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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
1.	<u>memo case, Scowcroft to thr President, ca 12/76</u>		
1a. memo	Scowcroft to the President, re: shipbuildingetc. 2 pages	ca. 12/76	A
1b. memo	Holcomb to Scowcroft (NSC) 2 pages + 7 page appendix = 9 pages	12/8/76	A
1c. memo	Holcomb to Scowcroft (NSC) 1 page + 3 page appendix = 4 pages	12/8/76	A
1d. paper	F-15/F-16 procurement options 3 pages	ca. 12/76	A

FILE LOCATION

Special Files, Budget Decision Books
FY 1978, DoD etc... (box 11)

plc 4/19/84

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MEMORANDUM

Feb 25, 1977

THE WHITE HOUSE
WASHINGTON

TO: Presidential Materials Office
FROM: White House Central File *Good*
RE: Classified documents of the
Ford Administration

These items were delivered to
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Congress of the United States
House of Representatives
Washington, D.C. 20515

October 19, 1976

10-25
COMMITTEES:
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DEVELOPMENT
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SUBCOMMITTEES:
SBA AND SBIC LEGISLATION
SBA OVERSIGHT AND
MINORITY ENTERPRISE

MF
The President
The White House
Washington, D.C.

Dear Mr. President:

In further reference to Army's announced phase back by two-thirds of the Lexington Blue Grass Army Depot (LBAD), we are enclosing for your information several self-explanatory documents obtained from the Department of the Army under the provisions of the Freedom of Information Act.

As you will note from the enclosures - following an April 12 meeting attended by Chairman Melvin Price, House Armed Services Committee, members of the Kentucky Delegation and senior staffs, a delegation of depot employees, and Mr. Edwin Greiner, Deputy Assistant Secretary for Installations and Logistics - Mr. Greiner, who had indicated to those present that he was unaware of some of the data presented at the meeting, queried DARCOM regarding four questions he apparently raised which grew out of documentation presented at that meeting. These questions are attached (Tab A), followed by DARCOM's discussion and answers (Tab B). In the interest of clarifying these discussions and DARCOM's answers, we wish to bring to your attention the following:

Mr. Greiner's Question No. 1. Were wage rates for the three Commel depots stabilized under the same circumstances? If so, why is Sacramento more than \$5.00 per hour higher than LBAD?

Please note DARCOM's answer to the effect that wage rates for the three Army Electronics Depots were stabilized under the same guidance, although DARCOM adds that the guidance "grants each depot the latitude for determining the distribution of base operations costs to the various programs (P7M, P7S, etc.) and tenant organizations within the depot. This is why the table showing a comparison of maintenance rates for fiscal



year 1976 does not show a G&A rate for Sacramento. Sacramento identifies the G&A costs as they apply to maintenance directly to shop overhead or shop support overhead."

We submit that the only difference between the computation here, between SAAD and LBAD, is that SAAD recoups the overhead cost using two overhead rates while LBAD uses three overhead rates. Further, the composite rate is actually that cost which is passed along to the customer and, in fact, the customer does pay \$5.43 more per direct manhour worked at SAAD than at LBAD. Further proof of LBAD's lower overhead costs is the fact that the LBAD supply charge rate is also lower than those of SAAD and TOAD to which Army proposes to reassign LBAD's workload. CONCISE's implementation costs, which include such items as the movement of household goods, TDY for house-hunting trips, etc., should not properly be included in LBAD's costs since these costs are the result of personnel reduction due to CONCISE. These costs would simply not have been incurred were LBAD not being phased down. It is also a matter of record that SAAD, charging \$18.65 per hour, had an operating loss of \$2.4 million for fiscal year 1976. During this period LBAD, charging \$13.22 per hour, lost only \$13,000; TOAD, costing \$14.15 per hour, lost \$378,000. If SAAD had charged the proper rate to "break even" on profit and loss, the rate would have been actually in excess of \$20.00 per hour, while LBAD's rate would remain \$13.23.

Mr. Greiner's Question No. 2. There appears to be a building up in workload from fiscal year 1975 through fiscal year 1977. If we originally justify base closure on reduced workload in the out-years what has happened to realize an increase?



Please note Colonel Bunker has verified the validity of these figures. As a matter of fact, DARCOM, as you will note, states that the workload figures are too low since they reflect only Department of the Army Direct Workload. As stated in Mr. Greiner's query to his staff and, as you will recall, we pointed out in previous correspondence, Army's contention all along as "justification" for the phase-back has been its projection of a drastically reduced workload. DARCOM has now confirmed that the anticipated reduction did not materialize. It is puzzling that this statement is followed by the statement: "increased workload does not justify three electronics maintenance facilities". These appear to be in conflict and it would seem quite reasonable that the workload increases alone would fully justify a halt in the planned phase down of LBAD and the retention of all three depots. Failing this, consideration should be given to retention of the most cost effective facilities.

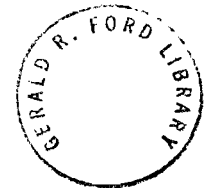
Question No. 3. What are the comparative overhead costs for depot maintenance at the three depots? How do these costs compare with the number of personnel on board during CONCISE planning projected at the time CONCISE was approved and at present?

There appears to be considerable confusion in this area. The following table presents an accurate picture of the ratios of overhead to direct labor:

$$\text{LBAD} = \frac{.69 \text{ overhead}}{1.00 \text{ direct}}$$

$$\text{SAAD} = \frac{1.02 \text{ overhead}}{1.00 \text{ direct}}$$

$$\text{TOAD} = \frac{.83 \text{ overhead}}{1.00 \text{ direct}}$$



These ratios reveal that LBAD manages its overhead better than do the other two depots. Personnel strengths have little or no effect on the ratios of overhead to direct labor costs. LBAD was ranked No. 1 in the AMC system for having the best ratio of indirect to direct labor for fiscal years 72, 73 and 74.

Question No. 4. How does LBAD compare with other depots in efficiency and effectiveness? (1974-1975 statistics)?

As you will note DARCOM's answer states that LBAD was ranked first and third in the several areas each year. It failed to state, however, that the composite ranking in both efficiency and effectiveness had LBAD ranked No. 1 for fiscal years 74, 75, and the first half of fiscal year 76. Additionally, DARCOM fails to point out the fact that TOAD ranked fifth and that SAAD ranked eleventh in the latest rating. We believe it highly significant that this comparison be made between LBAD's ranking and those of SAAD and TOAD, to which the Department of the Army proposes to send the bulk of LBAD's workload, keeping in mind the judicious expenditure of the taxpayer's dollars.

It is highly significant, we believe, that DARCOM now admits that the effectiveness rating system measures depot against depot, which we have maintained all along, and which was originally brought to your attention by letter dated May 23, 1975. Army has in the past maintained that the efficiency/effectiveness measurement (now efficiency/productivity) system merely measured one depot against itself and its past performance, and in fact continued to do so in information given to the House Armed Services Committee this summer.

During the April 12th meeting, when documentation on the unique capabilities of LBAD was presented, Mr. Greiner indicated a desire to see an ECOM message to the three sister depots stating that due to the injunction imposed on LBAD, the workload at that depot could not be transshipped for completion of the work at the other two depots and that the work obtaining at LBAD must be accomplished at that installation as long as the injunction was in force. (Tab C). As you will also note, although DARCOM's discussion attempts to discredit LBAD's unique mission situation, it is admitted that "two items requiring peculiar test equipment are overhauled at LBAD" and further that neither SAAD nor TOAD has this test equipment for these specific items.

Your attention is directed, additionally, to April 11, 1975 correspondence (Tab D), outlining numerous unique missions assigned to LBAD. In addition to these two verified items, there are many unique missions assigned to LBAD which have world-wide importance as an integral part of our defense posture and that of our allied countries.

Your particular attention is directed to enclosure (Tab E) concerning paragraph 6 of Colonel Viereck's Memorandum for the Record and Mr. Greiner's request for verification that 23,000 pieces of electronics equipment were not overhauled in Fiscal Year 1975. As you will note, Army maintains that because of the LBAD injunction proceedings, 23,000 pieces of electronics equipment could not be overhauled at LBAD. These items are believed to be the HHC/DXW maintenance items of which LBAD completed 21,429 through 30 June 1976. The small portion of these items which LBAD lacked test equipment to process was transferred to SAAD and TOAD. It is significant to note that LBAD completed 6,636 of the nine items referred to in the message included in the attached enclosure which is 1,845 more than the total quantity reflected in the message. It should be noted here that these items, requiring approximately 340,000 man hours of work, comprise about 17% of LBAD's annual workload.



For these and the many other reasons based upon verified facts and figures which we have submitted over the past months, we request your personal review of Army's stated intention and all relevant data with an eye toward intervention in and tolling of the phase-back of the most efficient and cost effective depot within the Army's entire eleven member system.

May we hear from you in this matter at your early convenience.

Walter D. Huddleston
Walter D. Huddleston, U.S.S.

Wendell H. Ford
Wendell H. Ford, U.S.S.

Sincerely,

John B. Breckinridge

John B. Breckinridge, M.C.

Carl D. Perkins
Carl D. Perkins, M.C.

Carroll Hubbard
Carroll Hubbard, M.C.

William H. Natcher
William H. Natcher, M.C.

Ronald L. Mazzoli
Ronald L. Mazzoli, M.C.

Tim Lee Carter
Tim Lee Carter, M.C.





DRCPA

20 April 1976

SUBJECT: Continued Congressional Interest in Lexington-Blue Grass

Mr. Eric A. Orsini
Deputy for Supply, Maintenance
and Transportation
Office of the Assistant Secretary
Washington, DC 20310

1. Reference memo for DCGMR, DARCOM, dated 14 April 1976, subject as above.
2. Attached is the DARCOM response to the questions as enumerated in referenced memo.

