CONNECTICUT

MILITARY SPENDING IN CONNECTICUT

GENERAL

Connecticut is 5^{th} in the country in Pentagon prime contract awards, receiving \$13.2 billion in FY2014. It is 3^{rd} in the country for contract awards per capita, at \$3,693. Prime Pentagon spending accounted for 5.7% of Connecticut's overall GDP in 2014.

MAJOR CONTRACTORS

General Dynamics – The Electric Boat division, the primary submarine manufacturer for the Navy, is headquartered in Groton and employs 8,700 people in Connecticut. Electric Boat has recent contracts for building new *Virginia*-class nuclear attack submarines (SSNs); developing a new *Virginia*-class variant; and working on a replacement for the *Ohio*-class nuclear ballistic missile submarine (SSBN).

United Technologies Corporation (UTC) – headquartered in Farmington, CT and overall employs 24,500 people in Connecticut. UTC is an umbrella corporation encompassing many subsidiary companies. Key defense subsidiaries Pratt & Whitney, Sikorsky, and UTC Aerospace Systems have facilities in Connecticut. Pratt & Whitney produces the F135 engine for the F-35 combat aircraft, Sikorsky produces military helicopters like the Black Hawk, and UTC Aerospace manufactures and provides maintenance for various avionics systems.

Colt Defense LLC – headquartered in Hartford, CT and employs 610 people in Connecticut. Colt is a small-arms manufacturer most well known for its M-16 and M-4 assault rifles, along with other weapons. While in possession of a long history and tradition of making small-arms, it has recently fallen on hard times, resulting in Colt declaring chapter 11 bankruptcy in June of 2015. It's future is currently uncertain.

MILITARY BASES

- 1) Naval Submarine Base New London (8,500 personnel: 6,500 military personnel, 1,000 civilian employees, and over 1,000 civilian contractors) One of the Navy's primary submarine bases, it is the homeport for 16 nuclear attack submarines. An additional 15,000 personnel from various Armed Forces branches use the facilities annually.
- 2) <u>United States Coast Guard Academy</u>, New London (1026 personnel: 896 cadets, 130 academic staff) The military academy of the U.S. Coast Guard, it is in charge of educating future Coast Guard officers. Approximately 200 cadets graduate every year.
- 3) Research and Development Center Coast Guard, New London (84 personnel: 13 military personnel, 71 civilian employees -- other tenants include 10 Coast Guard Contracting staff members, 26 contractors, 3 NOAA personnel, 18 International Ice Patrol (IIP) personnel, and 9 Marine Safety Lab (MSL) personnel). The only research and development (R&D) laboratory for the Coast Guard, it is in charge of all R&D projects for Coast Guard operations. It is also home to the Marine Safety Lab, which is in charge of forensic oil analysis for all federal agencies.

DETAILED STATE PROFILE

CONNECTICUT DEFENSE CONTRACTORS

- 1- General Dynamics Electric Boat- \$6,893,025,973 in FY 2014
 - General Dynamics' <u>Electric Boat</u> business group is headquartered in Groton, CT.
 - Electric boat is the main submarine manufacturer for the U.S. Navy. Electric Boat has a number of smaller manufacturing facilities around the country, so not all of the work is exclusive to Connecticut.
 - Products include the Los Angeles-class and Virginia-class nuclear attack submarines, and the Ohio-class nuclear ballistic missile submarine. Recent past products include the Seawolf-class attack submarine. (General Dynamics Electric Boat)
 - Employs around 8,700 people in Connecticut (<u>The Day</u> and <u>Area</u> Development)
 - Some recent contracts awarded to Electric Boat:
 - "General Dynamics, Electric Boat Corp., Groton, Connecticut, is being awarded a \$44,547,142 modification to a previously awarded contract (N00024-13-C-4308) for non-nuclear submarine repair work on Grotonbased submarines under the New England Maintenance Manpower Initiative (NEMMI). Under the terms of the contract, Electric Boat will continue to provide staff and operate the NEMMI at the Naval Submarine Base, New London, in support of returning mission ready submarines to the fleet." (Defense Department Contracts, 12/4/2014)
 - "Awarded an \$18,863,859 cost-plus-fixed-fee modification to previously awarded contract N00024-12-C-2100 for reactor plant planning yard services and for nuclear-powered submarines and support yard services for the Navy's moored training ships." (<u>Defense Department Contracts</u>, 10/21/2014)
 - "General Dynamics Electric Boat Corp., Groton, Conn., is being awarded a \$7,103,796 modification to previously awarded contract (N00024-10-C-4301) to provide ship's force duties; protection and operation; and organizational-level repairs and preservation of floating dry dock ARDM-4 at the Naval Submarine Support Facility, Naval Submarine Base, New London, Conn." (Defense Department Contracts, 11/7/2013)
- 2- <u>United Technologies Corporation</u> \$4,239,882,696 in FY 2014 (\$3,355,330,113 for <u>Sikorsky Aircraft</u>, \$589,070,502 for United Technologies Corporation, \$227,734,447 to <u>Pratt & Whitney</u>, \$67,705,158 to <u>Hamilton Sundstrand</u>, and \$41,802,947 to <u>Goodrich Corporation</u> [the latter two companies are under the umbrella of UTC Aerospace Systems])
 - Headquartered in Farmington, CT, in the Hartford metro area (<u>the Hartford</u> Courant)
 - United Technologies Corporation is the umbrella organization for three main defense-related subsidiary businesses: Sikorsky Aircraft, Pratt & Whitney, and UTC Aerospace Systems (it is also has two construction companies under its umbrella: UTC Building & Industrial Systems and Otis). [NOTE: Sikorsky Aircraft was sold to

