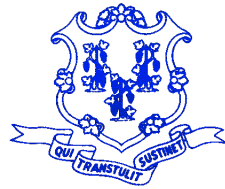


STATE *of* CONNECTICUT
OFFICE *of* MILITARY AFFAIRS
(OMA)

Annual Report 2015



Robert T. Ross
Executive Director

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I. Introduction

For its legendary support in the Revolutionary War, President George Washington called Connecticut the “*Provisions State*.” From the beginning of America’s democracy, Connecticut has played a key role in producing the diverse and highest quality human and physical resources for our nation’s defense.

Units of the Connecticut National Guard are dispersed in armories and other facilities across the state. Throughout its long history, dating back to colonial militias, Guard units have responded to state and national emergencies and performed combat operations around the world. The Connecticut National Guard is headquartered next to the State Capitol in Hartford, in the massive State Armory and Arsenal building dedicated by President William H. Taft in 1909.

In 1794, after the Continental Congress decided to create a United States Navy, an expedition sailed from New London to retrieve live oak, the hardest wood available, to build America’s first warships at different shipyards along the East Coast. These ships were not modified merchant vessels. They were designed from the keel up to be warships. One of them, the USS Constitution, remains the oldest commissioned warship in the world.

The Navy base in Groton was originally a Naval Yard and Storage Depot, established in 1868. It was built on land donated by the people of Connecticut. The State Legislature provided \$15,000 and the City of New London appropriated \$75,000 for the purchase of land on the east bank of the Thames River in the New London harbor. In 1916 the base was designated the nation’s first Naval Submarine Base and home of the Submarine School.

The first land-based campus of the Coast Guard Academy was established at Fort Trumbull in 1910 and then moved to land donated by the City of New London in 1915. The Coast Guard Academy is the single officer accession source of all commissioned officers for the U.S. Coast Guard. Today, the men and women of the Coast Guard serve at stations ashore and aboard cutters deployed throughout the U.S. and in every ocean.

Since the first days of our democracy, Connecticut’s defense manufacturing industry has continued without interruption. The ships, submarines, aircraft, jet engines, helicopters, firearms and advanced weapon systems built in Connecticut reflect our state’s continuous innovation and highly skilled workforce. Connecticut’s defense industry and military bases produce billions of dollars in economic activity throughout the state, in large and small businesses in virtually every municipality.

Overview of OMA

The Office of Military Affairs (OMA) was established by Connecticut General Statute 32-58b in 2007. Accordingly, “the Office of Military Affairs shall promote and coordinate state-wide activities that enhance the quality of life of all branches of military personnel and their families and to expand the military and homeland security presence in this state.”

Mission of OMA

- Coordinate efforts to prevent the closure or downsizing of Naval Submarine Base New London in Groton (SUBASE).
- Support Connecticut’s military families and enhance their quality of life.

- Advocate for Connecticut’s defense industry, a major component of the state’s economy and an engine of innovation and quality production for the U.S. Armed Forces.
- Encourage the retention of established military and defense industry missions and the relocation of new ones to the state.
- Serve as liaison to the Connecticut congressional delegation on defense and military issues.

Structure and Organization

As directed in statute, OMA is established within the Department of Economic and Community Development (DECD) for administrative purposes only. OMA and DECD are co-located at 505 Hudson Street in Hartford, Connecticut.

The office is minimally staffed with a full-time Executive Director, designated as a department head in the executive branch, reporting directly to the Office of the Governor. The Executive Director is supported by DECD staff members and interns who provide support for OMA in various functions including, but not limited to, office administration, financial management, legal counsel, information technology, economic research and legislative affairs.

The Washington, D.C.-based consulting and government relations firm, Mercury®, is retained by OMA to provide supportive services in Washington. This firm played a key role in Connecticut’s successful effort to prevent the closure of the SUBASE in 2005. Under a contracted professional services agreement, Mercury® assists OMA in coordinating initiatives with the Connecticut congressional delegation, developing government and public

communication strategies, monitoring and tracking trends in defense spending in the state, projecting future developments in defense and homeland security matters, monitoring significant issues related to Connecticut’s defense industries, representing OMA to Pentagon policy-makers, and recommending strategies and initiatives to advance and protect the state’s interests in Washington.

OMA is an active member of the Association of Defense Communities (ADC), a Washington-based organization that represents states and communities nationwide that host military installations. In 2015 OMA Executive Director Bob Ross was elected to the ADC Board of Directors for his many contributions to the organization, including participation on numerous discussion panels at national and regional forums.

The legislation setting forth duties and responsibilities of the OMA Executive Director was revised by the Connecticut General Assembly to more accurately reflect the ongoing activities of the office. The revised legislation (Appendix A) was signed into law by Governor Malloy on June 19, 2015.

II. Key Defense Issues for the Nation and State

From a national perspective, most of 2015 involved uncertainty over the level of defense spending available in Fiscal Year (FY) 2016, beginning Oct. 1, 2015. This was mainly due to political differences in Washington on whether exemptions to spending caps put in place by the Budget Control Act of 2011 (BCA) should apply only to defense spending or also for non-defense agencies. However, the year ended on a positive note with a budget deal that lifted both defense and non-defense spending

limits for FYs 2016 and 2017.

On the state level, Congress continued to approve significant funding for programs of importance to Connecticut, including procurement of two *Virginia*-class attack submarines in 2016, replacement of the *Ohio*-class ballistic missile submarines, and continued procurement of the F-35 Joint Strike Fighter, with its Pratt & Whitney engines. These are all key programs for the state's defense industrial base.

Defense Spending and Concerns Nationwide

The year got off to a rocky start with respect to national defense spending. The Republican-controlled Congress produced a FY 2016 defense policy bill, the National Defense Authorization Act (NDAA), which exceeded the limits on FY 2016 spending contained in the 2011 BCA – a process known as sequestration. The bill included \$58 billion in a fund designed for Iraq/Afghanistan combat support in a budget account called the Overseas Contingency Operations (OCO) fund. Under the BCA, OCO funds are exempted from the sequestration spending caps.