EUGENE J. D'AMBROSIO
Lieutenant General, USA
Deputy Commanding General
for Materiel Readiness

Incl
as



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Handwritten: ~~100-1~~ TO DRCMT-D MFR DTD 21 APR 76

Handwritten: Incl



OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20310

12 APR 1975

MEMORANDUM FOR DEPUTY COMMANDING GENERAL, MATERIEL
READINESS (DARCOM)

SUBJECT: Continued Congressional Interest in Lexington-Blue Grass
Army Depot

In a meeting on 12 April of interested members of Congress and their
staffs with employees of the Lexington Blue Grass Depot, and
attended by the Deputy ASA(I&L), specific facts were brought out
which should be further reviewed. In a follow-on meeting on 13 April
with members of the DA Staff (MFR at Inclosure 1), the DASA(I&L)
recounted events of the meeting with the Members of Congress and
asked that the questions at Inclosure 2 be reviewed in detail and
answers furnished.

With the concurrence of the DCSLOG representative, the questions
were informally provided to Colonel Fioridori of your staff as advance
notice of this tasking memorandum. Response should be furnished to
OASA (I&L) who will effect coordination with the DCSLOG.

Request you review the questions and provide discussion for each
question in confirmation, explanation or refutation as appropriate
(MFR should be used to determine context). Further, request the
response be provided by 1200, 19 April 1976.

Incl
a/s

[Handwritten Signature]

Deputy for Supply, Maintenance and Transportation



14 April 1976

MEMORANDUM FOR RECORD

SUBJECT: Continued Congressional Interest in the Closure of the Maintenance Facility, Lexington Blue Grass Army Depot

A meeting was held on 13 April, the purpose of which was to discuss the fallout of a meeting on 12 April with Members of Congress and staffs representing the Lexington, Kentucky area. The 13 April meeting included Mr. E. Greiner, Colonel Bunker of OCoISA, Colonel Gustafson, ODCSLOG, Colonel Harris, CCLL and Colonel Viereck. Mr. Greiner requested that certain information be developed relating to the statements made during the briefing presented by four members of the Lexington Blue Grass AD (LBAD) work force. The briefing was given to MCs Breckinridge, Huddleston, Carter, their staffs and others.

The Depot team stated that the stabilization wage rate for the three Army electronics depots, i. e., LBAD, Sacramento AD (SAAD) and Tobyhanna AD (TOAD) were: \$13.22, \$18.65 and \$14.50, respectively. These statistics indicate a variance of over \$5 per hour between LBAD and SAAD. Mr. Greiner asked if these wage rates were stabilized and when he was advised they were stabilized, he asked if it were possible that due to the personnel reduction anticipated or for some other reason the LBAD rate had been artificially stabilized at the lower rate. Further, he requested to learn if there was a difference in the times that the three wage rates were stabilized. In event that the three wage rates were established based on the same information and time, why is there a \$5 variance between LBAD and SAAD?

Colonel Viereck explained to Mr. Greiner that in response to the allegation that LBAD was "the only depot which could perform certain kinds of work", ECOM sent a message to all three depots which stated to the effect that because of the injunction imposed on LBAD the assets at that depot could not be transhipped for completion of the work in the other two depots. The work on the assets at LBAD must be accomplished at that installation as long as the injunction was in force. Two items requiring peculiar

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Incl 1

test equipment are overhauled at LBAD: the MSG-4 Fire Distribution System and the AUTOSEVOCAL. It had been the Concise plan that the mission to overhaul these items and their test equipment would be transferred to Tobyhanna. The injunction precluded the timely movement of the test equipment. Mr. Greiner stated that he would like a copy of the message.

There appeared to be a question concerning the increase of workloads from FY 75 through FY 77. The figures shown by the depot employees indicated a workload of \$35 million for FY 75, \$68 million for FY 76 and \$50 million for FY 77. Colonel Bunker verified the probable validity of these figures stating that the AIF workload for communications and electronics equipment amounts to \$65 million in FY 75, \$93.6 million in FY 76 and \$70.4 million in FY 77. Mr. Greiner asked why at this point in time we are undergoing an increase in workloads when we seemingly planned facilities reduction based on reduced workload.

Overhead figures for each of the depots were in considerable variance. It is entirely probable that the overhead costs were different due to the strengths of direct personnel on board at the time the figures were developed. The depot team advised that overhead labor cost of 69¢ at LBAD and \$1.02 and 85¢ at SAAD and TOAD, respectively had been established. Mr. Greiner stated that it might be appropriate to determine the direct personnel strengths during the Concise planning period, the planned Concise numbers, and the current personnel strengths. These should be then matched with the overhead costs for the same periods in time.

