

personnel relocations. The community agreed with the Army recommendation SIMA-E should remain in place at LEAD until DISA determined the best alternative for its future.

### **COMMISSION FINDINGS:**

The Commission found the Army treated all its depots equally. The Commission also found the Army's process for isolating and eliminating excess capacity was a consistent and prudent approach toward decreasing the excess capacity that existed in the Army's depot system.

The Commission carefully considered interservicing of tactical-missile maintenance and found the eight defense depots identified by the Department of Defense as interservicing candidates in the Tactical Missile Maintenance Consolidation Plan for Letterkenny Army Depot, 31 January 1992 (revised 30 April 1992) were performing similar work on tactical-missile guidance and control sections and in some instances related ground control systems. In addition to Letterkenny Army Depot, these eight included Anniston Army Depot, AL; Red River Army Depot, TX; Tobyhanna Army Depot, PA; Naval Weapons Station Seal Beach, CA; Naval Aviation Depot Alameda, CA; Naval Aviation Depot Norfolk, VA; and Ogden Air Logistics Center, Hill AFB, UT.

The Commission also found the workload originally planned for consolidation at Letterkenny had decreased. Some missile systems—the Shillelagh, Land Combat Support System, Chaparral, and the ANTSQ-73—were no longer considered viable candidates for transfer because they would soon be retired, and a substantial portion of the remaining work for potential transfer to Letterkenny was being performed by private contractors. Despite all of these interservicing efficiency-reducing factors, a recent study by the Army Audit Agency concluded the annual recurring savings to be realized from tactical-missile consolidation at Letterkenny would still be equivalent to savings achieved from the proposed Letterkenny realignment, if all missile maintenance workload, including that which is currently assigned to the private sector, transitions to Letterkenny.

While the Letterkenny facilities might possibly be under-utilized if the tactical-missile workload

was consolidated at the depot, retention of the current artillery workload could help alleviate the problem. Although not included with DOD's original consolidation plan, the transfer of Hawk ground control system maintenance from the Marine Corps Logistics Base, Barstow, could further reduce costs and improve Letterkenny facility utilization rates.

The Commission found the consolidation of tactical-missile maintenance at a single depot was a valid plan worthy of implementation in order to create efficiencies and reduce costs.

### **COMMISSION RECOMMENDATION**

The Commission finds the Secretary of Defense deviated substantially from final criteria 1 and 4. Therefore, the Commission rejects the Secretary's recommendation on Letterkenny Army Depot, PA, and instead, adopts the following recommendation: Letterkenny Army Depot will remain open. Consolidate tactical-missile maintenance at the depot as originally planned by the Department of Defense in the Tactical Missile Maintenance Consolidation Plan for Letterkenny Army Depot, 31 January 1992 (revised 30 April 1992). Add tactical-missile maintenance workload currently being accomplished by the Marine Corps Logistics Base Barstow, California, to the consolidation plan. Retain artillery workload at Letterkenny. Retain the Systems Integration Management Activity-East (SIMA-E) at Letterkenny Army Depot (change to the 1991 Commission recommendation) until the Defense Information Systems Agency completes its review of activities relocated under DMRD 918. Relocate Depot Systems Command to Rock Island Arsenal, IL, and consolidate with the Armament, Munitions, and Chemical Command into the Industrial Operations Command, as approved by the 1991 Commission. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

### **Tooele Army Depot, Utah**

Category: Depots  
 Mission: Depot Maintenance  
 One-time Cost: \$ 73.7 million  
 Savings: 1994-99: \$ 107.2 million  
     Annual: \$ 51.0 million  
 Payback: Immediate

**SECRETARY OF DEFENSE  
RECOMMENDATION**

Realign Tooele Army Depot (TEAD) by reducing it to a depot activity and placing it under the command and control of Red River Army Depot, TX. Retain conventional ammunition storage and the chemical-demilitarization mission. The depot workload will move to other depot-maintenance activities, including the private sector. The activities of the depot not associated with the remaining mission will be inactivated, transferred, or eliminated, as appropriate.

**SECRETARY OF DEFENSE JUSTIFICATION**

The decision to realign TEAD was driven by the results of the Chairman, Joint Chiefs of Staff triennial review of roles and missions in the Department of Defense. As part of this review, the Chairman chartered the Depot Maintenance Consolidation Study. The study identified a significant amount of excess depot capacity and duplication among the Services.

The Army has concluded the projected ground systems and equipment depot maintenance workload for fiscal year 1999 is not sufficient to maintain all of the ground systems and equipment depots.

In drawing the conclusion to downsize TEAD, the Army considered the following factors: relative military value of the depots, the future heavy force mix, reduced budget, workforce skills, excess capacity, ability of the depots to accommodate new workload levels, the proximity of the depots to the heavy forces in the U.S. and the resulting savings.

**COMMUNITY CONCERNS**

In October 1992, a nearly \$150 million "state-of-the-market" Consolidated Maintenance Facility (CMF), designed to accomplish the projected wheeled vehicle workload for all services, opened at Tooele Army Depot. The community claimed without the interservicing workload of wheeled vehicles and related secondary items, the CMF would lose the opportunity to operate as designed, and the government would lose its investment.

Further, the community maintained closing TEAD's maintenance facilities would send a message throughout the Department of Defense that investments in efficiencies go unrewarded and the least efficient facilities survive. Finally, the community stated realigning TEAD would produce severe economic impact on the surrounding community.

**COMMISSION FINDINGS**

The Commission found the Army treated all its depots equally. The Commission also found the Army's process for isolating and eliminating excess capacity was a consistent and prudent approach toward decreasing the excess capacity that existed in the Army's depot system.

The Commission carefully considered interservicing of tactical wheeled-vehicle maintenance; however, the Commission found transferring the wheeled-vehicle maintenance workload from all Services to TEAD's CMF was not sufficient to bring the capacity utilization of Tooele Army Depot to a cost-effective level. Future mission requirements would also not be sufficient to improve the utilization rate of the CMF to an acceptable level.

The Commission finds the Department of Defense should make every attempt to dispose of the CMF as an intact, complete, and usable facility such that the community has a better chance of recovering from the severe economic effects that may occur following the realignment of the installation.

**COMMISSION RECOMMENDATION**

The Commission finds the Secretary of Defense did not deviate substantially from the force-structure plan and final criteria. Therefore, the Commission recommends the following: realign Tooele Army Depot (TEAD) by reducing it to a depot activity and placing it under the command and control of Red River Army Depot, TX. Retain conventional ammunition storage and the chemical demilitarization mission. The depot workload will move to other depot maintenance activities, including the private sector. The activities of the depot not associated with the remaining mission will be inactivated, transferred or eliminated, as appropriate.