As the bill took shape in the Senate and House in early 2015, Democrats strongly argued that the OCO funding was merely a way of getting around the spending caps and that such exemptions should be granted for non-defense spending as well. As a protest, Senate Democrats blocked consideration of not only the annual defense appropriations bill – a separate piece of legislation from the NDAA – but all other appropriations bills as well. This debate spanned the spring and summer months.

In October the Senate and House approved the FY 2016 NDAA containing the additional OCO funding despite the Democrats' protestations against the defense-only exemptions from the sequestration spending limits. As he previously pledged to do because of the defense-only sequestration exemption, President Obama vetoed the bill, sending it back to Congress. At the same time, and with the new fiscal year underway Oct. 1, the federal government was facing a possible shutdown since not a single agency appropriations bill had been passed by Congress.

The legislative gridlock resulted in high political drama in Washington. On Sept. 30, John Boehner, Speaker of the House of Representatives, unexpectedly announced he was stepping down as Speaker and would resign from Congress by year's end. After his announcement, he and other House leaders worked behind the scenes with the Senate leadership to work out a deal to allow additional across-the-board spending in FY 2016 and FY 2017 in both the defense and non-defense bills. This was known as the Bipartisan Budget Act of 2015 (BBA), which became law in November. Shortly thereafter, the President signed a revised NDAA and a government shutdown was avoided.

There was general agreement in the Pentagon, on Capitol Hill and among defense experts that while the projected defense spending levels for FY 2016 and FY 2017 were not ideal, at least they provided a stable environment for the military services in their budgetary and operational planning.

As for the substantive defense issues, one that stayed in the headlines through most of the year was the problem of how to deal with ISIS, the so-called Islamic State. This came to a head on Nov.

13, 2015, with the horrendous attack in Paris by ISIS sympathizers in which 130 innocent civilians were killed and more than 350 injured. France and other European nations and the United States launched new air attacks on ISIS targets in Iraq and Syria and increased support for anti-ISIS Iraqi and Kurdish ground forces.

The military services faced challenges related to the right-sizing of forces following the drawdowns from the war in Afghanistan, and from the Obama Administration's commitment to build up forces in the Pacific. The biggest impact has been on the Army, which continued to see its end strength decrease from 490,000 to a target of some 450,000.

Another important issue that has caused serious concern to senior U.S. defense officials has been the continuing aggressive behavior of Russia. On Sept. 30, 2015, Russia intervened in the Syrian civil war by launching air strikes against militant groups opposed to the Syrian government. This followed military action in recent years by Russia against Georgia, Crimea and Ukraine. In their confirmation hearings before Congress, Chairman of the Joint Chiefs of Staff Gen. Joseph Dunford and Army Chief of Staff Gen. Mark Milley said they consider Russia the greatest threat to U.S. security.

The Navy's top priority during the year, at least with respect to future capabilities, continued to be the Ohio Replacement Program (ORP) – designing and constructing a new fleet of ballistic missile submarines. On the plus side, the Navy and the Department of Defense (DOD) convinced Congress to establish a new funding mechanism for ORP, a National Sea-Based Deterrence Fund, separate and apart from the Navy's annual shipbuilding budget. The challenge going forward is to actually have Congress

appropriate into the Fund the billions of dollars that will be required for ORP. So far no amounts have been appropriated for the Fund.

On Capitol Hill, the Senate and House Armed Services Committees made an initial effort to reform the cumbersome defense acquisition process. The main thrust of reform provisions contained in the FY 2016 NDAA was to shift more oversight and accountability to the chiefs of the military services and to streamline some processes. Both SASC Chair Sen. John McCain and HASC Chair Mac Thornberry pledged to accelerate their reform campaign in 2016.

Base Realignment and Closure (BRAC)

For the fourth straight year, Congress rejected a DOD request to conduct another defense base realignment and closure (BRAC) round. The last one was held in 2005. That round is memorable for Connecticut because Submarine Base New London narrowly escaped closure after being included on DOD's list of bases recommended to be shut down. The 10th anniversary of that decision by the Defense Base Realignment and Closure Commission was on August 25, 2015.

Although remaining firm in its opposition to another BRAC, Congress relented a bit in the FY 2016 NDAA by authorizing DOD to undertake a "capacity analysis" of all military facilities. The last time such a comprehensive analysis was performed was a decade ago, in connection with the 2005 BRAC. The Pentagon is hoping that the study will be the first step leading to another BRAC round in the years ahead. It was widely expected that DOD in early 2016 will once again request a BRAC round, perhaps for 2019 following the

mid-year elections in 2018 and prior to the presidential election year of 2020.

Interestingly, numerous communities nationwide have indicated their willingness to undergo a formal base closure round in preference the drawdown of forces at military installations they host. They contend that the BRAC process at least provides transparency and the opportunity for communities to contest proposed reductions in military units and personnel. By contrast, many argue, the military services have essentially been conducting a 'stealth BRAC' by unilaterally reducing units and forces with little or no community input.

Connecticut Issues

For Connecticut, 2015 saw stability in funding for submarine construction/development and other major defense programs, and an ownership change for one of the most iconic companies in the state's – and nation's -- defense industrial base.

As stated above, political bickering over FY 2016 funding for defense and non-defense programs slowed down congressional consideration of the annual defense policy and appropriations bills. But when both were passed late in the year – the NDAA policy bill in November and the defense appropriations measure in December – the overall results amounted to very good news for major programs providing economic benefit for the state. Chief among them:

- \$5.3 billion for *Virginia*-class submarine construction, including \$3.3 billion for two submarines in 2016 and \$2 billion for advanced procurement for additional submarines in 2017 and beyond.