The briefing presented by the depot employees displayed efficiency and effectiveness ratings for the AMC depots for 74 and 75. While the efficiency ratings are known to be ratings of the depot with itself at a prior point in time, the effectiveness ratings are comparisons between depots. Colonel Viereck suggested that the effectiveness rating system was relatively new and should not have been available for the 74 time frame. Mr. Greiner asked that he be provided the effectiveness and efficiency ratings for the depots for whenever they were available by fiscal year. The briefer stated that the Army had entered into the record of the injunction proceedings that 23,000 pieces of equipment were not overhauled in FY 75. Mr. Greiner asked that this figure be verified.



Finally, Mr. Greiner requested that the GAO communication informing the Army of the completion of LBAD audit and the case study justification folder for LBAD be forwarded officially to the House Armed Services Committee.

E. A. VIERECK, JR.
Colonel, GS
Assistant for Maintenance



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DASA(I&L) Questions on LBAD Meeting

A

1. Were wage rates for the three Commel depots stabilized under the same circumstances? If so, why is Sacramento AD more than \$5.00 per hour higher than LBAD?
2. There appears to be a buildup in workload from FY 75 thru FY 77. If we originally justified base closure on reduced workload in the out years, what has happened to realize an increase?
3. What are the comparative overhead costs for depot maintenance at the three depots? How do these costs compare with the number of personnel on board during CONCISE planning, projected at the time CONCISE was approved and present?
4. How does LBAD compare with other depots in efficiency and effectiveness? (1974 - 1975 statistics.)



and 2

LEXINGTON-BLUE GRASS ARMY DEPOT

QUESTION NO. 1: Were wage rates for the three Commel depots stabilized under the same circumstances? If so, why is Sacramento AD more than \$5.00 per hour higher than LBAD?

DISCUSSION: The Depot team stated that the stabilization wage rate for the three Army electronics depots, i.e., LBAD, Sacramento AD (SAAD) and Tobyhanna AD (TOAD) were: \$13.22, \$18.65 and \$14.50, respectively. These statistics indicate a variance of over \$5 per hour between LBAD and SAAD. Mr. Greiner asked if these wage rates were stabilized and when he was advised they were stabilized, he asked if it were possible that due to the personnel reduction anticipated or for some other reason the LBAD rate had been artificially stabilized at the lower rate. Further, he requested to learn if there was a difference in the times that the three wage rates were stabilized. In event that the three wage rates were established based on the same information and time, why is there a \$5 variance between LBAD and SAAD?

DARCOM ANSWER: 1. Wage rates for the three Army Electronics Depots were stabilized under the same guidance and at the same time. The guidance however, grants each depot the latitude for determining the distribution of Base Operations Costs to the various programs (P7M, P7S, etc.) and tenant organizations within the depot. This is why the table below showing a comparison of maintenance rates for FY 76 does not show a G&A rate for Sacramento. Sacramento identifies their G&A costs as they apply to maintenance directly to shop overhead or shop support overhead.

2. The \$5.43 per hour variance between LBAD and SAAD is caused by wage grade pay differences between LBAD and SAAD, the difference in how overhead costs are distributed by each depot (as mentioned in paragraph 1 above), and in LBAD's method in accounting for CONCISE costs.

a. SAAD's average labor rate is \$1.41 per hour greater than the same rate at LBAD because of wage grade pay differences between the two depots.

b. Overhead cost distribution at LBAD is based on productive operations, with CONCISE costs and manhour expenditures being reported separately. During this fiscal year LBAD experienced manyear reductions from 1,084 to 433, thereby causing overhead costs to go down. LBAD's initial report (beginning of fiscal year) for stabilized rates stated their composite rate was \$15.45, however, this rate included CONCISE costs.



QUESTIONS NO. 1 (cont):

Based on LBAD's rate computation the CONCISE cost reduced their total rate \$2.23 and is not included in the current \$13.22 per hour rate.

3. A detailed tabulation and comparison of maintenance rates for FY 76:

	<u>Avg Labor</u>	<u>Shop O/H</u>	<u>Shop Support O/H</u>	<u>G&A</u>	<u>Total O/H</u>	<u>Comp Rate</u>
Lexington	7.82	0.48	3.66	1.26	5.40	13.22
Sacramento	9.23	2.09	7.33	-	9.42	18.65
Diff compared to Lex	+ 1.41	+ 1.61	+ 3.67	- 1.26	+ 4.02	+ 5.43
Tobyhanna	7.72	0.96	3.97	1.50	6.43	14.15
Diff compared to Lex	- 0.10	+ 0.48	+ 0.31	- 0.24	+ 1.03	+ 0.93



LEXINGTON BLUE-GRASS ARMY DEPOT

QUESTION NO. 2: There appears to be a build-up in workload from FY 75 thru FY 77. If we originally justified base closure on reduced workload in the out years, what has happened to realize an increase?

DISCUSSION: There appeared to be a question concerning the increase of workloads from FY 75 through FY 77. The figures shown by the depot employees indicated a workload of \$35 million for FY 75, \$68 million for FY 76 and \$50 million for FY 77. COL Bunker verified the probable validity of these figures stating that the AIF workload for communications and electronic equipment amounts to \$65 million in FY 75, \$93.6 million in FY 76 and \$70.4 million in FY 77. Mr. Greiner asked why at this point in time we are undergoing an increase in workloads when we seemingly planned facilities reduction based on reduced workload.

