

LONE STAR ARMY AMMUNITION PLANT (AAP), TEXAS (JOINT CROSS SERVICE GROUP – INDUSTRIAL)

SECRETARY OF DEFENSE RECOMMENDATION

Close Lone Star Army Ammunition Plant (AAP), TX. Relocate the Storage and Demilitarization functions to McAlester AAP, OK. Relocate the 105MM and 155MM ICM Artillery, MLRS Artillery, Hand Grenades, 60MM and 81MM Mortars functions to Milan AAP, TN. Relocate Mines and Detonators/Relays/Delays functions to Iowa AAP, IA. Relocate Demolition Charges functions to Crane Army Ammunition Activity (AAA), IN.

SECRETARY OF DEFENSE JUSTIFICATION

Capacity and capability for Artillery, Mortars, Missiles, Pyro/Demo, and Storage exists at numerous munitions sites. There are 8 sites producing Artillery, 5 producing Mortars, 9 producing Pyro-Demo, 15 performing storage, and 13 performing Demilitarization. To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence, avoid single point failure, and generate efficiencies. Goal is to establish multi-functional sites performing Demilitarization, Production, Maintenance, and Storage. Lone Star primarily performs only one of the 4 functions.

COMMUNITY CONCERNS

The community noted that DoD gave the Lone Star Army Ammunition Plant (LSAAP) credit for only one of the functional areas making up a center of excellence and countered that the plant is a multifunctional site performing the full scope of functions—demilitarization, production, maintenance and, storage. The community asserted that DoD understated the number of personnel by 242, misreported current and maximum capacity as equal, and improperly excluded one-time relocation costs of \$14 million from savings calculations. In addition, the community noted that some production lines were not accounted for in the data call, and that no credit was given for the complexity of producing ammunition. LSAAP also performs open burn and open detonation demilitarization and has 1.23M square feet of storage. The community asserted that directing LSAAP work to other Army ammunition activities would be contrary to DoD's strategy to increase competitive contracting for ammunition production. They suggested that, if LSAAP is closed, its work could migrate to non-US producers. The operating contractor noted potential issues with proprietary processes and recommended privatization in place for the LSAAP.

The Texarkana community proposed a public-private partnership as an alternative reuse of the installation and proposed the transfer of workload, equipment and, facilities to the private sector or local jurisdiction as appropriate since the private sector can accommodate the workload onsite.

COMMISSION FINDINGS

The Commission found no reason to disagree with the recommendation of the Secretary of Defense. The Commission examined the community's proposals regarding conveyance and decided to refer them to the Department for consideration during implementation of the recommendation. The Commission carefully considered the operating contractor's recommendation of privatization-in-place but rejected it due to the low utilization of the plant and the need to rationalize munitions production capacity in the US industrial base.

COMMISSION RECOMMENDATIONS

The Commission found the Secretary's recommendation consistent with the final selection criteria and the Force Structure Plan. Therefore, the Commission approves the recommendation of the Secretary.