

April 26, 2022

The Honorable Patrick Leahy
Chair
Senate Committee on Appropriations
S-128 The Capitol
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Senate Committee on Appropriations
SR 304 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Leahy and Ranking Member Shelby,

On behalf of the undersigned construction industry trade and professional organizations representing tens of thousands of firms and individuals engaged in architecture, engineering, surveying and mapping, prime contracting, subcontracting, specialty trade contracting, construction and program management and surety bond production, we are requesting the committee's consideration of raising the reprogramming threshold with respect to military construction.

Specifically, our concerns lie with the limits on appropriated funds permitted to be reprogrammed for Military Construction (MILCON) and family housing projects, causing a serious disruption, at a time when materials and labor costs are rising, somewhat volatile in some materials, thereby making cost estimates increasingly challenging to accurately forecast, and thus putting projects at risk. Currently, the reprogramming limit for MILCON projects is the lesser of 25 percent of the project funded amount or \$2 million, and this has remained unchanged since 1982. This limit is in contrast with the threshold for variations in authorized project costs¹ which is currently 25 percent of the appropriated amount or \$12 million, whichever is less. This was last updated in 2018.

We believe it is important to provide the military services with an appropriate level of flexibility to proceed with construction contracts without disruption or delay, especially in our current inflationary environment. In addition to cost estimating challenges, it is not uncommon in the private or public sector to encounter unanticipated environmental issues during construction; thus, we also support the flexibility Congress has provided for paying for unanticipated environmental hazard remediation issues that may arise.

We appreciate the Committee's attention to this important matter, we request the Committee index the limit to the unspecified minor limit; thus, the Appropriations threshold will change each time the unspecified minor limit changes. As such, this essential revision aligns the thresholds for Appropriators and Authorizers and keeps necessary projects on schedule to meet the infrastructure needs of the warfighter.

Sincerely,

¹ 10 U.S.C. §2853

American Council of Engineering Companies
American Subcontractors Association
Associated General Contractors of America
Construction Management Association of America
Design-Build Institute of America
International Institute of Building Enclosure Consultants
National Association of Surety Bond Producers
National Electrical Contractors Association
National Society of Professional Surveyors
Sheet Metal and Air Conditioning Contractors National Association
The Surety & Fidelity Association of America

cc: The Honorable Martin Heinrich
Chair, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

The Honorable John Boozman
Ranking Member, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies