahoma	KC-46A 3-Bay Depot Maintenance Hangar	2022	45,085,000
5	Air Force, Tinker Air Force Base, Oklahoma	KC-46A 2-Bay Program Depot Maintenance Hangar	2023	38,628,000
6	Air National Guard, Cheyenne Regional Airport, Wyoming	Combined Vehicle Maintenance & ASE Complex	2022	7,048,000

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



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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.

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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

Enclosures: As stated

cc:

The Honorable John Boozman  
Ranking Member

Requested Date of Congressional Approval: December 15, 2024

Military Construction, Army

Reprogramming Request

Installation: Fort Eisenhower, Georgia

Project: Cyber Instructional Facility (Classrooms)

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

Estimated Cost (\$000):

Previously Appropriated	163,000 <sup>1/</sup>
Previously Reprogrammed	0
Requested Reprogramming	56,913
Total Estimated Cost	219,913 <sup>2/</sup>

<sup>1/</sup> Project was appropriated at \$163.0 million in the Consolidated Appropriations Act, 2024.

<sup>2/</sup> The project was authorized at \$177.0 million in the National Defense Authorization Act for FY 2024.

Project Description: This project will construct a Cyber and Communications Network Training Facility for the Cyber Center of Excellence (CoE). The project includes a secret level Automation-Aided Instructional area consisting of classrooms, instructional labs, instructor offices, conference/counseling rooms, administrative spaces, storage areas, computer maintenance area and secret level general purpose admin space.

Justification: An additional \$56.913 million is needed to award this project. The project requires a Project Labor Agreement that resulted in a labor premium increase. The limited labor pool of qualified construction workforce increased the cost. The Government also underestimated construction duration, requiring an additional 22 months to the construction schedule. This resulted in increased costs for material, equipment, and labor.

A 10 U.S.C. §2853 cost variation notification dated September 10, 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>
Wheeler Army Airfield, HI Aviation Unit Operations Building	2022	88,200 <sup>1/</sup>	59,392	26,659
Joint Base Lewis-McChord, WA Barracks	2024	100,000 <sup>2/</sup>	67,000	30,000
<b>Total:</b>				<b>56,913</b>

<sup>1/</sup> The Aviation Unit Operations Building received \$88.2 million in appropriations from the Section 124 Army spend plan of the Consolidated Appropriations Act, 2022. A 10 USC 2853 was submitted to Congress on April 02, 2024, reducing the authorized cost to \$59.392 million.

<sup>2/</sup> The Barracks was appropriated at \$100.0 million in the Consolidated Appropriations Act for FY 2024. A 10 USC 2853 was submitted to Congress on April 02, 2024, notifying Congress of a new Authorized cost of \$67.0 million.

Requested Date of Congressional Action: December 2, 2024

Military Construction, Navy and Marine Corps

Reprogramming Request

Installation: Joint Expeditionary Base Little Creek-Fort Story, Virginia

Project: Land Acquisition

Authorization: 10 U.S.C. § 2663, Land Acquisition Authorities

Estimated Cost (\$000):

Previously Appropriated	0
Previously Reprogrammed	0
Requested Reprogramming	32,155
Total Estimated Cost	32,155

Project Description: Acquires three parcels of land that total approximately 60 acres. The parcels currently bisect the Little Creek portion of Joint Expeditionary Base (JEB) Little Creek-Fort Story, Virginia. Each parcel is owned by a different corporation and are referred to as the "bisecting parcels". The purchase of these parcels will mitigate encroachment on the installation and harbor, improve security and safety, prevent non-compatible development on the parcels, and improve on-base transportation.

Justification: The Secretary of the Navy has determined that the acquisition of the three parcels is required in the interest of national defense, that the acquisition is required to maintain the operational integrity of a military installation, and that considerations of urgency do not permit the delay necessary to include the required acquisition in an annual Military Construction Authorization Act.

In 2024, JEB Little Creek-Fort Story learned that a foreign entity, in conjunction with the City of Virginia Beach, has been working to obtain ownership of the three properties with plans to build a 300-foot pier extension into the heavily used training area, as well as a road directly connecting the properties to a planned commercial industrial complex. The Department of Navy states that the proposed acquisition and construction of the 300-foot pier on these parcels by a foreign entity is problematic because it directly increases vulnerabilities and elevates risks to highly sensitive Navy missions and overall installation security, as well as posing a countersurveillance risk.

