



July 8, 2005

The Honorable Anthony Principi
Chairman
2005 Base Realignment and Closure Commission
2521 South Clark Street
Suite 600
Arlington, Virginia 22202

Dear Chairman Principi:

Thank you for your service and the service of your fellow Commissioners to our country as demonstrated by your willingness to take on the vitally important BRAC task. Alabama is in a unique situation as we have installations which are both gaining and losing missions. These changes allow us to experience firsthand how emotionally-charged the process can be. Having been through the closing of Fort McClellan in 1995, we understand why communities, feeling fear and anger, fight closure by engaging in tactics that they otherwise would not.

Anniston Army Depot has taken the high road to date throughout this process as a gaining community. It is also a community that can truly empathize with those communities losing current missions since Anniston was the home of Ft. McClellan. However, we and our community feel that there is misleading information being dispensed regarding the Anniston Army Depot, and we want to set the record straight.

We recall Admiral Gehman's remarks at the Regional Hearing in Atlanta recently that information provided by local communities broadens the reach of the BRAC Commission by maximizing limited staff time and resources. We therefore offer the following response and clarification to statements made about Anniston Army Depot. Our desire is this concise rebuttal will quell any lingering questions the Commission may have, allowing the Commission to move forward to reduce excess infrastructure and capacity.

Again, having observed the work of the BRAC Commission in Atlanta, we applaud you and your fellow Commissioners on the deliberate and professional way you are approaching this important endeavor. The nation owes you a debt of gratitude.

Very truly yours,

Handwritten signature of Richard Shelby in black ink.

Richard Shelby
United States Senator

Handwritten signature of Jeff Sessions in black ink.

Jeff Sessions
United States Senator

Handwritten signature of Mike Rogers in black ink.

Mike Rogers
Member of Congress

ASSERTIONS MADE BY OTHERS

1. Red River Army Depot argues that the Army must retain all depots

- a.) They quote Secretary of the Army Francis Harvey with their reference as a May, 2005 *National Defense* article.

FACTS

- a.) The Secretary of the Army testified before the BRAC Commission.

MR. HARVEY: Let me address that, General Turner. We looked at our industrial base, which includes five depots and three arsenals. And determined that we had greatly excess capacity in that complex. And we looked at that analysis from both in terms of what we could surge to in the number of direct labor hours we need to generate across that complex in any given year.

In the last 50 years, the highest number of direct labor hours that have to be generated in these eight – these eight sites is 25 million direct labor hours. By closing Red River and then reconfiguring it into centers of excellence, and I'll get into that in a second, we have the ability to --still to surge to 50 million direct labor hours. So we can double the capacity with one less depot.

There is no change in Military Value. There is no substantial deviation.

b.) Dec. '04 DA told IJCSG not to close
RRAD

b.) This was simple a discussion point in the deliberative process, not a binding recommendation, occurring well before completion of data submission, scenario development and analysis.

There is no change in Military Value. There is no substantial deviation.

c.) Army analysis shows no excess capacity.

c.) A 2003 Governmental Accountability Office Study shows excess capacity (Summary follows)

Why GAO Did This Study

The Army's five maintenance depots produced work valued at \$1.5 billion in fiscal year 2002, with the remaining 49 percent of the Army's depot work performed by contractors. GAO was asked to assess (1) the trends in and the reliability of depot workload projections, (2) whether workloads are sufficient for efficient depot operations, initiatives are under way to improve efficiency, and additional workloads are possible; (3) whether the Army has identified depots' core capability and provided workload to support that capability; and (4) whether the Army has a long-range plan for a viable, efficient depot system.

What GAO Recommends

GAO makes two recommendations to improve the reliability of workload projections from Army and other service acquisition communities and from inter-service customers. GAO previously reported on the need for improving the process for identifying core capabilities and improving strategic and workforce planning. Without improvements in these areas, the future viability of Army depots is questionable. In commenting on a draft of this report, DOD concurred in part with our recommendations to improve workload projections for Army depots, but stated that needed actions involved more than the Army. GAO revised the two draft report recommendations to address the broader need of improving projections of inter-service work for all the services.

www.gao.gov/cgi-bin/gettrpt.pl?GAO-03-882

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-6412 or

What GAO Found

The work assigned to Army maintenance depots has declined by 36 percent, although the cost of the Army's total maintenance program has increased since fiscal year 1987. Except for fiscal year 2003, projections for future work in the depots through fiscal 2008 show further decline. Depot work also changed from predominately overhauling Army end items to the increased repair of components. In addition, work from non-Army customers has increased from 6 to 26 percent. Army component and recapitalization work is projected to be the majority of depot work in the future. Depot planners generally do not have reliable projections of work requirements for non-Army customers. Because of this and other factors, including changing conditions, future projections have limitations. Potential increases in depot work resulting from the Iraq war are not yet clear.

