Letterkenny Army Depot, Pennsylvania

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.

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.

Return on Investment: The total one-time cost to implement this recommendation is \$50 million. The net of all costs and savings during the implementation period is a savings of \$207 million. Annual recurring savings after implementation are \$78 million with an immediate return on investment. The net present value of the costs and savings over 20 years is a savings of \$952 million.

Impacts: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 4,126 jobs (2,090 direct jobs and 2,036 indirect jobs) over the 1996-to-2001 period in the Franklin County, PA area, which represents 6.6 percent of the area's employment.

The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in this area over the 1994-to-2001 period could result in a maximum potential decrease equal to 8.5 percent of employment in the area. There are no known environmental impediments at the realigning or receiving installations.