

UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON WASHINGTON, DC 20301-1100

AUG 2 1 2014

The Honorable Carl Levin Chairman Committee on Armed Services United States Senate Washington, DC 20510

Dear Mr. Chairman:

The purpose of this letter is to notify you of the Department's intent to transfer \$28.0 million under the Special Transfer Authority provided in section 8083 of the Department of Defense Appropriations Act, 2012, Public Law 112-74, Division A. Consistent with the law, the Department will not transfer the funds prior to 30 days following this notification and will ensure the transferred funds retain the same period of availability as when originally appropriated.

Funding is required to finance higher labor costs and increased material costs on the Landing Platform, Dock (LPD) program. Specifically, LPD 26 requires \$15.3 million and LPD 27 requires \$12.7 million to liquidate necessary ship cost increases resulting from market fluctuations and inflation. Details of the transfer can be found in the enclosure.

We are available to provide any additional information that you or your staff may require. A similar letter is being sent to the Chairmen and Ranking Members of the other congressional defense committees.

Sincerely,

Michael McCord

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Enclosure: As stated

cc:

The Honorable James M. Inhofe Ranking Member