- \$1.4 billion for the Ohio Replacement Program, for continued engineering and design for a new class of ballistic missile submarines replacing the existing *Ohio*-class of such submarines. This program is a top priority for the Navy.
- \$168 million for continued development of the Virginia Payload Module, which will significantly increase the capacity of Virginia-class submarines to carry and launch cruise missiles.
- Funding for 68 F-35 Joint Strike Fighter aircraft, including \$1.33 billion for 11 more than the DOD budget request. The F-35 is powered by Pratt & Whitney engines.
- \$1.6 billion for 102 Sikorsky Black Hawk helicopters for the Army and National Guard, eight more than requested in the budget. Also \$942 million for an additional 29 multi-mission Black Hawk helicopters.
- \$572 million for development of the new Presidential helicopter, a contract awarded in 2014 to Sikorsky. Under the \$1.24 billion contract, Sikorsky will design and build the first six helicopters.
- \$156 million for development of the Air Force Combat Rescue helicopter, another contract won by Sikorsky in 2014. The initial contract was for \$1.28 billion. If all options are exercised, the program could be worth \$7.9 billion through 2029.

While large appropriations and huge contracts for major programs benefit the Connecticut-based prime contractors like Electric Boat, Pratt & Whitney and Sikorsky, the flow-through economic benefits to smaller suppliers throughout the state are also very significant. According to the Submarine Industrial Base Council, 471 Connecticut suppliers have received some \$580 million in contracts over the past five years for major submarine programs, mainly *Virginia*-class construction.

Finally, one of the biggest defense-related news stories of the year was the acquisition by Lockheed Martin of Sikorsky Aircraft from United Technologies Corp. for \$9 billion. Founded in 1925 by aircraft engineer and immigrant Igor Sikorsky, the company bearing his name has been located in Stratford, CT, since 1929. Sikorsky developed the S-47, the world’s first production helicopter, in 1940. Lockheed will keep Sikorsky in Stratford. The company has some 8,000 employees at Stratford and elsewhere in the state – Trumbull, Bridgeport, and Shelton.

III. Connecticut Defense Industry Outlook

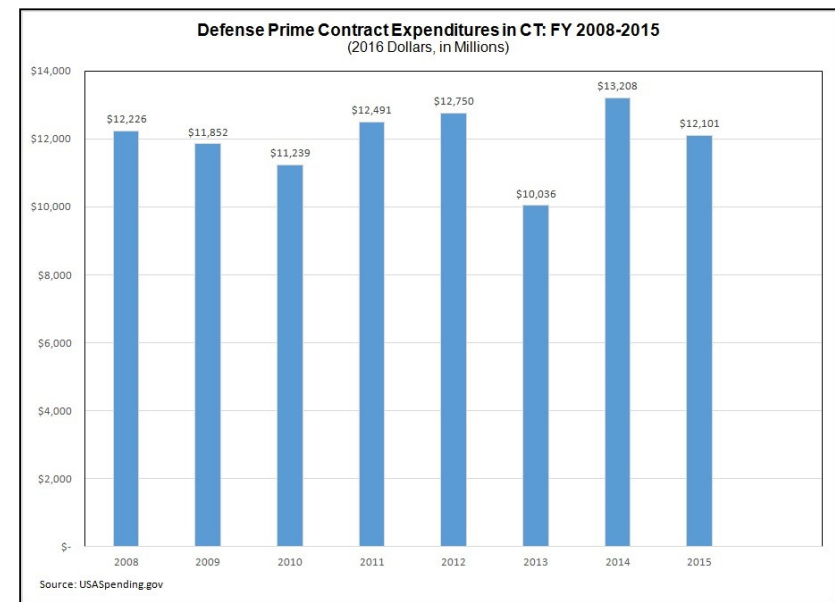
Connecticut’s defense industrial base remained strong in 2015 and the outlook remains very positive in the years ahead.

This analysis of defense spending projections in the state and nation is drawn from data in the annual DOD publication, *Projected Defense Purchases: Detail by Industry and State*. The report is produced by the Economic and Manpower Analysis Division of the office of Cost Assessment and Program Evaluation at DOD. It is based on data from the Defense Employment and Purchases Projection System (DEPPS), and thus is known as the “DEPPS report.” The 2015 report was issued on Feb. 22, 2016.

We also used data from the website, USASpending.gov, and the Federal Procurement Data System, both maintained by the federal government.

A word about methodology. The DEPPS defense spending projections are based on outlays, that is, disbursements actually made by defense offices and agencies and the military services

during the course of a year. They are *not* based on the value of defense contracts awarded in a given year, since the outlays resulting from such contracts may take place over several years. Nor are they based on budget authority, that is, amounts DOD is authorized by Congress to obligate in certain years. Like many contract awards, budget authority tends to be spread over a multi-year period, particularly for procurement and research and development projects.



[Figure 1]