Lockheed Martin for \$9 billion in July of 2015; completion of the transaction to be either near the end of 2015 or Q1 of 2016. [UTC News Center])

- Global business net sales as of FY 2014: Pratt & Whitney, \$14.5 billion; UTC Aerospace Systems, \$14.2 billion; Sikorsky, \$7.5 billion (UTC website)
- Overall UTC as a whole employs 24,500 people in Connecticut as of fall 2014 (the Hartford Business Journal)
- Pratt & Whitney:
 - o Produces the F-35's main engine, the F135
 - Production of the F135 engine is predicted to ramp up as F-35 manufacturing is accelerated (<u>Reuters</u>)
 - Pratt & Whitney (P&W) also "provides newly manufactured parts for customers operating both current production engines such as the F100 (F-15, F-16), F117 (C-17) and F119 (F-22) and out of production engines like the J52 (EA-6B), TF30 (F-111) and TF33 (B-52, KC-135E, JSTARS, AWACS)."
 - o Some recent contracts include:
 - "United Technologies Corp., Pratt & Whitney Military Engines, East Hartford, Connecticut, is being awarded a \$113,379,349 cost-plus-incentive-fee modification to a previously awarded advance acquisition contract (N00019-13-C-0016) for operations and maintenance support; non-recurring and recurring engineering sustainment, site activation, and depot activation work in support of Low Rate Initial Production Lot VIII F135 propulsion systems. This effort will include maintenance and repair of operational assets; procurement of initial support equipment; packing handling storage and transportation material; fleet management; item management; joint technical data; sustaining engineering; production support; site activation preparation for initial operations; and depot engineering, repair development, inspection limits development for engine depot stand-up and support." (Defense Department Contracts, 6/5/2014)
 - "Awarded a \$1,122,306,649 not-to-exceed undefinitized modification to a previously awarded advanced acquisition contract (N00019-10-C-0005). A total of \$358,597,078 is being obligated at time of award. The contract includes both fixed price incentive and cost plus incentive contract line items. This undefinitized modification provides for the Lot V Low Rate Initial Production of 21 F135 Conventional Take Off and Landing (CTOL) Propulsion Systems for the Air Force; 3 Short Take-off and Vertical Landing (STOVL) Propulsion Systems for the Marine Corps; and 6 Carrier Variant (CV) Propulsion Systems for the Navy. In addition, this modification provides for production non-recurring effort, non-recurring autonomic logistics effort and recurring sustainment effort for the U.S. Services and Cooperative Partner Participants. 67% of the work will be performed in East Hartford, Conn." (Defense Department Contracts, 12/28/2011)
 - "Awarded a \$1,722,906,899 contract which provides F117-PW-100 installation of engines, spare engines and associated data for the C-17 aircraft. A total of up to 208 engines may be acquired under this contract." (Defense Department Contracts, 12/1/2009)

Sikorsky Aircraft:

o Employs 8,000 people in the state of Connecticut (New Haven Register)

- O Sikorsky military helicopters include: the Black Hawk, the Sea Hawk, the H-92, the CH-53, and various smaller helicopters.
- Some recent contracts include:
 - "Sikorsky Aircraft Corp., Stratford, Connecticut, was awarded a \$30,351,927 modification (P00072) to foreign military sales contract (Saudi Arabia) W58RGZ-12-C-0008 for 12 UH-60M Black Hawk helicopters for the Saudi Arabian National Guard." (Defense Department Contracts, 8/19/2014)
 - "Sikorsky Aircraft Corp., Stratford, Connecticut, has been awarded a maximum \$10,043,483 modification (P00004) exercising the option one period on a seven-month base contract (HR0011-14-C-0010) with one 17-month option period for air-vehicle design to meet the objective of the DARPA Vertical Take-Off and Landing experimental aircraft (X-Plane) program." (Defense Department Contracts, 6/5/2014)
 - "Awarded on Jan. 15, 2010 a \$923,716,895 firm-fixed-price contract for the funding of Fourth Program Year of multi-year contract for Army Lot 34 consisting of 46 each UH-60M and 21 each HH-60M Black Hawk helicopters and 10 each Option UH-60M Black Hawk helicopters for Army and also tooling: program systems management; and technical publications. Work is to be performed in Stratford, Conn., with an estimated completion date of Dec. 31, 2012" (Defense Department Contracts, 1/19/2010).