DARCOM ANSWER: a. Depot Maintenance Workload in the electronics area has increased for the following reasons:

1 The necessity to extend the useful life of fielded equipment due to failure of new equipment contractors to deliver.

2 Backlog of unserviceable assets due to unfinanced requirements in prior years.

3 Force structure changes.

b. Concerning the workload figures in the above discussion, those quoted by the depot employees are not accurate and appear to represent only the direct Army workload. The workload increases in FY 76 and FY 77 were caused by a need to reduce a backlog of work generated by the factors listed above.

c. Although there is an increase in workload, it does not justify retention of three electronic maintenance facilities.



LEXINGTON-BLUE GRASS ARMY DEPOT

QUESTION NO. 3: What are the comparative overhead costs for depot maintenance at the three depots? How do these costs compare with the number of personnel on board during CONCISE planning, projected at the time CONCISE was approved and present?

DISCUSSION: Overhead figures for each of the depots were in considerable variance. It is entirely probable that the overhead costs were different due to the strengths of direct personnel on board at the time the figures were developed. The depot team advised that overhead labor cost of 69¢ at LBAD and \$1.02 and 85¢ at SAAD and TOAD, respectively had been established. Mr. Greiner stated that it might be appropriate to determine the direct personnel strengths during the CONCISE planning period, the planned CONCISE numbers, and the current personnel strengths. These should be then matched with the overhead costs for the same periods in time.

DARCOM ANSWER: a. COMPARISON OVERHEAD COSTS FOR DEPOT MAINTENANCE (ACTUAL)
(\$ in 000)

	<u>ACTUAL O/H COSTS</u>	<u>LBAD</u>	<u>SAAD</u>	<u>TOAD</u>
<u>FY 74</u>				
Mission overhead		8,527	8,128	9,322
GAE		<u>2,719</u>	<u>1,835</u>	<u>2,278</u>
TOTAL		11,246	9,963	11,600
Total Personnel (Manyears)		1,628	1,232	1,685
Direct		1,261	889	1,205
Indirect		367	343	480
<u>FY 75</u>				
Mission Overhead		7,831	9,538	10,392
GAE		<u>3,182</u>	<u>1,732</u>	<u>2,146</u>
TOTAL		11,013	11,270	12,548
Total Personnel (Manyears)		1,494	1,222	1,725
Direct		1,130	834	1,227
Indirect		364	388	498
<u>FY 76 (1st half of FY)</u>				
Mission Overhead		2,788	6,581	5,241
GAE		<u>1,770</u>	-0-	<u>1,265</u>
TOTAL		4,558	6,581	6,506



QUESTION NO. 3 (cont):

<u>ACTUAL O/H COSTS</u>	<u>DEPOTS</u>		
	<u>LBAD</u>	<u>SAAD</u>	<u>TOAD</u>
FY 76 -			
Total Personnel(Manyears)	548	595	886
Direct	400	397	644
Indirect	148	198	242

b. Projected number of Maintenance personnel on board during CONCISE planning compared to present:

<u>DATE</u>	<u>CONCISE PROJECTED</u>	<u>ACTUAL</u>
31 Dec 74	1374	1561
30 Sep 75	1234	1149
31 Dec 75	874	1034
31 Mar 76	500	969



LEXINGTON BLUE-GRASS ARMY DEPOT

QUESTION 4: How does LBAD compare with other depots in efficiency and effectiveness? (1974 - 1975 statistics).

DISCUSSION: The briefing presented by the depot employees displayed efficiency and effectiveness ratings for the AMC depots for 74 and 75. While the efficiency ratings are known to be ratings of the depot with itself at a prior point in time, the effectiveness ratings are comparisons between depots. Colonel Viereck suggested that the effectiveness rating system was relatively new and should not have been available for the 74 time frame. Mr. Greiner asked that he be provided the effectiveness and efficiency ratings for the depots for whenever they were available by fiscal year.

DARCOM ANSWER: The relative rankings of Lexington-Blue Grass Army Depot (LBAD) in comparison with ten other general purpose depots for Fiscal Years 1974 and 1975 are as follows:

a. <u>Performance Effectiveness Area</u>	<u>LBAD Numerical Order of Rank Among 11 depots:</u>	
	<u>FY 74</u>	<u>FY 75</u>
Supply.....	5	2
Maintenance.....	1	2
Personnel Management (Incl. EEO)	8	7
SUMMARY LEVEL (Above factors weighted)	1	3
b. <u>Productivity Area</u> *		
Supply.....	5	2
Maintenance.....	3	2
Base Operations.....	5	2
SUMMARY LEVEL	3	1



* See Note On Next Page

*NOTE: This area formerly was called "efficiency" but was changed late in FY 75 when comparison of actual performance to DIMES standards was dropped from the system. It is now a "pure" productivity trend system which compares productivity at a given depot in any year with its productivity in the base year of FY 72.