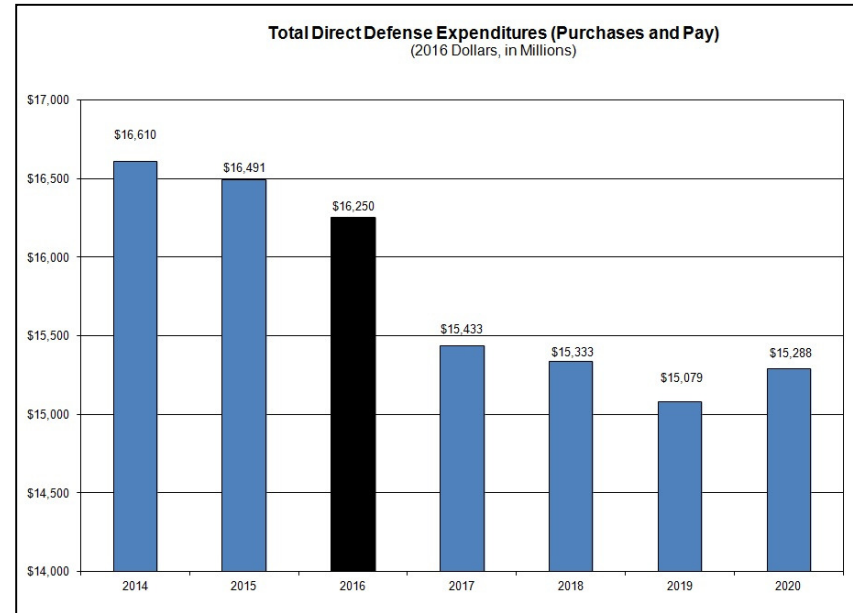
While most of this section deals with forward-looking projections, Figure 1 provides a look backward, showing the value of defense contract to Connecticut companies from 2008 through 2015. This is the period following the big military buildup from 2001 to 2005 with the start of the wars in Iraq and Afghanistan. Interestingly, the state remained fairly consistent in defense

contract awards, dipping to the \$10 billion level in 2013 but rebounding to \$13.2 billion the following year.

The decrease in 2013 is likely related to “sequestration,” the congressionally imposed across-the-board spending cuts that took effect on Jan. 1, 2013. Those cuts were somewhat relaxed by Congress in December 2013, restoring to DOD an additional \$30 billion for fiscal years 2014 and 2015 that otherwise would have been sequestered. This probably explains, at least in part, the jump from 2013 to 2014 shown in Figure 1. Also in 2014, Connecticut defense contractors were awarded five prime contracts in excess of \$1 billion each, including a \$17.7 billion Navy contract in April 2014 to Electric Boat for 10 *Virginia*-class submarines. While much of the funding for these contracts was spread over multi-year periods, they no doubt resulted in 2014 outlays that help explain the increase in 2014 expenditures shown in the chart.

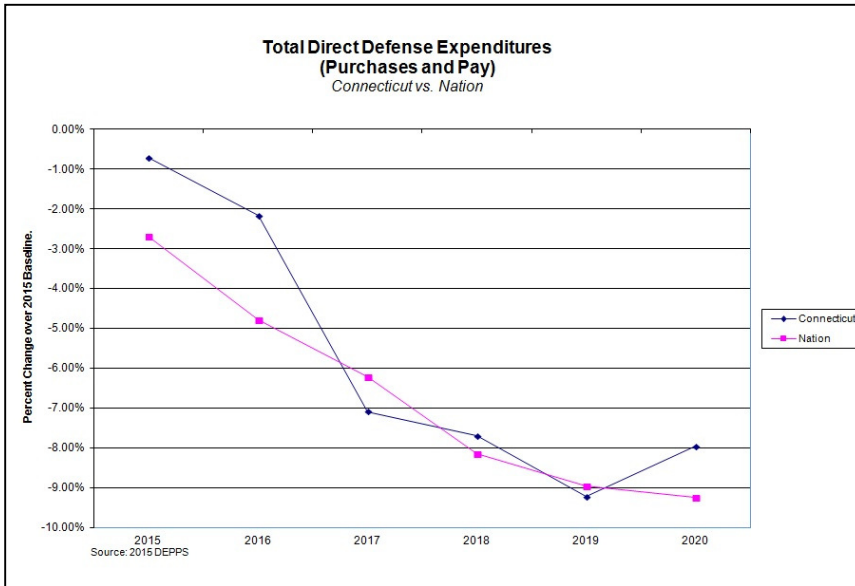
Figure 2 depicts a category in the DEPPS report that tracks direct defense expenditures in each state. “Expenditures” is defined as both purchases, i.e., defense contracts, and pay. The latter refers to the salaries of military personnel and civilian employees, and military retirement pay. The broader approach of this category explains the difference in the amounts for 2014 and 2015 from Figure 1. The projections in Figure 2 reflect not only the anticipated downturn in defense spending nationwide but also accompanying reductions in military and civilian DOD personnel.

The Figure 2 trend for Connecticut shows a fairly steady decline except, for reasons that are not clear, a steeper decline from 2016 to 2017.



[Figure 2]

Figure 3 shows how the state compares to the nation as a whole in direct defense expenditures for purchases and pay, starting from a 2015 baseline. Both show a steady downward trend, except for the unexplained Connecticut dip 2016-2017. However, the state is shown rising sharply from 2019 to 2020. While the DEPPS report does not explain this, it could take into account increased spending related to the Navy’s Ohio Replacement Program for construction of a new generation of ballistic missile submarines. Much of this work is being done by Electric Boat; so far the focus has been design and planning. However, actual construction is projected to start in 2021 with Electric Boat doing most of the work. (As with *Virginia*-class submarines, the work will be shared by EB and Huntington Ingalls Industries.)

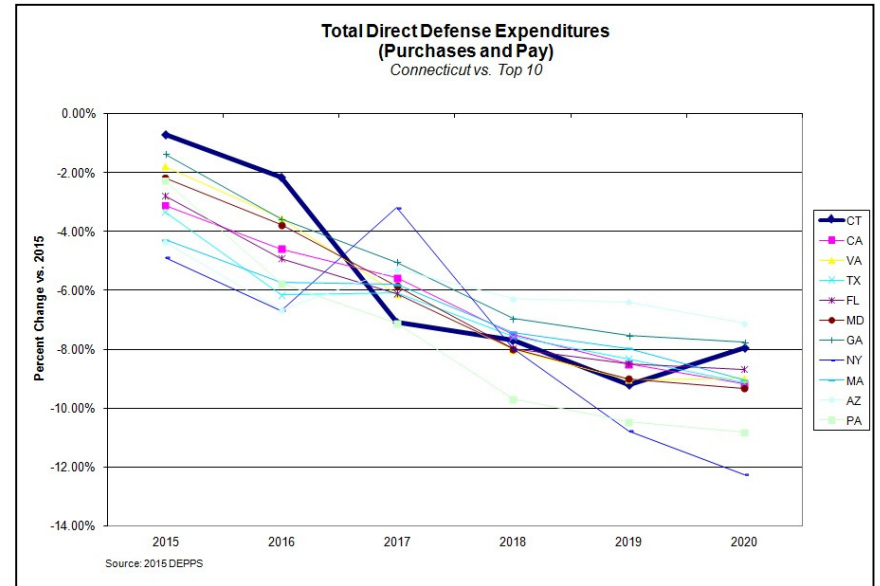


[Figure 3]

Figure 4 shows Connecticut’s trend line in the purchases and pay category against the top 10 defense contracting states. The downward trends are similar, but Connecticut recovers more quickly in 2019.

