









PERSONNEL AND  
READINESS

**UNDER SECRETARY OF DEFENSE**

4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

**MAY 19 2020**

The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

Dear Senator Reed:

The enclosed report is in response to House Report 116-63, page 19, accompanying H.R. 2745, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2020, requesting information on German energy law changes and the status of the Rhine Ordnance Barracks Medical Center (ROBMC) replacement project.

The ROBMC project is vital to the readiness of military and medical forces throughout Europe and the world. The ROBMC energy plan is designed to ensure a diverse and resilient energy supply for the ROBMC. This final report includes an updated DD Form 1391, the current Work in Progress Curve, and the total amount of funding for the utility plant within the military construction project.

Thank you for your continued support of the health and well-being of our Service members, veterans, and their families. I am sending identical letters to the other congressional defense committees.

Sincerely,

//SIGNED//

Matthew P. Donovan

US Under Secretary of Defense for P&R

Enclosure:  
As stated



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WASHINGTON, D.C. 20301-4000

**MAY 19 2020**

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

Dear Mr. Chairman:

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**MAY 19 2020**

The Honorable William M. "Mac" Thornberry  
Ranking Member  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Thornberry:

The enclosed report is in response to House Report 116-63, page 19, accompanying H.R. 2745, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2020, requesting information on German energy law changes and the status of the Rhine Ordnance Barracks Medical Center (ROBMC) replacement project.

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**MAY 19 2020**

The Honorable Debbie Wasserman Schultz  
Chairwoman  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Madam Chairwoman:

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4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000

**MAY 19 2020**

The Honorable John Carter  
Ranking Member  
Subcommittee on Military Construction,  
Veterans Affairs, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Carter:

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Matthew P. Donovan

US Under Secretary of Defense for P&R

Enclosure:  
As stated



# Report to Congressional Defense Committees



## The Rhine Ordnance Barracks Energy Plan

**In Response To:** House Report 116-63, page 19, accompanying H.R. 2745,  
the Military Construction, Veterans Affairs, and Related Agencies  
Appropriations Act, 2020

The estimated cost of this report or study for the Department of Defense is approximately \$29,000 in Fiscal Years 2019 - 2020. This includes \$16,000 in expenses and \$13,000 in DoD labor.

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## **The Rhine Ordnance Barracks Medical Center Energy Plan**

### **EXECUTIVE SUMMARY**

This report is in response to House Report 116-63, page 19, accompanying H.R. 2745, the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2020, requesting information on the specific changes in German energy law that affected the energy study; what U.S. sources of energy the new German energy laws incorporate; what U.S. sources are no longer able to be used in Germany; what effect the changes in law have on other Military Construction (MILCON) projects, construction costs, and current utilities contracts in the region; and what effect this delay may have on other aspects of the Rhine Ordnance Barracks Medical Center (ROBMC); and responds to requests for an updated 1391 to include a Work In Progress (WIP) curve, the total amount of funding for the utility plant that is within the MILCON program, and a list of other of appropriations, if any, that are being used for utility costs.

### **BACKGROUND**

The Defense Health Agency (DHA) is responsible for the facility life-cycle management of military medical treatment facilities worldwide, to preserve ready and resilient facilities that sustain military medicine's mission assurance of world-class health care for America's warfighters and their families. These facilities include medical centers, hospitals, ambulatory care centers, medical training facilities, medical research facilities, and veterinary facilities in the Military Health System.

DHA is the proponent for a medical center replacement project in Germany, known as the ROBMC, which is an incrementally-funded project, authorized in fiscal year (FY) 2013 at \$990M million. As a result of foreign currency fluctuations, the project was authorized at \$1.013B in FY 2018. This MILCON project requires funding of the utility plant at \$31.995M.