By its nature, a productivity trend system can result in a depot having a high productivity index in a given year because of its improvement over a relatively low base year, although in comparison to other depots its "absolute" productivity level may be lower in the current year. This statement is not intended to imply that such is the case at LBAD.

LEXINGTON-BLUE GRASS ARMY DEPOT

REQUIREMENT: Mr. Greiner stated that he would like a copy of ECOM message referenced in paragraph three of MFR.

DISCUSSION: Para 3 of COL Viereck's MFR as follows: COL Viereck explained to Mr. Greiner that in response to the allegation that LBAD was "the only depot which could perform certain kinds of work", ECOM sent a message to all three depots which stated to the effect that because of the injunction imposed on LBAD the assets at that depot could not be transshipped for completion of the work in the other two depots. The work on the assets at LBAD must be accomplished at that installation as long as the injunction was in force. Two items requiring peculiar test equipment are overhauled at LBAD: the MSG-4 Fire Distribution System and the AUTOSEVOCAL. It had been the CONCISE plan that the mission to overhaul these items and their test equipment would be transferred to Tobyhanna. The injunction precluded the timely movement of the test equipment. Mr. Greiner stated that he would like a copy of the message.

- DARCOM COMMENTS:
1. The ECOM messages to the electronics depots was an inquiry to obtain the maximum production rates for DMM items that are in short supply. The items listed on the message to LBAD were those located at LBAD. Because they are located at LBAD and cannot be moved because of the court injunction LBAD was requested by message to provide production rates. The items listed on the message to LBAD can also be repaired at SAAD or TOAD.
 2. LBAD does not have any unique capability of being the sole source for the repair of communications/electronics equipment although LBAD is currently the source for repair of many items. This is because of the court injunction which prevents the movement from LBAD to another depot of workload and reparable assets with their corresponding test equipment. If the court injunction is removed all of the equipment being repaired at LBAD will be assigned to SAAD or TOAD for repair. It is not anticipated that any problems will be encountered in this transfer of work assignment. Attached are copies of the ECOM messages.

3 Incls
as



BOOK NO

MESSAGE HANDLING INSTRUCTIONS

FROM: CDRECOM FT MONMOUTH NJ //DRSBL-124-S-DP//
 TO: CDRSAMD SACRAMENTO CA //DRYSA-T//

UNCLAS

Subject: HHC/DXM Maintenance Program

1. There is a requirement for increased production capability on the following HHC/DXM items. Request your monthly production capability for repair/overhaul if the items were provided to your depot in the quantities indicated plus your on-hand assets.

Further indicate the maximum time required to achieve maximum production capability and indicate production rate by month.

ITEM NO.	NSN	QTY
23	5820-00-497-8554	578
30	5820-00-856-2731	282
38	5820-00-892-3339	7834
39	5820-00-892-3342	530
53	5821-00-226-4262	536
73	6130-00-542-6385	75
78	6625-00-534-7458	24
80	6625-00-539-9685	196



SECRET

DISTR

CECIL L. JOYCE, MAJ, FA, Asst Chief,
 Dep Progs Br, DRSBL-124-S-DP, 23747
 26 Mar 76

SPECIAL INSTRUCTIONS

TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE
 A. TOLSTONOG, Chief, CES Div, DRSBL-

SECURITY CLASSIFICATION
 UNCLASSIFIED

DATE TIME GROUP

DD FORM 173

REPLACES DD FORM 173, 1 JUL 68, WHICH WILL BE USED.

PAGE	DRAFTER OR RELEASED TIME	PRECEDENCE		LIT	CLASS	CIC	FOR MESSAGE CENTER/COMMUNICATIONS CENTER ONLY			
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BOOK

MESSAGE HANDLING INSTRUCTIONS

FROM:

TO:

83 6625-00-581-2097 40

2. Reply required NLT COB 15 Apr 76



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RELEASER	TYPE NAME, TITLE, OFFICE SYMBOL AND PHONE		DATE TIME GROUP
	SIGNATURE	SECURITY CLASSIFICATION UNCLASSIFIED	

BOOK NO. MESSAGE HANDLING INSTRUCTIONS

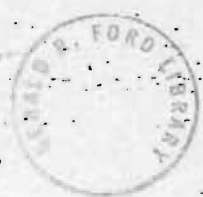
FROM: CDRECOM FT MONMOUTH NJ //DRSEL-104-S-DP//
 TO: CDRJEBAD LEXINGTON KY //DRXLX-SU//

UNCLAS

Subj: HHC/DXW Maintenance Program

1. There is a requirement for increase production capability on the following HHC/DXW items. Request your monthly production capability for repair/overhaul if the items were provided to your depot in the quantities indicated plus your on-hand assets. Further indicate the maximum time required to achieve maximum production capability and indicate production rate by month.