Acquiring the bisecting parcels through fee-simple purchase would unify the east and west sides of JEB Little Creek, thereby eliminating the enclave of privately owned property with

longstanding security vulnerabilities and an associated land bridge whose structural integrity has been steadily degrading over time. The proposed acquisition also provides new land for mission requirements. Alternatively, restrictive easements (at presumably less cost) might alleviate encroachment issues by eliminating or minimizing incompatible uses and/or access, but provide no additional buildable land in return.

A 10 U.S.C. §2663 notification 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>
Naval Support Activity Bahrain Ship to Shore Utility Services	2021	68,340	51,340	17,000
Weapons Station Yorktown, VA NMC Ordnance Facilities Recap, Phase 2	2022	128,827 <sup>1/</sup>	107,994	3,590
Naval Base San Diego, CA Pier 6 Replacement (INC)	2023	129,065 <sup>2/</sup>	117,500	11,565
Total				32,155

<sup>1/</sup> Amount appropriated includes FY 2022 (\$93.5 million) and FY 2023 (\$34.327 million) funding.

<sup>2/</sup> Amount appropriated includes FY 2021 (\$63.5 million), FY 2022 (\$50.0 million), and FY 2023 (\$15.565 million) funding.

Requested Date of Congressional Action: December 6, 2024

Military Construction, Air Force

Reprogramming Request

Installation: Campia Turzii, Romania

Project: EDI: ECAOS DABS-FEV Storage Complex

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

Estimated Cost (\$000):

Previously Appropriated	68,000
Previously Reprogrammed	-13,673 <sup>1/</sup>
Requested Reprogramming	14,361
Total Estimated Cost	68,688

<sup>1/</sup> Project awarded in August 2021. Bid savings from project was used as a source for an above-threshold reprogramming action in May 2023.

Project Description: This project constructs humidity-controlled warehouses, general purpose warehouses, and a refueling vehicle maintenance shop to accommodate airfield infrastructure Deployable Airbase Systems (DABS) / Facilities, Equipment and Vehicles (FEV) Storage Complex. Supporting facilities include parking, fueling station and tanks, testing facilities, central wash facility, security fencing and entry control building, and site utilities.

Justification: The cost increase is due to changed site conditions resulting from host nation decisions impacting the provision of electrical power for the project. The Government of Romania was initially to provide commercial power to the project site in advance of building commissioning with the connection point at the project site boundary. Both the timing and location have now changed, requiring the contractor to provide temporary power for commissioning and through the initial period of occupancy, and to construct a duct bank to the new connection point at the installation perimeter.

A 10 U.S.C. §2853 cost variation notification dated April 25, 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>
Unspecified Minor Military Construction	2021	85,000	N/A	11,200
Planning & Design	2021	271,356	N/A	3,161
Total:				14,361



Requested Date of Congressional Action: December 6, 2024

Military Construction, Air Force

Reprogramming Request

Installation: Tinker Air Force Base, Oklahoma

Project: KC-46A 3-Bay Depot Maintenance Hangar

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

Estimated Cost (\$000):

Previously Appropriated	212,000
Previously Reprogrammed	0
Requested Reprogramming	45,085
Total Estimated Cost	257,085

Project Description: This project constructs a high-bay depot maintenance hangar for KC-46A Pegasus aircraft consisting of three hangar docks, metal shop, kitting facility, tool room, and offices. The project includes aircraft pavements, hydrant refueling, vehicle parking, supporting utilities, and relocation of a Bureau of Reclamation water line on the site.

Justification: The cost increase is primarily due to labor and material cost increases. Prime contractors are showing limited interest due to competition for subcontractors and specialized labor with other large non-government work in the Oklahoma City and Dallas/Fort Worth region. This results in hiring workers from outside the region at premium rates. The higher construction demand also enables contractors to place higher bids with larger profit margins due to reduced competition. Additionally, construction material increases for concrete products, asphalt, coatings, roofing, and construction sand are prevalent, and supply chain challenges continue for transformers and electrical and mechanical equipment.

A 10 U.S.C. §2853 cancellation notification dated September 20, 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>
Tinker AFB, KC-46 Corrosion Control Hangar	2023	114,000	0 <sup>1/</sup>	45,085
Total:				45,085

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated August 14, 2024, was submitted to the congressional committees.