On January 1, 2016, a German energy law went into effect. The law includes an Energy Saving Ordinance, which tightens energy efficiency requirements for new construction. In addition, the German Renewable Energies Heat Act requires a percentage of the energy to be from renewable energy sources. These laws do not specify a requirement to use U.S. energy sources, nor do they preclude the use of U.S. energy sources.

Compliance with the changes in law is the responsibility of the acquisition or technical lines of authority for energy contracting and procurement for Europe. These responsibilities reside with the U.S. Army and U.S. Air Force. Each authority is pursuing the best course of action for the requirements within Europe for each military installation to ensure the security of energy generation, power production, and distribution while ensuring the sustainment of critical operations during an energy supply disruption.

Through the United States Army Corps of Engineers (USACE), the contracted architect-engineer firm performed energy calculations which revealed at 20 percent design that the ROBMC energy plant would not meet the more stringent new requirements. The ROBMC energy plant design was updated in 2017 to meet requirements of the new energy law. No further delays of the ROBMC resulting from German energy law are expected.

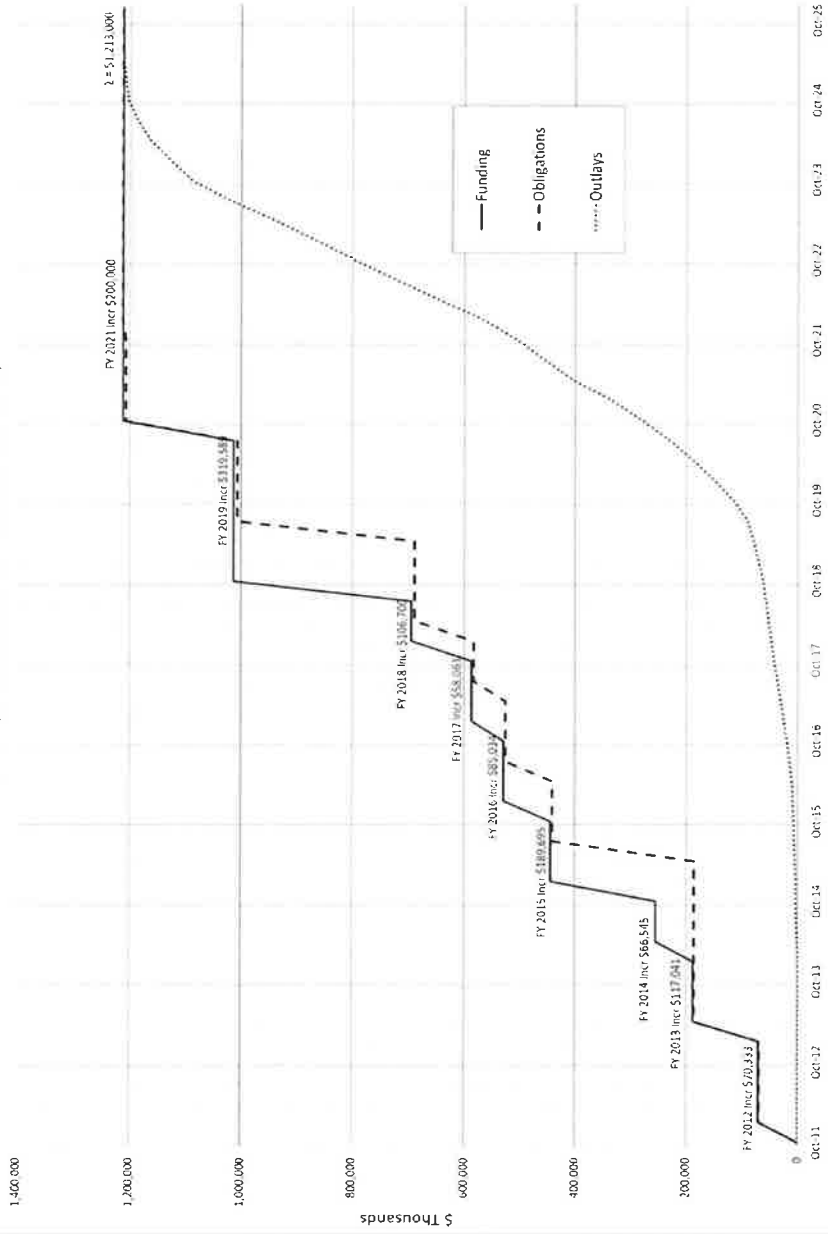
The selected design includes district heat, a combined heat and power unit (CHP), and chillers. This approach allows for a diversity of fuel sources for heat supply. The CHP will utilize natural gas. However, the large majority of heat will be provided by district heat, which is hot water generated off site by a utility provider and pumped to the ROBMC's main central utility plant. The district heat fuel source depends on two local energy providers utilizing fuel sources that include anthracite and bituminous coal, fuel oil, and natural gas. Electricity for ROBMC will be generated by two on-site sub-stations, both of which will be connected to the local/regional electricity grid.