ITEM NO.	NSN	QTY
23	5820-00-497-8554	523
30	5820-00-856-2731	69
38	5820-00-892-3339	3309
39	5820-00-892-3342	487
53	5821-00-226-4262	88
73	6130-00-542-6385	59
78	6625-00-534-7458	51
80	6625-00-539-9685	164



DISTR

CREATER TYPED NAME, TITLE, OFFICE SYMBOL, PHONE AND DATE Cecil L. Joyce, Maj, FA, Asst. Chief, Dep Progs Br, DRSEL-104-S-DP, 23747 26 Mar 76	SPECIAL INSTRUCTIONS
TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE A. JOINSTONOG, Chief, GCS Div, DRSEL- 024-S, 22392	SECURITY CLASSIFICATION UNCLASSIFIED
SIGNATURE <i>Cecil L. Joyce</i>	DATE TIME GROUP

PAGE	SERIAL OR MESSAGE TIME	PRIORITY		LMT	CLASS	CIC	FOR MESSAGE CENTER/COMMUNICATIONS CENTER ONLY			
		ACT	INFO				DATE - TIME	MONTH	YR	
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BOOK MESSAGE HANDLING INSTRUCTIONS

FROM:

TO:

83 6625-00-581-2097 41

2. Reply required NLT COB 15 Apr 76.



UNCLASSIFIED

DISTR:

TYPED NAME, TITLE, OFFICE SYMBOL, PHONE & DATE		SPECIAL INSTRUCTIONS	
A L L E S E	TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE	SECURITY CLASSIFICATION UNCLASSIFIED	DATE TIME GROUP
	SIGNATURE		

PAGE	DRAFT OR REVISION TIME	PRECEDENCE		CLASS	CIC	FOR MESSAGE CENTER/COMMUNICATIONS CENTER ONLY		
		ACT	TRD			DATE - TIME	MONTH	YR
01 OF 02	261515Z	RR		UUUU			Mar	76

BOOK NO. MESSAGE HANDLING INSTRUCTIONS

FROM: CDRECOM FT MONMOUTH NJ //DRSEL-124-S-DP//

TO: CDR10AD TOBYLAIGNA PA //DRXTO-MF//

UNCLAS

Subj: IBIC/DXW Maintenance Program

1. There is a requirement for increased production capability on the following HHC/DXW items. Request your monthly production capability for repair/overhaul if the items were provided to your depot in the quantities indicated plus your on-hand assets. Further indicate the maximum time required to achieve maximum production capability and indicate production rate by month.

ITEM NO.	NSN	QTY
23	5820-00-497-8554	106
30	5820-00-856-2731	247
38	5820-00-892-3339	4965
39	5820-00-892-3342	45
53	5821-00-226-4262	562
73	6130-00-542-6385	40
78	6625-00-534-7458	33
80	6625-00-539-9685	176



DISTR

DRAFTER TYPED NAME, TITLE, OFFICE SYMBOL, PHONE & DATE Cecil L. Joyce, MAJ, PA, Asst Chief, Dep Progs Br, DRSEL-124-S-DP, 23747 26 Mar 76		SPECIAL INSTRUCTIONS	
TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE A. J. [Signature], Chief, CFS (Av), DRSEL-124-S-DP, 23747		SECURITY CLASSIFICATION UNCLASSIFIED	
SIGNATURE		DATE TIME GROUP	

PAGE	SERIAL OR RELEASE TIME	PROGRAM		LWF	CLASS	CIC	FOR MESSAGE CENTER/COMMUNICATIONS CENTER ONLY			
		ACT	TRD				DATE - TIME	MONTH	YR	
02 OF 02	261515Z								Mar	76

BOOK MESSAGE HANDLING INSTRUCTIONS

FROM

TO:

83 6625-00-581-2097 1

2. Reply required NLT COB 15 Apr 76.



DISTR

DRAFTER TYPED NAME, TITLE, OFFICE SYMBOL, PHONE & DATE		SPECIAL INSTRUCTIONS	
RECEIVED	TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE		DATE TIME GROUP
	SIGNATURE	SECURITY CLASSIFICATION UNCLASSIFIED	

April 11, 1975

The Honorable Howard Callaway
Secretary of the Army
Washington, D.C.

In Re: LEAD

Dear Secretary Callaway:

Because of our mutual interest in a strong defense posture for the United States, I point out to you certain areas that will be severely impacted if Project CONCLISE is implemented at LEAD.