While the measurements and charts on the DEPPS direct defense expenditures/purchases and pay category are helpful, they do not fully illustrate the strength Connecticut’s defense industrial base. Table 1 below shows the top five states in the DEPPS 2016 projections for total direct expenditures.

Connecticut, at \$16.25 billion, is ranked 9th among all states. This is because the pay element in this category favors states with many military bases and large numbers of military personnel and DOD civilian employees.



[Figure 4]

State	Total Direct Defense Expenditures (Millions)
Virginia	63,954
California	62,497
Texas	50,695
Florida	26,616
Maryland	24,102

[Table 1]

However, the DEPPS data base contains a sub-category, Direct Purchases from Procurement and RDT&E (Research, Development, Test & Engineering) expenditures. It measures defense contracting for designing and building defense weapons and their components and thus more accurately depicts the strength of a state’s defense industrial base. Put differently, it

excludes the pay component that is part of the Total Direct Defense Expenditures category depicted in Figures 2-4 and Table 1 above.

Interestingly, as shown in Table 2 below, Connecticut is ranked 4th nationally in this category! The only states exceeding Connecticut’s total of \$13.15 billion, are defense behemoths California, Virginia and Texas, each of which have many large bases and tens of thousands of military personnel and defense contractors.

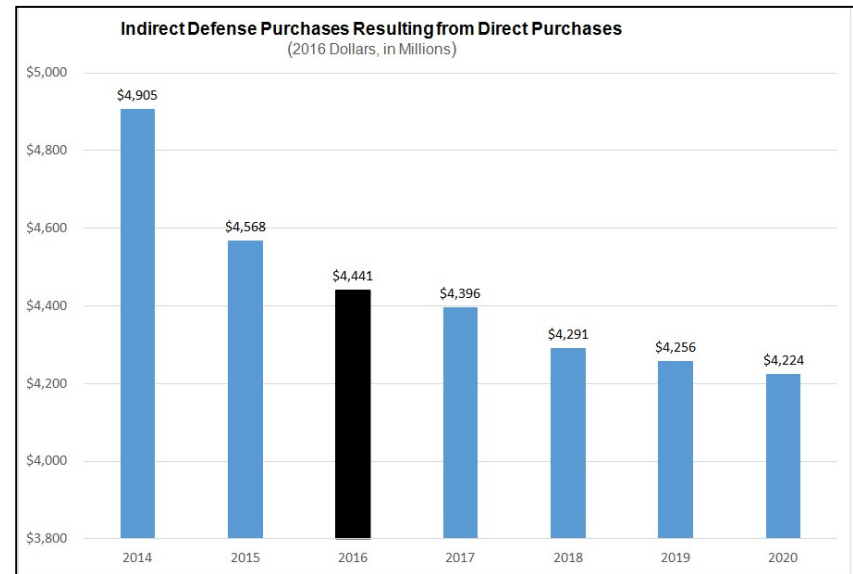
<u>State</u>	<u>Direct Purchases from Procurement & RDT&E (Millions)</u>
California	23,745
Virginia	18,712
Texas	17,673
<u>Connecticut</u>	13,159
Massachusetts	10,040

[Table 2]

The strength of the state’s defense industrial base as depicted in Table 2 is a powerful 21st century affirmation that Connecticut continues its Revolutionary War distinction of provisioning the nation’s military forces.

Another Pentagon measurement of the economic impact on states flowing from defense spending is “indirect” DOD purchases resulting from direct purchases. In other words, this looks at the subcontractor supply chain that supports defense programs and projects. For example, expenditures on a submarine stimulate indirect purchases of submarine parts, electronic components, steel and other metals, etc.

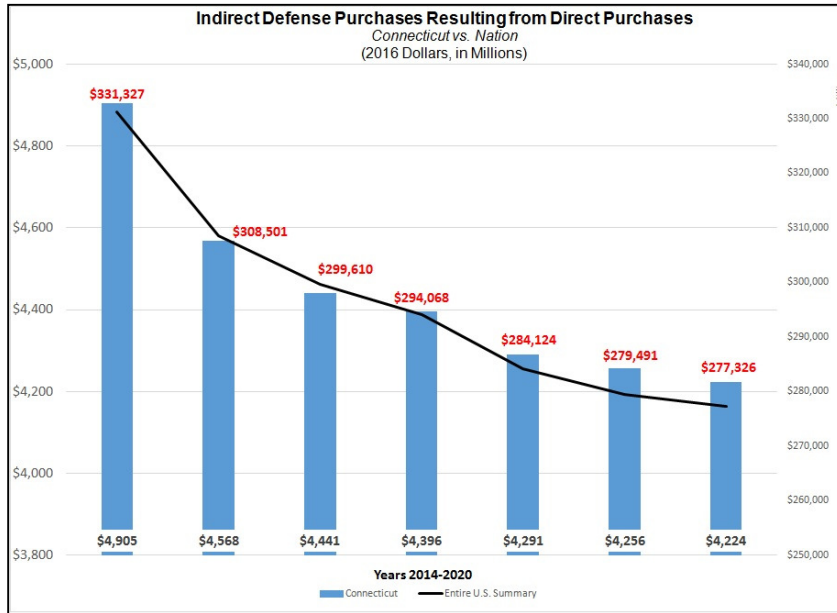
Figure 5 shows Connecticut on a gradual downward slope through 2020 for Indirect Defense Purchases Resulting from Direct Purchases. The steeper decline from 2014 to 2015 is not explained in the DEPPS report but is consistent with the 2014-2015 drop shown in Figure 1 above.