The ROBMC MILCON project, authorized in FY 2013, includes 985,422 square feet of spaces, accommodating 68 beds, 9 operating rooms, and 120 exam rooms. It can serve 31,000 enrollees and 209,000 eligible beneficiaries across the U.S. European Command. The project sets the foundation for the next 70 years of military medical care in Europe, and is an enduring example of the Department's commitment to the European theater. The hospital is designed to meet both German and U.S. laws, as well as leadership in energy and environmental design requirements.

1. Component DEF (DHA)	FY 2021 MILITARY CONSTRUCTION PROJECT DATA			2. Date FEB 2020
3. Installation and Location: Rhine Ordnance Barracks, Germany		4. Project Title: Medical Center Replacement, Increment 9		
5. Program Element 87717DHA	6. Category Code 51010	7. Project Number 95984	8. Project Cost (\$000) 200,000	
<p><u>CURRENT SITUATION (Continued):</u>  training, and the dental clinic are located in buildings external to the medical center. The multiple "finger" buildings and central circulation corridor are more than 50 years old. The current layout is inefficient, covers almost 3.5 miles of corridors and hallways, and is not capable of supporting modern medical practices. The current conditions pose concerns for patient and staff safety related to lack of single patient rooms, undersized operating rooms, infection control, patient privacy, and excessive travel distances between clinical activities. The buildings have significant deficiencies related to building systems, building integrity and code compliance.</p> <p>Building infrastructure (electrical, mechanical, and communication) has exceeded ranges of useful life and is costly to sustain, restore, and modernize given the spans of distribution systems along the central spine. The floors in many of the cantonment buildings are failing.</p> <p>The 86th Medical Group is in multiple aging facilities, some of which are modular structures. Serious life safety criteria and code deficiencies exist in these 50+ year old structures. Combustible construction, to include bamboo plaster substrate is located throughout the main clinic structure and the clinic does not have sprinklers. The permanent facilities have numerous load bearing walls, making renovation of the space unfeasible. The limited floor to floor height prohibits normal heating, ventilating and conditioning systems (HVAC) required to meet DoD criteria. The MDG campus is located in a congested area of Ramstein AB and does not come close to meeting the force protection requirements for setbacks from parking and roadways. There is inadequate space to add to and renovate the existing structures to provide a consolidated location for medical care.</p> <p><u>IMPACT IF NOT PROVIDED:</u>  Healthcare for warriors and their family members will be provided in inefficient, dysfunctional cantonment facilities that have exceeded their useful life and are currently in very poor condition. Accordingly, health care for the enrolled beneficiaries, the other beneficiaries in Europe and the deployed warriors in the EUCOM, CENTCOM and AFRICOM Areas of Responsibility will continue in an inadequate environment. Life support systems will be compromised; fire and life safety standards will only be met on the margins; and patient flow will continue to be dysfunctional. Failure to invest in this project will perpetuate a host of problems that put at risk the safety of both patients and staff, including: the shored-up cantonment buildings, presenting a real and increasing possibility of a catastrophic facility-related failure.</p> <p><u>JOINT USE CERTIFICATION:</u>  The Director, Defense Health Agency, Facilities Division has reviewed this project for joint use potential. Joint use construction is recommended.</p>				
12. Supplemental Data:				
A. Estimated Execution Data				
(1) Acquisition Strategy:		Design Bid Build (Host Nation)		
(2) Design Data:				
(a) Design Start Date:		NOV/2010		
(b) Percent of Design Completed as of JAN 2020 (BY-1):		50%		
(c) Design Complete:		JUN/2020		
(d) Total Design Cost:		140,625		
(e) Energy Study and/or Life Cycle Analysis performed:		Yes		
(f) Standard or definitive design used:		No		