Requested Date of Congressional Action: December 6, 2024

Military Construction, Air Force

Reprogramming Request

Installation: Tinker Air Force Base, Oklahoma

Project: KC-46A 2-Bay Program Depot Maintenance Hangar

Authorization: James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2023, Public Law 117-263

Estimated Cost (\$000):

Previously Appropriated	90,000
Previously Reprogrammed	0
Requested Reprogramming	38,628
Total Estimated Cost	128,628

Project Description: This project constructs a high-bay depot maintenance hangar for KC-46A Pegasus aircraft consisting of two hangar docks, associated back shop, administrative and facility support spaces, and three engine runup pads.

Justification: The cost increase is primarily due to labor and material cost increases. Prime contractors are showing limited interest due to competition for subcontractors and specialized labor with other large non-government work in the Oklahoma City and Dallas/Fort Worth region. This results in hiring workers from outside the region at premium rates. The higher construction demand also enables contractors to place higher bids with larger profit margins due to reduced competition. Additionally, construction material increases for concrete products, asphalt, coatings, roofing, and construction sand are prevalent, and supply chain challenges continue for transformers and electrical and mechanical equipment.

A 10 U.S.C. §2853 cost variation notification dated September 20, 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>
Tinker AFB, KC-46A 1-Bay Depot Corrosion Control Hangar	2023	114,000	0 <sup>1/</sup>	38,628
Total:				38,628

<sup>1/</sup> A 10 U.S.C. §2853 cancellation notification dated August 14, 2024, was submitted to the congressional committees.

Requested Date of Congressional Action: November 30, 2024

Military Construction, Air National Guard

Reprogramming Request

Installation: Cheyenne Municipal Airport, Wyoming  
Project: Combined Vehicle Maintenance and Aircraft Support Equipment Complex  
Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022,  
Public Law (P.L.) 117-81

Estimated Cost (\$000):

Previously Appropriated	14,452 <sup>1/</sup>
Previously Reprogrammed	0
Requested Reprogramming	7,048
Total Estimated Cost	21,500

<sup>1/</sup> FY 2022 Original Appropriation \$13.4 million. FY 2022 Section 138 Spend Plan Appropriation \$1.052 million.

Project Description: This project constructs a 30,300 square-foot complex for maintenance of vehicles and aircraft support equipment for eight C-130H aircraft. The facility includes administrative areas, maintenance rooms, high-bay maintenance areas, a wash bay, refueler maintenance shop, aircraft ground equipment shops, and covered storage facilities for vehicles.

Justification: The project cost increase resulted from several factors. The project schedule was delayed while finding a more suitable alternative site due to poor soil conditions and completing a re-design effort to simplify a complex hybrid facility configuration and adapt it to the new site. This delay occurred during a period of high construction price escalation caused by general inflation, supply chain disruption, and shortages of material and labor. Furthermore, soil conditions at the new site—although improved—nonetheless required a more robust and costly foundation than initially planned.

A 10 U.S.C. §2853 Cost Variation notification dated July 8, 2024, 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>
Montgomery Regional Airport (ANGB), AL F-35 Simulator,	2021	11,600 <sup>1/</sup>	10,197	1,403
Montgomery Regional Airport (ANGB), AL Base Supply Complex	2021	12,000 <sup>2/</sup>	10,597	1,403
Truax Field (ANGB), WI Medical Readiness Facility	2022	14,237 <sup>3/</sup>	11,300	442
Jacksonville IAP, FL F-35: Construct Flight Simulator	2023	28,200 <sup>4/</sup>	23,857	3,800
<b>Total:</b>				<b>7,048</b>

<sup>1/</sup> The project was appropriated via Division J of FY21 appropriations. The project was awarded at a lower cost than funds appropriated. Bid savings from this project will be used to fund this reprogramming.

<sup>2/</sup> The project was appropriated via Section 124 spend plan memo of FY21 appropriations. The project was awarded at a lower cost than funds appropriated. Bid savings from this project will be used to fund this reprogramming.

<sup>3/</sup> The project was appropriated via \$13,200K in Division J and \$1,037K from Section 138 spend plan memo of FY22 appropriations. The project was awarded at a lower cost than funds appropriated. Bid savings from this project will be used to fund this reprogramming.

<sup>4/</sup> The project was appropriated via \$22,200K in Division J and \$6,000K from Section 131 spend plan memo of FY23 appropriations. The project was awarded at a lower cost than funds appropriated. Bid savings from this project will be used to fund this reprogramming.