[Figure 5]

It is interesting to note that, as shown in Figure 6, the state’s decline in this category (measured by the blue bars) is almost identical to the nation as whole (shown by the black line) through FY 2017. But from FYs 2017 through 2020, Connecticut’s decline is less steep than the national average. This upswing is likely related to the fact that the major weapons systems produced in Connecticut – nuclear submarines, helicopters, military jet engines – are essential to our national security. This is particularly true for submarines, where Congress has authorized funding the construction of two *Virginia*-class submarines annually through 2020 and the Navy has

already awarded that long-term contract. The supply chains that support such programs are a vital part of the Connecticut defense industrial base.

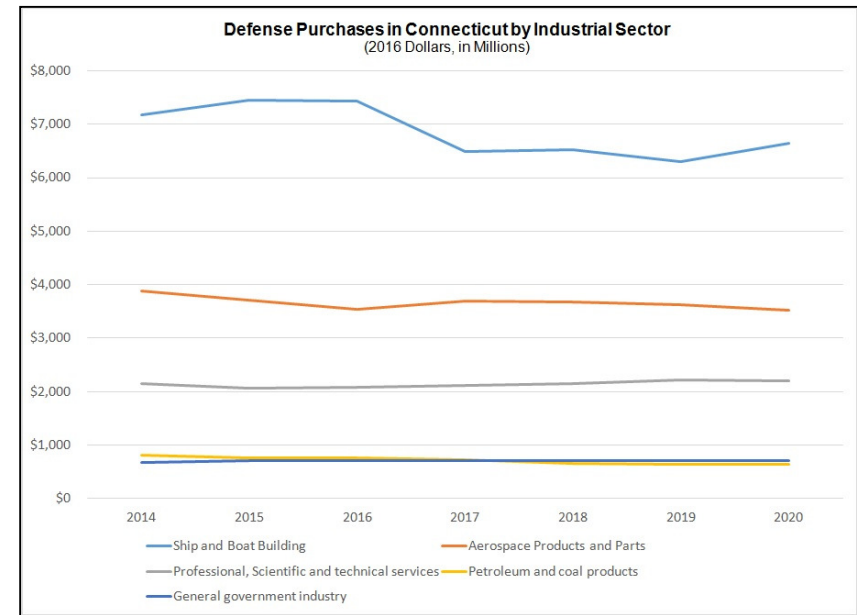


[Figure 6]

The good news in Figure 7 is that the projections for these categories are strong for the years ahead, with virtually straight lines for the aerospace and technical services categories. This shows a strong and steady defense sector in Connecticut over the next five years.

Finally, Figures 8 and 9 shows Connecticut's standing on a *per capita* basis among the top 10 defense contracting states. Figure 8 is based on total direct defense expenditures -- both purchases and pay. Connecticut comes in 8th place here. Again, because of the pay component, the state is overshadowed by states

with many military personnel and bases, and civilian contractors such as Virginia, California and Texas.

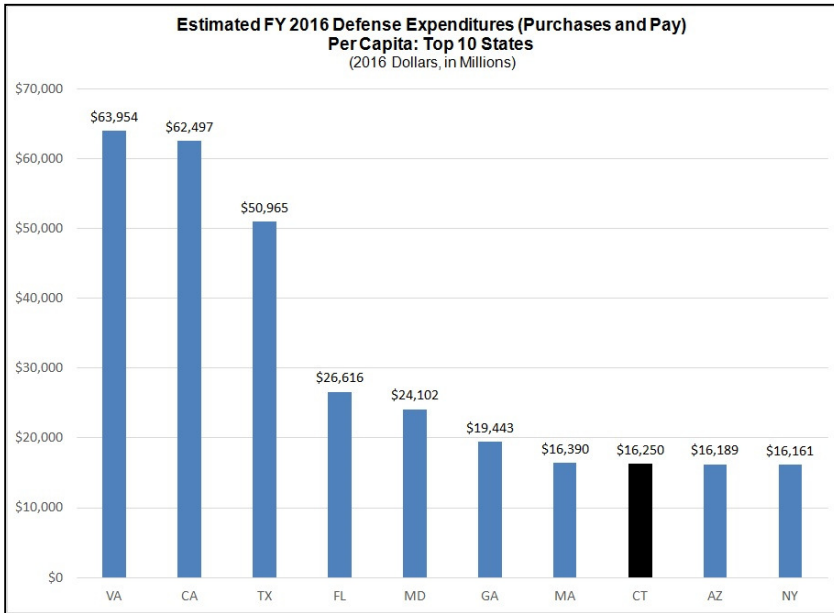


[Figure 7]