1. Component DEF (DHA)		FY 2021 MILITARY CONSTRUCTION PROJECT DATA		2. Date FEB 2020	
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5. Program Element 87717DHA		6. Category Code 51010	7. Project Number 95984	8. Project Cost (\$000) 200,000	
Supplemental Data (Continued):					
(3) Construction Data:					
(a) Construction Award:				MAR/2012	
(b) Construction Start:				DEC/2013	
(c) Construction Complete:				DEC/2025	
(4) Facility Condition Index:				74	
B. Equipment associated with this project which will be provided from other appropriations:					
Equipment <u>Nomenclature</u>		Procuring <u>Appropriation</u>	Fiscal Year <u>Appropriated Or Requested</u>	Cost <u>(\$000)</u>	
Expense		OM	2018	2,500	
Expense		OM	2019	2,500	
Expense		OM	2020	42,500	
Expense		OM	2021	2,500	
Expense		OM	2022	27,500	
Investment		OP	2022	10,000	
Expense		OM	2023	42,500	
Investment		OP	2023	22,229	
Expense		OM	2024	20,524	
Investment		OP	2024	5,000	
C. FUNDING PROFILE:					
Authorizations					
2013			\$990,000,000		
2018 Notification of Cost Adjustment			\$ 23,000,000		
Cost Variation February 2020			<u>\$200,000,000</u>		
Total			\$1,213,000,000		
Appropriations					
2012			\$ 70,333,000		
2013			\$117,041,000		
2014			\$ 66,545,000		
2015			\$189,695,000		
2016			\$ 85,034,000		
2017			\$ 58,063,000		
2018			\$106,700,000		
2019			\$319,589,000		
2021			<u>\$200,000,000</u>		
Total			\$1,213,000,000		
Chief, Design, Construction & Activation Office: Phone Number: 703-275-6077					

Medical Center Replacement, Rhine Ordnance Barracks, Germany



PROJECT SPENDING PLAN

PROJECT: Medical Center Replacement, Rhine Ordnance Barracks, Germany

All costs in thousands (\$000)