Various factors, including workload reductions and workload performance issues, have resulted in efficiency and productivity problems in Army depots. Such initiatives as facility and equipment rightsizing, depot maintenance partnerships, and "lean manufacturing" have been implemented. Trends in two metrics—capacity utilization and employee productivity—show that, while more needs to be done, efficiency and productivity improvements have been made. Additional workloads, particularly for new and upgraded systems, are essential for future depot viability. However, in the past most new work has gone to private contractors. Some new-systems work is being explored for depots, and depot managers believe that partnering with the private sector may be the best chance for getting such work.

The Army has not identified its depots' core capability requirements using a revised DOD methodology meant to overcome weaknesses in the core process. At the same time, it is unclear whether the revised methodology, which is undergoing further changes, will correct weaknesses in the core process. Moreover, no one in the Army assesses the extent to which depot work compares with identified core capability requirements. Depot managers are concerned about the loss of work and the failure to obtain work necessary to support core capabilities.

The Army does not have a comprehensive and current strategic plan for the depots and has not implemented the limited plan it developed. GAO concluded in a 1998 report that the Army had inadequate long-range plans for its depots and that such planning is essential if significant progress is to be made in addressing the complex, systemic problems facing the depots. Despite the time that has passed, the same issues remain. DOD has not implemented a comprehensive and current plan for resolving continuing issues about (1) reduced workloads being assigned to Army maintenance depots and (2) deficiencies in the process of quantifying both core depot maintenance capabilities and the workload needed to ensure cost efficiency and technical competence and to preserve surge capability. Without such a plan, the long-term viability of Army depots is uncertain.

Results in Brief

Work performed in Army depots declined by 36 percent from fiscal year 1987 through fiscal year 2002, while the total depot maintenance program grew. With the exception of fiscal year 2003—which has seen increased work, some of which is resulting from the Iraq conflict—future workload projections indicate further decline in the work to be performed in military depots, but the full impact of the Iraq conflict on future depot workload is not yet known. Although future workload projections are important tools for managing depot operations, they have limitations because some inputs are not reliable and because operational and budget conditions change. However, opportunities exist for improving future estimates.

A number of factors, including the decline in workload performed in Army depots and changes in the type of work, have led to inefficient operations. Initiatives have been implemented to improve depot efficiency and productivity, and trends in two metrics—capacity utilization and employee productivity—show that improvements have been made. Additional workloads could play a key role in further improving the cost-effectiveness of the Army depots, but other issues must also be addressed. Nonetheless, without new work, the depots cannot continue to be viable. While some new work is being explored, little work for new or upgraded systems is going to the depots.

Table 1: Army Depot Workload, Workload Value, and Civilian Employees in Fiscal Year 2002

Depot	Principal work	FY 2002 workload ^a	value of number of FY 2002 depot civilian employees
Arizona Army Depot, Arizton, Arizona	This depot performs maintenance on heavy- and light-tracked combat vehicles and components and is the designated center of technical excellence for the M1 Abrams tank.	2.5	\$421.6
Corpus Christi Army Depot, Corpus Christi, Texas	As the Army's only aviation facility, the depot overhauls and repairs OD rotary wing aircraft and components, such as the AH-64 Apache, OH-47 Chinook, and UH-50 Blackhawk.	2.9	\$500.2
Latterkenney Army Depot, Charlestown, Pennsylvania	This depot provides repair and overhaul support for air defense and tactical missiles such as the Patriot, Hawk, Avenger, Multiple Launch Rocket System, and Sidewinder.	0.9	\$108.0
Red River Army Depot, Texas	For combat and tactical systems, the depot supports systems such as the Bradley Fighting Vehicle, Multiple Launch Rocket System, and vehicles for the Patriot and Hawk missiles.	1.2	\$236.7
Tobytanna Army Depot, Tobyhanna, Pennsylvania	From handheld radios to satellite communication, the depot provides repair or overhaul support for hundreds of communications and electronic systems.	2.6	\$251.3
			2,297

Source: U.S. Army (data); GAO (presentation).

^a Maintenance mission direct labor hours not including overtime.
^b Hours in millions.
^c Value of the workload executed for all customers, or total revenue.
^d Dollars in millions.

There is no change in Military Value. There is no substantial deviation

c-1) Testimony from BRAC hearing gives further support: MR. HARVEY: Let me address that, General Turner. We looked at our industrial base, which includes five depots and three arsenals. And

determined that we had greatly excess capacity in that complex. And we looked at that analysis from both in terms of what we could surge to in the number of direct labor hours we need to generate across that complex in any given year.