The missions to which I refer are unique to the Lexington Blue Grass Army Depot and have world-wide importance as an integral part of our defense posture and that of our allied countries. This depot has been designated as the proponent depot for the design, installation, testing and overhaul support of these missions. As a result, the engineering and technical service expertise in these missions has been developed solely at LEAD. Permit me to mention a few:

a. Primary Technical Control Facilities

These facilities are located in many foreign countries and constitute an integral part of the world-wide defense communications network. The Depot's major effort to date has been in European countries. LEAD has responsibility for the making of site surveys and engineering plans, the fabrication and installation of equipment, and preparing as built drawings for the facilities.

b. Watercraft Communications

All Army watercraft are presently being upgraded with standardized communications equipment. LEAD is responsible for this world-wide modernization program, and the overhaul of electronic equipment associated with it. The special skills and knowledge involved in prototyping and installing electronic equipment in watercraft have been developed by this Depot and are unique to this installation.



c. Satellite Communications Terminals

The Satellite Communications System is an integral part of our world-wide communication defense network, providing both voice and teletype capabilities. On-site and depot support is provided to the satellite terminals by LEAD. As a result of this mission, LEAD has developed the only special test facilities, methods and specifications for overhaul of components and sub-systems associated with the satellite terminals. Specially trained personnel are dedicated to the support of this mission, and are available for dispatch on a 24-hour notice.

d. Defense Communications System Contingency Stations

This is a mobile air transportable communications facility that provides contingency operation, on a world-wide basis, through extension of the Global Defense Communication System. The capability of the station includes both short and long range radio links to the Defense Communications System, a center that provides radio and telephone circuits to the contingency joint task force.

e. Combat Service Support System (CS3)

A mobile computerized materiel accounting system mounted in two 35-foot semitrailer vans, the system consists of the IBM 360/30 CPU, a card reader/punch, line printer, controller and multiple magnetic tape drives and disc storage elements and provides logistical support to each of the Armies tactical divisions. All prototyping, developing and engineering work has been performed by Lexington-Blue Grass Army Depot personnel. Systems are scheduled for completion in FY-80.

f. Automatic Secure Voice Communications Systems

An integrated communications system consisting of specialized telephone instruments, switching centers and associated equipment designed to provide touch-tone dialing, and secure voice communications over narrow or wide-band communication channels on a world-wide basis. Lexington Blue Grass Army Depot has developed the necessary testing devices and the personnel expertise to support this mission. No other capability exists in the Department of the Army.



g. Electronic Switching and Automatic Central Office Equipment

These facilities, i.e., AN/TTC-25, AN/TTC-38 and AN/FTC-31 are designed for employment in a hostile environment and will interface with other existing defense communications networks. Special test equipment and personnel expertise have been developed to support this unique mission.

h. Missile Monitor System, AN/MSQ-4 & AN/TSQ-38

A fire distribution system designed to coordinate the fire of Nike Hercules and Hawk air defense missile batteries. This system provides target detection and ranging, display of possible targets; interrogation and automatic tracking of those targets, and control of firing batteries. Lexington Blue Grass Army Depot supports this mission with personnel at the Depot, in Korea and Germany.

i. Space Reactor Monitor and Radiation Detection Alarm Systems

The Space Reactor Monitor System was developed by LEAD, specifically for the protection of the President and Vice President of the United States. Inclosure 1 is a copy of correspondence relating to the technical requirements, and the extreme sensitivity of this mission. The Radiation Detection Alarm System, also developed by this depot, consists of a system designed to detect thermal radiation, initial gamma radiation, and overpressure blasts caused by a nuclear weapon explosion. These devices are also installed in strategic locations to protect the President and Vice President of the United States. Even though these missions are not scheduled to be moved under Project CONCISE, the engineering and fabrication support is being eliminated.

Mr. Secretary, I think we can agree that all of these missions are of singular importance to the security of the United States. If Project CONCISE is implemented as now planned, the Army is going to lose the engineering and technical expertise associated with these missions. Approximately 217 individuals are presently utilized in the support of these missions.

I sincerely believe that today's world situation dictates the retention of these personnel and other maintenance capabilities intact at the Lexington Blue Grass Army Depot. Our failure to retain these capabilities could well result in a serious situation relative to both the defense of our country and our international relations.



Your particular consideration of the importance of the above missions in arriving at a final decision regarding the implementation of CONCISE will be greatly appreciated, as will your staff's attention to my outstanding correspondence dated March 11, 14, 18, 19 and 28 as well as April 8 and 9. 11 15 + 16

Sincerely yours,

John B. Breckinridge

TE/CHG/lh



21

LEXINGTON BLUE-GRASS ARMY DEPOT

of

IREMENT: Per paragraph 6 /COL Viereck's MFR, Mr. Greiner requested verification that 23000 pieces of electronics equipment were not overhauled in FY 75.

SSION: At the 12 April 1976 meeting between members of Congress and four members of the Lexington Blue-Grass Army Depot (LBAD) it was stated that the Army had entered into the record of the LBAD injunction proceedings that 23000 pieces of electronics equipment were not overhauled in FY 76. Mr. Greiner asked that this figure be verified.

ANSWER: The 23,000 pieces of equipment cited are the number of Code "F" assets located at LBAD that need to be overhauled and returned to the supply system. They were planned for overhaul in FY 76. However, the National Inventory Control Point, Electronics Command has not been able to move these items because of the LBAD count injunction. They represent approximately 340,000 M/Hrs of work and an estimated overhaul cost of \$5.7M. Inasmuch as the FY 76 workload assigned to LBAD is slightly greater than their capability all of these assets need to be moved to SAAD and/or TOAD.

