

**Congress of the United States**  
**Washington, DC 20515**

December 7, 2021

The Honorable Denis McDonough  
Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Secretary McDonough:

We write to urge you to initiate an updated needs analysis and revised plan to properly align the number, size, and cost of the Veterans Health Administration (VHA) Regional Readiness Centers with the actual level of demand for their services. We appreciate the VHA team's explanation to our staffs of the rationale for reducing the originally projected space to a smaller, more manageable space closer to VHA's anticipated needs. We hope an updated analysis of VHA's projected needs will help reduce the overall square footage being used for Regional Readiness Centers. This initiative must increase the resiliency of VA's medical supply chain while making responsible use of taxpayer dollars.

The Regional Readiness Center concept, proposed during the early months of the COVID-19 pandemic to aid in the management and resupply of personal protective equipment across the VA enterprise, was a reasonable response to an uncertain situation shared by many private health care systems at the time. VA acted quickly to secure short-term agreements for geographically dispersed facilities, at one point numbering as many as nine. The consolidation into different storage facilities, which may not be permanent, costs VA additional resources while inventory is shifted from facility to facility as a more permanent plan is implemented.

Today, VA is operating two Regional Readiness Centers spanning four facilities: a West Coast Regional Readiness Center consisting of an approximately 100,000-square-foot warehouse in San Joaquin, California, and a Northeastern Regional Readiness Center consisting of an 863,000-square-foot warehouse in Chambersburg, Pennsylvania, a 100,000-square-foot warehouse in New Cumberland, Pennsylvania, and a 50,000-square-foot warehouse in Mechanicsburg, Pennsylvania. All four facilities are owned or contracted by the Defense Logistics Agency (DLA). The Chambersburg facility houses the vast majority of personal protective equipment. This amounts to approximately 25,000 pallets, which occupy a small fraction of the 863,000-square-foot warehouse. We understand the other three facilities only hold, collectively, a few thousand pallets and are minimally active. This leaves the Chambersburg warehouse to service essentially every VA medical center across the country, and it has been able to manage medical centers' limited order volume with a staff of approximately a dozen contractors.

reducing an original 65,000-pallet target for personal protective inventory, we want to ensure that VA's future needs are driven by operational requirements. The repeated delays the Regional Readiness Center initiative has experienced in reaching full operational capability (now expected in 2024) provide a valuable opportunity to further analyze the scope and operations of this undertaking.

We remain concerned that, if demand from VA medical centers for additional personal protective equipment does not increase, the Department risks wasting millions of dollars on unneeded warehouse space. We also would like to ensure that the program is storing the right mix of supply types that may be needed for future national emergencies and shortages.

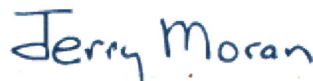
We respectfully request that you present our Committees with a revised plan evaluating whether to establish additional Regional Readiness Centers in light of these circumstances. Our main concern at the moment is the imbalance between available and used space at the Chambersburg facility. We emphasize that as it stands currently, we believe the Chambersburg facility is larger than the anticipated need and there is substantial unused space at the other three facilities. We would like to see, as part of your analysis, a plan to vacate large underutilized space and pause further expansion unless an articulated need is shown. We further request that you consider the feasibility of DLA's Warstopper program and other potential vendor-managed inventory solutions as a backstop to the Regional Readiness Center concept in your analysis. Finally, we request that you indicate how much VA has spent and has committed to spend should it move forward with plans for four permanent Regional Readiness Centers.

Please provide a response to the issues we raise by Friday, January 21, 2021. Thank you for your oversight of this initiative and for your commitment to transparency.


Sincerely,



Jon Tester  
Chairman  
Senate Committee on Veterans' Affairs



Jerry Moran  
Ranking Member  
Senate Committee on Veterans' Affairs



Mark Takano  
Chairman  
House Committee on Veterans' Affairs



Mike Bost  
Ranking Member  
House Committee on Veterans' Affairs