

plan and final criteria 1 and 2. Therefore, the Commission recommends the following: close Fort Indiantown Gap, except minimum essential ranges, facilities, and training areas as a Reserve Component training enclave to permit the conduct of individual and annual training. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Kelly Support Center, Pennsylvania

Category: Command, Control and Administration

Mission: Administrative and logistics support

One-time Cost: \$0.3 million

Savings: 1996-01: \$2.1 million

Annual: \$0.7 million

Return on Investment: 1998 (Immediate)

FINAL ACTION: Realign

Secretary of Defense Recommendation

Realign the Kelly Support Center by consolidating Army Reserve units onto three of its five parcels. Dispose of the remaining two parcels. Relocate the Army Reserve's leased maintenance activity in Valley Grove, WV, to the Kelly Support Center.

Secretary of Defense Justification

Kelly Support Center, a sub-installation of Fort Drum, NY, provides administrative and logistical support to Army Reserve units in western Pennsylvania. It comprises five separate parcels of property.

The Kelly Support Center is last in military value compared to other command and control/administrative support installations. Reserve usage is limited to monthly weekend drills. It possesses no permanent facilities or mobilization capability.

This proposal eliminates two parcels of property, approximately 232 acres and 500,000 square feet of semi-permanent structures, from the Army's inventory. Since there are no other feasible alternatives, the Army is retaining three small parcels for Army Reserve functions and Readiness Group Pittsburgh.

Relocating the Army's Reserve activity from Valley Grove Area Maintenance Support Activity, WV, to the Kelly Support Center consolidates it with its parent unit and saves \$28,000 per year in lease costs.

Community Concerns

Based on current staffing and reimbursable positions, the community contends the personnel savings are overstated. The community also argued the personnel savings appear questionable since the implementation plan indicates 70 percent of the current workforce would be retained to support the recently designated Reserve Support Command. Finally, the community believes no lease savings will be realized, because a new maintenance facility is being constructed in West Virginia for the Valley Grove unit.

Commission Findings

The Commission found the revised Army cost analysis keeps the area support mission at the Kelly Support Center with a majority of the existing workforce. In addition, the Secretary of Defense informed the Commission on June 14, 1995, it was no longer viable to relocate the Valley Grove maintenance activity to the Kelly Support Center because a new facility is being built for the unit in West Virginia.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from final criterion 2. Therefore, the Commission recommends the following: realign the Kelly Support Center by consolidating Army Reserve units onto three of its five parcels. Dispose of the remaining two parcels. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Letterkenny Army Depot, Pennsylvania

Category: Depots

Mission: Depot maintenance

One-time Cost: \$49.6 million

Savings: 1996-2001: \$226.5 million

Annual: \$76.0 million

Return on Investment: 1998 (Immediate)

FINAL ACTION: Realign

Secretary of Defense Recommendation

Realign Letterkenny Army Depot by transferring the towed and self-propelled combat vehicle mission to Anniston Army Depot. Retain an enclave for conventional ammunition storage and tactical missile disassembly and storage. Change the 1993 Commission's decision regarding the consolidating of tactical missile maintenance at Letterkenny by transferring missile guidance system workload to Tobyhanna Army Depot.

Secretary of Defense Justification

Letterkenny Army Depot is one of the Army's five maintenance depots and one of three ground vehicle maintenance depots. Over time, each of the ground maintenance depots has become increasingly specialized. Anniston performs heavy combat vehicle maintenance and repair. Red River performs similar work on infantry fighting vehicles. Letterkenny Army Depot is responsible for towed and self-propelled artillery as well as DoD tactical missile repair. Like a number of other Army depots, Letterkenny receives, stores, and ships all types of ammunition items. A review of long range operational requirements supports a reduction of Army depots, specifically the consolidation of ground combat workload at a single depot.

The ground maintenance capacity of the three depots currently exceeds programmed work requirements by the equivalent of one to two depots. The heavy combat vehicle mission from Anniston cannot be absorbed at Letterkenny without major construction and facility renovations. Available maintenance capacity at Anniston and Tobyhanna makes the realigning Letterkenny to the two depots the most logical in terms of military value and cost effectiveness. Closure of Letterkenny is supported by the Joint Cross-Service Group for Depot Maintenance.

The Army's recommendation to transfer missile workload to Tobyhanna Army Depot preserves Letterkenny's missile disassembly and storage mission. It capitalizes on Tobyhanna's electronics focus and retains DoD missile system repair at a single Army depot.

Community Concerns

The community was critical of DoD's proposal to change the 1993 Defense Base Closure and Realignment Commission's recommendation which consolidated DoD's tactical missile maintenance work at Letterkenny Army Depot. The community believes Letterkenny was recommended for realignment as a result of what they believed to be the Army's flawed military value analysis. The community argued the military value analysis inappropriately gave more weight to (1) depot capacity, which is based on the number of workstations, (2) the average age of depot buildings, and (3) hourly base operating costs. The community believes the military value should have placed more weight on a comparative analysis of

relative depot size, including expandable acres and building square footage. If the Army had done so, the community believes Letterkenny would not have been targeted for closure or realignment. The community further stated the Army's military value analysis did not consider current and future missions, including ongoing efforts to consolidate interservice tactical missile maintenance, and benefits gained from current and future public and private depot teaming arrangements. They suggested the public and private partnership arrangements should be continued to make more efficient use of available infrastructure. The community also voiced concerns about the Army's failure to consider above core workload in its initial COBRA estimates. Finally, the community argued the one-time cost to realign Letterkenny's workload to the Anniston and Tobyhanna Army Depots was significantly understated and the return on investment would exceed 90 years, compared to the DoD estimate which calculated an immediate return on investment.