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There is no change in Military Value. There is no substantial deviation.

2. Red River maintains that the IJCSG “created” excess capacity through calculations.

a.) “They” (IJCSG) use 1.5 shifts as opposed to a single-shift basis for calculation of capacity.

a.) GAO analysis acknowledges that ANAD can accommodate workload under a one-shift basis. (Copy p. 89)

Potential Transformation
Opportunity for Depot
Maintenance

As discussed in appendix VIII, the Industrial Joint Cross-Service Group, when developing its maintenance proposals, completed its depot workload analysis on the basis of one and a half shifts per workday (60 hour workweek) rather than the one shift per day (40 hour workweek) under the current system, thus increasing available capacity and allowing it to consider depot closures. Industrial group officials told us that use of more than one shift, which is a common private industrial better business practice, would enhance transformational opportunities in that it would provide for more efficient use of facilities and equipment. Industrial group officials stated that the expanded shift concept, although transformational, was only a "sizing or planning tool" to examine ways to increase depot capacity and that it would be left up to each depot to decide whether or not to employ the expanded shift concept. In other words, it was a way to see if a depot could accommodate the incoming transfer of additional workload. We were also told that no policy changes were envisioned to actually implement the expanded shift concept. Available information indicates that the closure recommendation may not be implemented based on the concept of a one and a half shift operation at the Anniston Army Depot, which is to receive the combat vehicle workload from Red River. In our visit to Anniston Army Depot, officials told us that, with additional construction to increase capacity as provided for in the supporting documentation for the recommendation, they would be able to accommodate this additional workload without much difficulty and without working under the expanded shift concept. Industrial group officials acknowledged that, while some one and a half shift operations may be implemented at other activities, only a one shift operation was envisioned at Anniston, given the uncertainty associated with future requirements and the need to minimize risk by providing for additional capacity if a contingency arises. As such, it appears that there is essentially

There is no change in Military Value. There is no substantial deviation.

3. Red River alleges that the DoD recommendation ignored Military Value for the following reasons:

a.) RRAD has collocated vehicle storage and maintenance services.

a.) So does Anniston.

There is no change in Military Value. There is no substantial deviation.

b.) Vehicles from Anniston will be sent to Oklahoma for storage.

b.) There is no documentation indicating a policy change to store vehicles at a place other than where maintenance is performed.

There is no change in Military Value. There is no substantial Deviation..

4. RRAD notes that DoD rated it higher than military value in fleet and field support.

- a.) Anniston Army Depot ranked highest Depot in Total Military Value – the only Depot in upper 25 percentile.
There is no change in Military Value. There is no substantial Deviation.
- b.) Anniston continues to demonstrate its support for the Warfighter and its commitment to the combatant commanders.
There is no change in Military Value. There is no substantial Deviation.
- c.) Anniston is organized for deployment.
There is no change in Military Value. There is no substantial Deviation.
- d.) Anniston's Depot Commander is currently in Afghanistan and civilian volunteers are deployed.
There is no change in Military Value. There is no substantial Deviation.

AMSTA-AN-BR

6 July 2005

Memorandum for Record

Subject: Depot Level Field Support

In addition to depot maintenance operations on the installation, Anniston Army Depot (ANAD) has an organization in place specifically designated for deployment support missions to anywhere in the world at any time. Each employee in this organization has a current passport and can deploy on short notice.

In support of Operation Desert Shield/Storm 476 ANAD employees were deployed to support the war efforts in SWA, which accounted for 36 percent of all civilians deployed. ANAD employees in country performed ninety percent of all combat vehicle maintenance missions. ANAD employees formed "mini depots" in country to perform M1A1 Modifications on Armor packages, optical improvements, survivability improvements, and CARC painting of equipment. 1243 total vehicles were serviced. Support also included inter-service support. ANAD employees installed appliqué armor on 75 USMC M60A1 tanks. Forward support included DESCOMUSA support group, maintenance and supply, and field support of armored vehicles and new production hand-off of M1A1 tanks for the USMC.

At the conclusion of Desert Storm, the heavy-tracked combat vehicle fleet in SWA was evaluated to determine the degree of repair necessary ensuring uncompromised readiness. Listed below is a recap of quantities and series of vehicles work loaded at ANAD. Reconstitution as of June 95:

SERIES	QUANTITY
IPMI	236
M1A1	365
M1	300
M728 CEV	46
M88A1	371
AVLB	70
Total Vehicles	1,388

Anniston Army Depot has deployed in excess of 250 employees in support of Operation Iraqi Freedom and Operation Enduring Freedom and another 100 employees to various locations around the globe since January 2003.