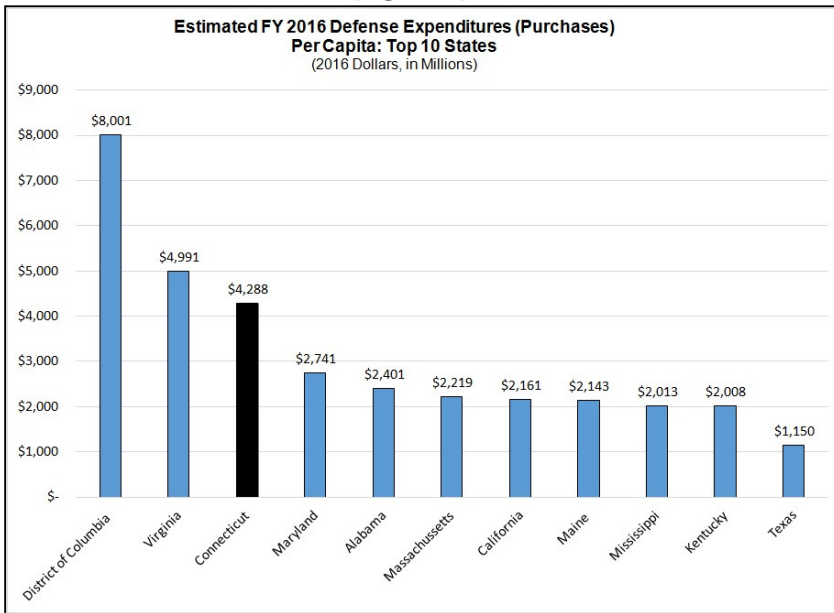
But what happens if we consider only purchasing and not pay, as we did in Table 2 above? From that perspective, as shown in Figure 9, Connecticut ranks 3rd among all states on a *per capita* basis in FY 2016. Again, this is testimony to the strength of Connecticut's defense industrial base, particularly in relation to its relatively small population.

Summary

The Pentagon's economic and industrial data can be portrayed in different ways to generate different results, as shown above. However, because Connecticut produces weapons systems



[Figure 8]



[Figure 9]

vital to our national security, has a highly skilled and experienced defense workforce, and many hundreds of reliable suppliers, it is one of the country’s most productive states in providing critical goods and services for DOD. As indicated above, this will continue to be the case through 2020 and, very probably, far beyond.

IV. U.S. Naval Submarine Base New London and the Submarine Industrial Base

Chief among the reasons to create OMA was the very real probability that the SUBASE in Groton would be closed. Twice it was targeted by the DOD for closure in the BRAC process. Twice, *Team Connecticut*, a group of public and private sector individuals, got organized and worked tirelessly to reverse the almost certain closure of the base. Today, the primary task of OMA is to do proactively what *Team Connecticut* had to do reactively in the BRAC rounds of 1993 and 2005. We don’t want to wage this battle again.

The predictable economic catastrophe associated with the potential closure of the SUBASE is obvious to anyone familiar with southeastern Connecticut. The loss of the positive effects we realize from the base as it generates over \$5 billion in annual economic impact and over 30,000 jobs would be devastating. The ripple effect throughout the state would simply be the reverse of what we experience today. Hundreds of small businesses deriving their business and clientele from the base would go under. Without this economic anchor, the regional economy would be severely impacted, in every industry cluster.

Creating Military Value

It is clear that another BRAC round will eventually be approved by Congress. Subject matter experts widely believe DOD will continue requesting another BRAC round every year until one is approved. OMA efforts will continue to focus on developing and executing strategic initiatives to enhance the *military value* of the base in preparation for the next BRAC round when it comes.

In 2007, the General Assembly authorized \$40 million for investments in *military value* at the SUBASE to protect it from closure. Since then, funding has been directed to several carefully selected projects. This strategy is built on the criteria used by prior BRAC Commissions and aims to assess and enhance the *military value* of the base, thereby decreasing the likelihood it would be targeted for closure. By increasing *military value* in operations, infrastructure and efficiency, we reduce the likelihood of closure because DOD simply can't afford to recreate that capacity anywhere else. It's not about sunk cost. It's about current and future *military value*.

Today the SUBASE is undergoing a remarkable transformation as old infrastructure is demolished and replaced with modern capacity. People familiar with the SUBASE recognize its ongoing dramatic transformation into a modern campus of new buildings specifically designed for unique operations, specialized training and high-tech support functions associated with producing and maintaining our nation's submarine force.

Working in a close partnership with Navy officials in Connecticut and at the Pentagon, OMA established a legal

framework through which the state can transfer funds to the Navy for carefully selected projects at the SUBASE.

In March 2012, Governor Malloy met with Secretary of the Navy Ray Mabus in his Pentagon office to discuss the SUBASE. The Governor confirmed that the state will continue its unprecedented partnership with the Navy to transform the base and support service members and their families.

Previous state-funded projects have included construction of new buildings to support operations and maintenance, construction of training equipment, construction of a new high efficiency boiler for base-wide steam utilities, and purchases of land for encroachment mitigation on both the northern and southern perimeters of the base. Collectively, these projects represent a wholly unique partnership with the Navy in diverse and creative areas of base improvements.

In 2015, the State Bond Commission authorized OMA to provide funding to the Navy for early planning of a microgrid to be developed on the base. This microgrid will provide energy security for base operations and potentially reduce the operating cost of the base by incorporating clean cogeneration capacity and highly efficient power controls and distribution systems. Governor Malloy again met with Navy Secretary Mabus to enlist the Navy's staff expertise in the project and to discuss creative methods for private sector funding in a future long-term power purchase agreement. Secretary Mabus agreed to provide his authority and staff expertise to this project and sent delegations to meet with state and local officials at the SUBASE.

As important as these ongoing state-funded investments are, they represent only a small fraction of the military construction projects underway on the base. Since 2005, there have been over \$250 million worth of planning, demolition and construction projects on the base, with about \$14 million funded by the state. So, the state is an important but modest partner in a much larger effort to modernize the base.

September 21, 2015, marked an important development for the SUBASE as a new command was established. Commander, Naval Undersea Warfighting Development Center (NUWDC), marked the return of a flag officer to the base. This new command will have global responsibilities for the submarine force and further enhances the role of Groton as the Navy's center of excellence in all submarine activities from design, to construction, maintenance, operations and tactical evolution.