UTC Aerospace Systems (formerly Hamilton Sundstrand and Goodrich Corporation)

- UTC Aerospace Systems aims to be a leading supplier of aviation and defense products. They "design, manufacture, and service systems and components and provide integrated solutions for commercial, regional, business, and military aircraft, helicopters, and other platform." (UTC Aerospace Systems website)
- Goodrich Corporation, which was acquired by UTC in mid-2011, was merged with the already UTC-owned Hamilton Sundstrand to form UTC Aerospace Systems in 2012. (York News-Times, 9/4/2012)
- UTC Aerospace Systems serves as an umbrella organization; contracts still go directly to its Hamilton Sundstrand and Goodrich Corporation subsidiaries.
- Some recent contracts for Hamilton Sundstrand include:
 - "Hamilton Sundstrand Co., Pomona, California, is being awarded a \$12,304,295 indefinite-delivery/indefinite-quantity contract incorporating cost-plus-fixed-fee line items for engineering and technical services to maintain, troubleshoot, repair and modernize the Central Atmosphere Monitoring System (CAMS) Mk I, Mk II and IIA units to ensure their safe operation in support of U.S. Navy submarines. A CAMS unit monitors the amount of gases in the submarine atmosphere, and is considered mission-essential equipment and vital to the deployment of U.S. Navy submarines. Services will also include specialized classroom training for shipboard personnel on the operation of the CAMS. Work will be performed in New London, Connecticut (20 percent); San Diego, California (20 percent); Norfolk, Virginia (15 percent); Bremerton,

Washington (10 percent); Kings Bay, Georgia (10 percent); Portsmouth, New Hampshire (10 percent); Philadelphia, Pennsylvania (5 percent); Pearl Harbor, Hawaii (5 percent); and Guam (5 percent), and is expected to complete by March 2020." (Defense Department Contracts, 3/12/2015)

- Some recent contracts for Goodrich Corporation before its acquisition by UTC and subsequent merger with Hamilton Sundstrand include:
 - "Goodrich Corporation has been awarded a five-year Indefinite Delivery, Indefinite Quantity (IDIQ) contract by the U.S. Army for an anticipated maximum value of \$47 million for the procurement of additional <u>AN/AVR-2A(V)</u> <u>Laser Warning System components</u>. The AN/AVR-2A(V) enhances aircraft survivability by detecting multiple laser aided threats and weapons systems." (<u>Goodrich website</u>, 2/1/2011)
 - "Goodrich Pump & Engine Control Systems, Inc., West Hartford, Conn., was awarded on Dec. 17 a \$10,157,787 firm-fixed-price contract. This award provides for the overhaul of 217 Chinook main fuel controls. Work will be performed in West Hartford, Conn., with an estimated completion date of Jan. 25, 2011" (Defense Department Contracts, 12/21/2010)

3- Colt Defense LLC - \$38,220,125 In FY 2014

- Colt Defense LLC is a small-arms manufacturing company based in Hartford, Connecticut and is most well known for manufacturing the M-16 rifle and M-4 carbine. It strives to deliver "world's finest, innovative firearms to our military and civilian customers, through a deep commitment to quality and safety." (Colt website mission page)
 - "Today, Colt offers a complete "Family of Weapons" based around the M4 Carbine, which includes a heavy barreled rifle (HBAR®), a carbine with sliding stock (M4 & ACC-M), a personal defense weapon with folding-collapsible buttstock (SCW), a piston carbine (APC), a Commando® carbine, an infantry automatic rifle (IARTM), a 9mm submachine gun, and 40mm grenade launcher." (Colt Defense LLC presentation)
- "All Colt products are manufactured in Colt's ISO 9001/2008 Certified facility in Hartford, Connecticut." (Colt)
- Employs around 610 people in their West Hartford manufacturing plant as of August 2015 (<u>Guns.com</u> and the <u>Hartford Courant</u>). Had 750 workers as of April 2014 (the <u>Hartford Courant</u>).
- Lost a number of important contracts, including an \$84 million contract to Remington (NY State) for 70,000 to 100,000 rifles (<u>Hartford Business Journal</u>, <u>5/4/2012</u>) and a \$77 million contract in 2013 to manufacture M-4 carbines for the US military (<u>The Daily Beast</u>).
 - Additionally, many military units and law enforcement agencies switched from Colt firearms to those made by other manufacturers because of reliability and performance issues (The Daily Beast)
- Colt Defense LLC filed for chapter 11 bankruptcy protection in June of 2015, with debts in the \$100 million to \$500 million range (Market Watch, 6/15/2015). As of early September 2015 Colt may be close to reaching a deal with its creditors, but if

one is not reached by the end of September it will be auctioned off in October 2015. (Reuters).