Month Year	FUNDING		OBLIGATIONS		OUTLAYS	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Oct-11	-	-	-	-	-	-
Jan-12	70,333	70,333	69,333	69,333	-	-
Apr-12	-	70,333	-	69,333	-	-
Jul-12	-	70,333	-	69,333	-	-
Oct-12	-	70,333	-	69,333	-	-
Jan-13	-	70,333	-	69,333	-	-
Apr-13	117,041	187,374	116,041	185,374	53	53
Jul-13	-	187,374	-	185,374	228	281
Oct-13	-	187,374	-	185,374	69	350
Jan-14	-	187,374	-	185,374	53	403
Apr-14	66,545	253,919	-	185,374	815	1,218
Jul-14	-	253,919	-	185,374	1,735	2,953
Oct-14	-	253,919	-	185,374	1,318	4,271
Jan-15	189,695	443,614	-	185,374	180	4,451
Apr-15	-	443,614	-	185,374	1,032	5,482
Jul-15	-	443,614	256,240	441,614	1,459	6,941
Oct-15	-	443,614	-	441,614	1,006	7,947
Jan-16	85,034	528,648	-	441,614	1,655	9,602
Apr-16	-	528,648	-	441,614	1,851	11,453
Jul-16	-	528,648	84,034	525,648	4,151	15,604
Oct-16	-	528,648	-	525,648	4,647	20,251
Jan-17	58,063	586,711	-	525,648	5,949	26,200
Apr-17	-	586,711	-	525,648	5,433	31,633
Jul-17	-	586,711	57,063	582,711	5,490	37,123
Oct-17	-	586,711	-	582,711	5,773	42,896
Jan-18	106,700	693,411	-	582,711	5,260	48,156
Apr-18	-	693,411	105,700	688,411	4,964	53,120
Jul-18	-	693,411	-	688,411	4,836	57,956
Oct-18	319,589	1,013,000	-	688,411	5,123	63,078
Jan-19	-	1,013,000	-	688,411	8,431	71,509
Apr-19	-	1,013,000	-	688,411	8,472	79,982
Jul-19	-	1,013,000	318,589	1,007,000	11,374	91,356
Oct-19	-	1,013,000	-	1,007,000	24,462	115,818
Jan-20	-	1,013,000	-	1,007,000	33,654	149,472
Apr-20	-	1,013,000	-	1,007,000	37,232	186,704
Jul-20	-	1,013,000	-	1,007,000	41,413	228,117
Oct-20	200,000	1,213,000	200,000	1,207,000	48,945	277,062
Jan-21	-	1,213,000	-	1,207,000	55,892	332,954
Apr-21	-	1,213,000	-	1,207,000	68,270	401,224
Jul-21	-	1,213,000	-	1,207,000	52,563	453,787
Oct-21	-	1,213,000	-	1,207,000	49,732	503,519
Jan-22	-	1,213,000	6,000	1,213,000	58,547	562,066
Apr-22	-	1,213,000	-	1,213,000	78,489	640,555
Jul-22	-	1,213,000	-	1,213,000	78,629	719,183

PROJECT SPENDING PLAN

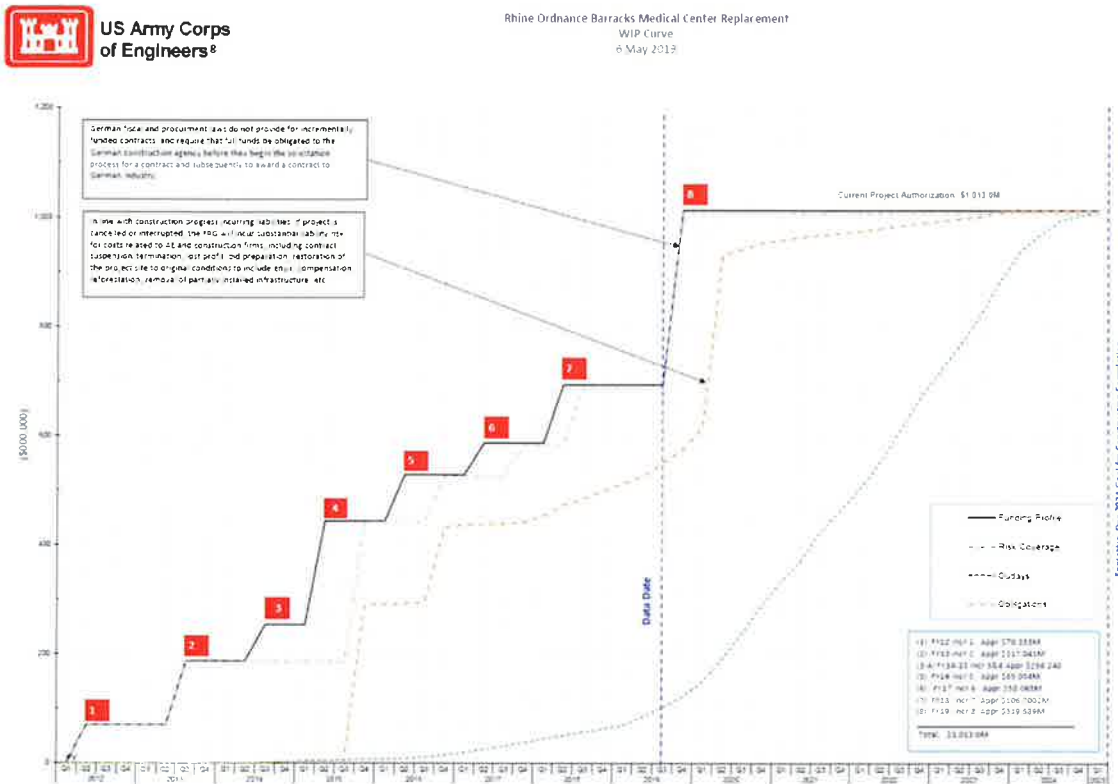
PROJECT: Medical Center Replacement, Rhine Ordnance Barracks, Germany

