

**MONDAY MORNING GROUP OF WESTERN RIVERSIDE COUNTY
ANNUAL ADVOCACY TRIP – WASHINGTON, DC
APRIL 9 – 11, 2024**

**INCREASING MINOR MILITARY CONSTRUCTION AUTHORITY
FOR LABORATORY REVITALIZATION PROJECTS**

ISSUE: Naval Surface Warfare Center, Corona Division (NSWC Corona) is a federal Navy laboratory competing for Military Construction (MILCON) program resources to modernize and build new purpose-built spaces. The resources are critical to address aging buildings and support a significant increase in mission demand. The Deputy Assistant Secretary of the Navy for Research Development Test and Evaluation (DASN RDT&E) has championed the refinement of 10 U.S.C. 2805(d), authority for Unspecific Minor Construction (UMC), Laboratory Revitalization (LR) projects. That refinement aims to relieve RDT&E demands of the MILCON program by promoting an LR project threshold appropriate to solve RDT&E infrastructure risk across the Naval Research and Development Establishment (NR&DE).

In the 2023 National Defense Authorization Act (NDAA), Congress increased the LR threshold from \$6 million to \$9 million. While this increase is beneficial to enhancing infrastructure capability, increasing the threshold further to \$20 million will help enable NSWC Corona and other Department of Defense (DoD) laboratories to keep pace with inflation and cost escalation due to market conditions and technological advancements. While the LR threshold does allow for area cost factors, the area cost factor for facilities in the Southern California area is currently 1.11%, which does not meet the infrastructure authority needed to support NR&DE facilities in the region.

ACTION: Congressional direction is needed to appropriate an increase of the UMC threshold to a recommended \$20 million, with a minimum of \$15 million, and to make the LR authority under 10 USC 2805(d) permanent.

BACKGROUND: Title 10 Section 2805(d) U.S. Code provided authority for the Secretary of Defense to carry out a UMC project costing no more than \$6 million for projects to revitalize and recapitalize DoD laboratories. In the 2023 NDAA, Congress increased the UMC project threshold to \$9 million. This increase does allow NSWC Corona to pursue projects that were previously not feasible. NSWC appreciates the Congressional acknowledgement that the threshold needed an increase; however, increasing the threshold to a minimum of \$15 million allows the NR&DE laboratories to quickly repair or enhance facilities to meet emergent military requirements, support innovation, and enhance the speed of delivery of products for the warfighter. Technological advancements continue to outpace current MILCON programming cycles, impeding the RDT&E communities' ability to deliver rapid solutions for warfighter needs. Laboratories depend on the ability to replace or expand facilities and infrastructure quickly to meet critical mission requirements and support transformational initiatives required by the DoD.

NSWC Corona is a Navy Working Capital Funded (NWCF) activity and, in most instances, pays its own way based on sponsor demand for technical capabilities and services. No additional funds are being requested under this increased authorization, only the authority to exercise greater flexibility with existing funds. Increasing the threshold better positions NSWC Corona to realize its new footprint program that is less reliant on the constrained and operationally focused MILCON program. Funds for any construction project authorized by the LR program have already been appropriated with funds available through the Capital Investment Program, whose depreciation is budgeted as overhead funds by an NWCF organization. UMC projects deliver a return on investment of 2-5 years, with even lower overall operational costs through modernized infrastructure. Without the UMC threshold increase, NSWC Corona is unable to build necessary and purpose-designed facilities.