UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Tim Johnson
Chairman, Subcommittee on Military Construction, and
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable Kay Bailey Hutchison
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

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

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable John McCain
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Chet Edwards
Chairman, Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable Zach Wamp
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Daniel K. Inouye
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. . It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable Thad Cochran
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable David R. Obey
Chairman, Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

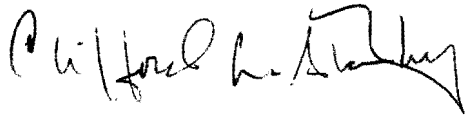
The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,



Clifford L. Stanley

cc:
The Honorable Jerry Lewis
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Evan Bayh
Chairman, Subcommittee on Readiness and Management Support
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable Richard Burr
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Ike Skelton
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

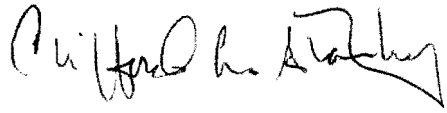
The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,



Clifford L. Stanley

cc:
The Honorable Howard P. "Buck" McKeon
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

JUL 19 2010

The Honorable Soloman P. Ortiz
Chairman, Subcommittee on Readiness
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In response to House Report 111-366, Consolidated Appropriations Act of 2010, Division E, Title I, (P.L. 111-117) this is the Department's cost-benefit analysis of the various site options for recapitalizing the Landstuhl Regional Medical Center (LRMC) in Germany. It includes a justification for the preferred site. The House Report directed the Department to submit a cost assessment for LRMC with the fiscal year (FY) 2011 budget request. We apologize for the budget request being late. It was not until the last week in May that the Department completed its response. We plan to provide briefings on the details of the analysis below to interested parties on the Hill.

LRMC is a 50-plus-year-old facility providing medical care supporting our enduring presence in Europe and adjacent theaters for both peacetime and contingency requirements. It provides an important U.S. strategic capability and is the first stop for intensive care for casualties from Iraq/Afghanistan. Last year, over 7,000 Wounded Warriors and 280,000 other patients received treatment at LRMC. The European theater hosts the largest community of U.S. military enrollees outside the continental United States, the majority of which (over 110,000) are concentrated in Germany. As such, LRMC supports the enduring medical requirements of this large number of military members and dependents stationed throughout Europe and adjacent theaters.

The original LRMC recapitalization plan addressed only 71 percent of the existing physical plant at an estimated cost of $749 million, projected to be undertaken over a 10-year period. Although a partial recapitalization plan would leverage existing facilities, it prevents a "clean sheet" redesign that allows us to fully incorporate evidence-based design into an optimum re-configuration. Further, construction on/adjacent to an in-service hospital would negatively impact operations. In addition, full recapitalization of LRMC offers an opportunity for consolidation with a planned outpatient clinic replacement at Ramstein Air Base. For these reasons, and because of the strategic value of LRMC's capabilities, the Department decided LRMC warranted 100 percent recapitalization.

The Department considered several locations for recapitalizing the LRMC. These included the current site, sites on Ramstein Air Base, and the "Weilerbach site" on Rhine Ordnance Barracks, which is immediately adjacent to Ramstein Air Base. After careful consideration, the Department identified Weilerbach as the preferred project site. I recently visited all three sites under consideration and I strongly endorse the Weilerbach location as the best option for optimizing the operational, patient care and cost-benefit aspects of this initiative. This location geographically supports consolidating LRMC and the Ramstein outpatient clinic in a single facility, significantly reduces transport time for Wounded Warriors arriving at Ramstein Air Base, and facilitates integration of related support facilities (such as a warrior transition unit complex) in a comprehensive medical campus design. The proximity of the Weilerbach site to the existing LRMC allows flexibility in realigning ancillary facilities, which could remain in place or be moved as operationally and economically dictated.

Evaluation criteria for potential sites included patient perspective, facility design/capability, construction considerations, anti-terrorism/force protection, and cost. Although leveraging existing assets by recapitalizing LRMC at the current location yields a marginal construction cost benefit ($1.1 billion vs $1.2 billion), the Weilerbach site rated higher in all other identified metrics. As outlined above, the opportunity to fully incorporate evidence-based design in a consolidated facility at an unfettered construction site offered significant benefits compared to the restraints of retrofitting existing structures at the current location while maintaining ongoing patient services.

The Department is grateful to Congress for its support and interest in the transformational efforts we are undertaking to provide medical care. LRMC is a critical strategic asset supporting Wounded Warriors, Service members, and beneficiaries across Europe and from adjacent theaters. Recapitalizing this facility at the best location to serve Service member and family needs is one of the Department's top priorities. If necessary, my staff stands ready to provide additional information at your convenience.

Sincerely,

Clifford L. Stanley

cc:
The Honorable Randy J. Forbes
Ranking Member