ANAD's first mission was to deploy two employees to Camp Arifjan, Kuwait, to establish a Forward Repair Activity (FRA). These employees were tasked with establishing all logistical requirements including lodging, housing, clothing, etc. for ANAD employees. We deployed approximately 20 additional employees two weeks later to begin transformation of an empty warehouse into a Rebuild Facility. Within 45 days of arrival in country, we were making repairs to secondary items. Four employees were deployed to the Netherlands Feb 03 for a period of 30 days to support M1A1 mission requirements. Three employees were also deployed to Germany to inspect 45 M1A1 Vehicles prior to vehicles being turned in. We have maintained a cadre of approximately 22 employees since being at Camp Arifjan. These individuals also possess the skills necessary to make needed repairs on combat vehicles such as the M1A1, M88A1, M9 Armored Combat Earthmover (ACE), M60 AVLB (Armored Vehicle Launched Bridge), and M113 Family of Vehicles. Missions in Kuwait have ranged from Add-on-Armor, repair of 1790 engines, repair of other secondary items, and the inspection/categorization of assets to determine disposition.

Anniston deployed 10 employees to Camp Anaconda, Balad, Iraq, to staff the HMMWV Service Center for approximately 18 months. These employees performed numerous services in support of our soldiers in country. These included repairs of tires, application of Add-on Armor, changing oil in vehicles, changing transmissions, repairing brakes, etc.

During the past two years, Anniston Army Depot has deployed in excess of 350 employees to posts, camps, and stations in 34 states and 7 different countries. Our employees have been involved with supporting our war fighters in many different missions. Some of these include: Inspection/Repair of AVLB's; Inspection of M1A1's; Repair of Reverse Osmosis Water Purification Unit (ROWPU); Welding of Tracked Vehicles; Towed Artillery Repair; and Inspection/Repair of Small Arms. Our employees continue to support any mission requiring our support. We have the capability and have demonstrated our commitment to our Warfighters by deploying employees to posts, camps, and stations, within hours when necessary.

o/s/b

Phillip Dean
Installation Administrator
Transformation (BRAC) Office
Anniston Army Depot

5. RRAD claims that it is the only site with a maintenance, ammunition, and distribution mission.

a.) Anniston has all three of those missions as well as small arms repair and storage, chemical weapons storage, missile recycling, and chemical demilitarization.

◆ **Anniston is the home to 20 Tenant Organizations and Private Companies**

◆ **Major Government Tenants**

- ◆ Defense Logistics Agency
- ◆ Anniston Munitions Center
- ◆ Anniston Chemical Activity & Program Manager for Chemical Demil
- ◆ Center of Military History Clearinghouse
- ◆ US Army TMDE Activity
- ◆ Defense Reutilization & Marketing Organization
- ◆ 722nd Ordnance Company (EOD)

◆ **Corporate Tenants**

- ◆ General Dynamics (Stryker, Fox & M1A2 GPS Manufacturing)
- ◆ Honeywell (AGT-1500 Recuperator Manufacturing Facility)
- ◆ Westinghouse (Chemical Disposal Facility)
- ◆ United Defense (M113A3 Conversion)

There is no change in Military Value. There is no substantial Deviation.

6. RRAD claims in its Mission Statement that it “is responsible for the Army’s light combat tracked vehicle fleet.”

a.) They do Bradley’s Multiple Launch missile systems only.
There is no change in Military Value. There is no substantial Deviation.

b.) Anniston does M-113’s, FAASV’s, Stryker’s, M-577’s, M9ACE, Fox’s and all components.
There is no change in Military Value. There is no substantial Deviation.

7. Red River officials expressed concern to GAO auditors that McAlester lacked the Category I and Category II storage capacity.

a.) McAlester was not the only location to receive the CAT I and CAT II storage mission. Blue Grass/ANAD Munitions Center has 198 igloos for CAT I and II storage. As of 6 Jul 05, there is:

50,000 SF CAT I

*60,000 SF CAT II

storage available at Anniston Munitions Center.

*All ANAD CAT II's already have Intrusion Detection Systems and can be easily upgraded to CAT I with the installation of double locks.

There is no change in Military Value. There is no substantial Deviation.

8. There is concern over the transfer of workload, specifically the transfer of the Bradley mission which is partnered with BAE, formerly United Defense

This is the exact same situation that occurred in the 95 BRAC with two

depots. The M113A3 conversion came from RRAD and the Paladin came from LEAD—both under partnership with United Defense.

There is no change in Military Value. There is no substantial Deviation.

9. Red River officials voiced concern over ANAD's Rubber production capability.

ANAD engineers are continuing to Review options, including the ones to Enclave in place or build a facility at ANAD. Complete Economic Analysis to be furnished on this.

There is no change in Military Value. There is no substantial Deviation.



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