- Some recent contracts awarded to Colt before it declared bankruptcy include:
 - "Colt Defense LLC, West Hartford, Conn. (W15QKN-14-D-0027) and FN Manufacturing LLC, Columbia, S.C. (W15QKN-14-D-0026), were awarded a \$16,321,305 firm-fixed-price, multi-year contract for M4 rifle bolts for the M4 product improvement program. Funding and work location will be determined with each order. (Defense Department Contracts, 3/6/2014)
 - "Awarded a \$77,400,000 firm-fixed-price contract between two contractors. The award will provide for the procurement of 900 240L medium machine guns; first article test 10 weapons and first article test components. Work will be performed in West Hartford, Conn., and Columbia, S.C." (Defense Department Contracts, 2/1/2012)
 - "Awarded a delivery order amount of \$71,090,756 as part of a \$478,787,807 firm-fixed-price contract for M4 Carbines. Work will be performed in Hartford, Conn., and is expected to be completed by Dec. 30, 2010. Contract funds will not expire at the end of the current fiscal year. This was a sole source contract initiated on July 11, 2007." (Defense Department Contracts, 7/27/2007)

CONNECTICUT MILITARY BASES

1- Naval Submarine Base New London - (8500 total personnel: 6500 active duty, 1000 civilians, 1000 civilian contractors)

- One of the Navy's primary submarine bases, it is also known as "Home of the Submarine Force", and "the Submarine Capital of the World."
 - Every officer and nearly every enlisted sailor in the submarine force will be assigned here at least one time during their military career.
- "With more than 160 major facilities...Naval Submarine Base New London supports fleet readiness by providing quality service and facilities to our Fleet, Fighters, and Families." (CNIC Naval Submarine Base New London)
- Also home to the Naval Submarine Medical Research Laboratory. "The laboratory's
 mission is to protect the health and enhance the performance of United States War
 Fighters through focused submarine, diving, and surface research solutions." (Navy
 Med)
- Currently home to nine *Los Angeles*-class nuclear attack submarines and seven *Virginia*-class nuclear attack submarines. (<u>Naval Vessel Register</u>)
- Under the 2005 BRAC, the Pentagon recommended that the base would be closed, but the BRAC commission ultimately struck down this recommendation. (Politico)
- Personnel on the base include: more than 70 tenant commands, 6,500 military personnel, more than 300 drilling Reservists, approximately 12,000 family members, approximately 12,000 retirees, 1,400 civilian employees, and more than 1,000 civilian contractors. More than 15,000 additional USA/USAF/USCG/USMC personnel use the facilities annually. [CNIC Naval Submarine Base New London]

2- United States Coast Guard Academy, New London - (896 cadets, 130 academic staff, 250 other civilian staff members)

- The service academy of the US Coast Guard, responsible for training new Coast Guard officers
- 896 cadets currently in residence, 130 academic staff (7:1 student-faculty ratio)
- Originally established in 1876 as the Revenue Cutter School of Instruction aboard
 the schooner *Dobbin*, established a land-based campus in 1890 in Curtis Bay, MD,
 subsequently moved to Fort Trumbull in New London, CT, before moving to its
 current location in New London in 1932

Source: <u>US Coast Guard Academy website</u>

- 3- Research and Development Center Coast Guard, New London (84 personnel: 13 military personnel, 71 civilian employees. Other tenants include 10 Coast Guard Contracting staff members, 26 contractors, 3 NOAA personnel, 18 International Ice Patrol (IIP) personnel, and 9 Marine Safety Lab (MSL) personnel)
 - The only dedicated Research and Development (R&D) facility for the Coast Guard
 - Dedicated to conducting R&D efforts to support the eleven statutory missions of the Coast Guard
 - Received around \$25 million in funding in FY 2014, \$19.3 million of which comes from the standard annual RDT&E appropriation
 - Partners with numerous other agencies and organizations to further its research goals
 - Has a satellite office in Washington DC, but the CT lab is the main facility

Source: United States Coast Guard Research and Development Center 2014 Annual Report