All costs in thousands (\$000)

Month Year	FUNDING		OBLIGATIONS		OUTLAYS	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Oct-22	-	1,213,000	-	1,213,000	74,499	793,682
Jan-23	-	1,213,000	-	1,213,000	70,231	863,914
Apr-23	-	1,213,000	-	1,213,000	73,650	937,563
Jul-23	-	1,213,000	-	1,213,000	81,563	1,019,127
Oct-23	-	1,213,000	-	1,213,000	69,516	1,088,643
Jan-24	-	1,213,000	-	1,213,000	40,077	1,128,720
Apr-24	-	1,213,000	-	1,213,000	35,865	1,164,584
Jul-24	-	1,213,000	-	1,213,000	22,684	1,187,268
Oct-24	-	1,213,000	-	1,213,000	16,484	1,203,753
Jan-25	-	1,213,000	-	1,213,000	4,158	1,207,910
Apr-25	-	1,213,000	-	1,213,000	4,158	1,212,068
Dec-25	-	1,213,000	-	1,213,000	932	1,213,000



The current WIP curve is below



A governance structure has been established to ensure accountability, timely decision-making, and issue resolution, including a Senior Executive Review Group, with senior representatives from DHA Facilities Enterprise, USACE, U.S. Army’s Health Facilities Planning Agency, and medical leadership.

During the facility life-cycle, ROBMC’s utility costs will be paid through the Defense Health Plan appropriations in Budget Activity Group 7, supporting the costs of the contract negotiated with the German Government. The estimated costs of future utilities are not available. The Congressional inquiry also requested the total amount of funding from the original \$50.095M that had been obligated to the utility plant. There have been no funds obligated at this time. However, with the most recent update the cost of the utility plant has been adjusted to \$40.847M (Δ -\$9.248M). The updated DD 1391 (above) displays this updated cost projection.

In April 2019, Members of Congress requested that the Department and USACE reconsider plans for the co-generation plant at ROBMC and requested a certification of ROBMC’s compliance with section 2811 of the John S. McCain National Defense Authorization Act for FY 2019, regarding the use of diverse energy sources. The Department provided that certification in a letter dated April 15, 2019, noting that energy sourcing for ROBMC is not solely natural gas. The energy plan includes two separate feeds, multi-sourced fuel for heating hot water, and the combined heat and power co-generation unit to increase energy resilience. The multi-sourced

fuel can presumably be accounted for upon intake into the delivery system however it is not possible to determine the source of the various fuels at the power generation site.

## **CONCLUSION**

The ROBMC project is vital to the readiness of military and medical forces throughout Europe and the world. The project designers and construction agents have selected a diverse energy plan for the medical center which does not solely rely on natural gas, or any other energy source, but does provide a stable, resilient energy supply to support health care in the European theater at all times.