Commission Findings

The Commission found the Army treated all of its depots equally. The Army's military value rating process was driven by the Army's desire to eliminate excess capacity within its depot infrastructure. Higher overhead expenses, coupled with a lower direct labor hour base, resulted in Letterkenny's lower military value rating. The Commission found Letterkenny's forecast future workload was not sufficient to maintain a cost efficient depot.

The Commission carefully examined the Army's one-time cost for realigning the Letterkenny Army Depot and found some uncertainties. The Commission found the Army failed to include in its COBRA analysis, construction costs of approximately \$5.7 million and personnel training costs of approximately \$10 million. These oversights would raise the one-time costs to approximately \$65 million, but do not change the projected annual savings. The estimated one-time costs support the transfer of 450 personnel to Tobyhanna Army Depot and 392 tenant personnel to Base X. In making its final decisions, the Commission considered these instances where costs could ultimately be other than what DoD has projected. The Commission adopted the DoD recommendation, and the DoD cost projections while recognizing the uncertainties associated with these costs.

The 1993 Commission assigned Letterkenny responsibility for the interservice repair and overhaul of DoD's tactical missiles and related support equipment. The Letterkenny personnel have made excellent progress in their efforts to implement the 1993 Commission's recommendation. The 1995 Commission notes that the *Report of the Commission on Roles and Missions of the Armed Forces* suggested the eventual privatization of depot maintenance activities. The consolidated tactical missile repair program is a likely candidate for future privatization. In response to community concerns about the Army's failure to consider above core tactical missile maintenance workload in its original COBRA analysis, the Army Materiel Command changed its assumptions to reflect retention of an additional 310 personnel to work in the enclaved tactical missile area of Letterkenny. The Commission suggests the Department of Defense explore options for transferring workload to the private sector, as appropriate.

The Commission found using Letterkenny facilities for Paladin weapon system upgrades was highly efficient and cost effective. The Commission further recognizes OSD policy generally dictates that future weapon system upgrades should be accomplished within the private sector. For this reason, the Commission finds the Department of Defense should make every effort to dispose of Letterkenny's combat vehicle shops as an intact, complete and useable facility that could be used by the private sector for future weapon system upgrades. This would afford the community a better opportunity of recovering from the economic effects that may occur following the realignment of the Letterkenny installation.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from final criteria 1, 2, 4, and 5. Therefore, the Commission recommends the following: realign Letterkenny Army Depot by transferring the towed and self-propelled combat vehicle mission to Anniston Army Depot, Alabama. Retain an enclave for conventional ammunition storage and tactical missile disassembly and storage. Change the 1993 Commission's decision regarding the consolidation of tactical missile maintenance at Letterkenny by transferring missile guidance system workload to Tobyhanna Army Depot, Pennsylvania or private sector commercial activities. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Fort Buchanan, Puerto Rico

Category: Command and Control

Mission: Coordinate and support mobilization of Reserve Component forces, and provide base operations and other support to government activities in Puerto Rico and the U.S. Virgin Islands

One-time Cost: \$7.0 million

Savings: 1996-2001: \$23.3 million

Annual: \$8.9 million

Return on Investment: 1999 (Immediate)

FINAL ACTION: Realign

Secretary of Defense Recommendation

Realign Fort Buchanan by reducing garrison management functions and disposing of family housing. Retain an enclave for the reserve components, Army and Air Force Exchange Service (AAFES) and the Antilles Consolidated School.

Secretary of Defense Justification

Fort Buchanan, a sub-installation of Fort McPherson, provides administrative, logistical and mobilization support to Army units and activities in Puerto Rico and the Caribbean region. Tenants include a U.S. Army Reserve headquarters, AAFES and a DoD-operated school complex. Although the post is managed by an active component garrison, it supports relatively few active component tenants. The family housing will close. The activities providing area support will relocate to Roosevelt Roads Navy Base and other sites. The Army intends to license buildings to the Army National Guard, that they currently occupy.

Community Concerns

The community believes Fort Buchanan's strategic and historic value were incorrectly assessed during the assessment/selection process. It is the last active Army presence in the Caribbean and soon to be the last in Latin America, a legacy dating back to 1898. The community maintains the manpower impact of the DoD recommendation is underestimated and that actual job losses will exceed 500 personnel. The community believes Army cost estimates understate closure costs and operating costs. Thus, savings from adoption of the DoD recommendation are inaccurate. The community contends Roosevelt Roads, while only 42 road miles from Fort Buchanan, is an unacceptable alternative for family housing. Travel between the two installations routinely takes up