
Defense Report

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Repair or Replace?

In the Thirties you could buy a new car for \$700. The engines often tended to wear out after about 50,000 miles, but a new engine was sometimes as cheap as \$50.00; installation costs were equally inexpensive.

Repairing, rather than replacing your car, has been a good idea for the economy-minded individual ever since, until today. A recent study has demonstrated that major car repairs, especially after a serious accident, are now approaching the cost of a new car—having grown in many areas some 400 per cent in the last three years.

Fortunately for the US taxpayer this repair cost growth has not yet affected the Department of Defense, primarily thanks to well-managed, in-house repair and maintenance programs.

For example, the Department of the Army's Depot Maintenance program is a real winner for the taxpayer. This year's Army Budget request includes a \$252 million increase over the FY 76 Depot Maintenance program. While pay raises and price changes account for part of this increase, \$165 million is earmarked to reduce the backlog of equipment awaiting overhaul as opposed to spending many times that sum for the purchase of new equipment.

The Army is really getting its money's worth for this \$165 million. It will include making 557 M-60's (Army's main battle tank) like new. It will support the modification of 648 M-48's (the Korean War developed main battle tank) into a weapon capable of holding its own with most modern tanks. It will also permit the overhaul of many other critical items such as communications equipment, helicopters, artillery weapons, and other vehicles.

The savings of this "in-house" depot maintenance effort are remarkable. Some examples include: the 557 M60 tanks can be refurbished for \$83,000 each as opposed to about half a million dollars for a new one; an attack helicopter will cost \$95,000 instead of \$336,000.

Nothing is cheap, but judicious repair instead of replacement until you have really essential improvements is still a good route to go if you have your own repair facilities.