OMA will continue to work closely with our congressional delegation, state and local officials, regional stakeholders and Navy leadership to identify future projects and missions as part of our ongoing strategy to enhance the *military value* of the base and protect it from closure in a future BRAC round.

Connecticut's Submarine Industrial Base

Central to the argument *Team Connecticut* advanced in the 2005 BRAC was that the SUBASE was not given adequate credit for the *unparalleled synergy* created in the close proximity and interactions among so many public and private submarine defense industry and military organizations.

Submarines are designed and built at Electric Boat in Groton. All submarine personnel receive basic and advanced training at the Naval Submarine School on SUBASE. Tactics are developed by Submarine Squadron 12 and the newly established Naval Undersea Warfighting Development Center. The Naval Undersea Warfare Center in nearby Newport, RI, conducts research and development activities in Rhode Island and on the SUBASE. The Naval Undersea Medical Research Labs are located on the base. And the base is home to the Naval Submarine Force Library and Museum and the Historic Ship Nautilus. This is the Submarine Capital of the World, where the nation's submarine force history and heritage is archived and commemorated. These organizations, and many others, coalesce to create a Submarine Force Center of Excellence – the center of gravity for nation's military undersea profession. Or as a University of Connecticut professor recently characterized this cluster “the Silicon Valley of the undersea world.”

Understanding the value of this synergy led the state also to enter into assistance agreements with EB as the nation's premier manufacturer of undersea platforms and technologies. In 2007 the State helped EB refurbish dry docks in its Groton shipyard. The state's \$9.9 million investment helped EB complete a \$65 million renovation project that helped keep submarines in Connecticut and brought other business to the region. From 2008 through 2015, EB has generated over \$1.2B in sales and paid over \$378M in wages related to submarine work performed in these dry docks. That work includes overhaul, repair, maintenance, modernization and post shakedown availability. These depot-level facilities, in close proximity to the SUBASE, are also a consideration that a future BRAC Commission will take into account when assessing the total *military value* of the SUBASE.

Subsequently, the state helped EB purchase the former Pfizer headquarters buildings and campus in New London. This major expansion has given EB the space needed for its work in designing the replacement for the *Ohio*-class Strategic Ballistic Missile Submarines (SSBN). This project will ultimately bring some 700 engineers to southeastern Connecticut. The building also accommodates a workforce to produce ongoing technology upgrades for the *Virginia*-class submarines. This facility is already reaching its capacity as new employees are added to the industrial base in New London.

In October 2014 Governor Malloy announced an agreement with EB to help finance the company's expansion in Groton. Under the terms of this agreement, the Department of Economic and Community Development will provide a \$10 million loan to EB in support of this \$31.5 million project that will add or protect 8,900 jobs.

While investments in our submarine industrial base are concentrated in southeastern Connecticut, the impacts are state-wide. For example, in the *Virginia*-class program, over 600 suppliers are dispersed in all five of the state's congressional districts, with the largest concentration in central Connecticut's 1st District. All together, they supply over \$600 million worth of goods and services in this defense acquisition program alone. As we seek to maintain production of *Virginia*-class submarines at two per year, the positive impacts on our state economy will be pervasive for decades to come.

V. The National Coast Guard Museum

The United States Coast Guard (USCG) is the only military service that does not have a national museum. On April 5, 2013, after a decade of false starts and failed attempts, the Commandant of the Coast Guard announced the decision to build a National Coast Guard Museum (NCGM) in downtown New London. The National Coast Guard Museum Association (NCGMA), a non-profit organization chartered to build the museum, proposed a 54,000 square foot state-of-the-art building at the head of New London City Pier. It will be adjacent to the Union Station, the Greyhound bus station and Cross Sound Ferry landings. Governor Malloy participated in the announcement and committed up to \$20 million in state funding to build a pedestrian bridge to connect the museum with all elements of New London's multi-modal transportation hub.

The Governor directed all state agencies to collaborate in this undertaking and to help the USCG and City of New London advance the project. He also directed the OMA to coordinate the efforts of state agencies on his behalf.

Negotiations with stakeholders advanced swiftly. The State Bond Commission approved \$500,000 for advance engineering and design of the pedestrian bridge and authorized the DECD to enter into an assistance agreement with the NCGMA. The State of Connecticut, City of New London, USCG and NCGMA negotiated a Memorandum of Agreement to clearly define roles and responsibilities in this partnership to build the museum.

State agencies worked closely with project stakeholders to complete the Environmental Impact Evaluation (EIE) as required by

the Connecticut Environmental Protection Act. The EIE authorized detailed engineering and design to proceed on the pedestrian bridge portion of the project.

Much of the financing for the \$100 million museum will be raised in a national fundraising campaign coordinated by the NCGMA. Contingent upon this fundraising effort and a series of prerequisite agreements with area stakeholders, construction could begin as early as 2020.

- **The National Coast Guard Museum**
<http://www.coastguardmuseum.org/>



Related to the National Coast Guard Museum project is the Thames River Heritage Park (TRHP) designation for the New London Harbor. Two centuries of American maritime history at sites along the shores of the Thames River will be connected by a water taxi service. The TRHP obtained two surplus 40-foot USN liberty launches to provide this service and become part of the maritime heritage exhibit. The OMA Executive Director serves on the TRHP

transition team and worked with local officials to obtain the authentic Navy boats which will eventually provide waterborne access to Thames River historic sites, including the Submarine Force Museum and future National Coast Guard Museum.



Two 40-foot surplus U.S. Navy liberty launches arrive in New London Monday, Nov. 30, 2015. The two boats will be placed into service to connect various destinations of the Thames River Heritage Park in the summer of 2016. (Photo by: Marian Galbraith)

VI. Quality of Life and Military Service in Connecticut

Advocating for service members and their families has become one of the most important roles of OMA. Military families stationed in Connecticut for duty assignments and training enjoy supportive local communities, excellent public schools and the unique experience of living in New England. As families in transition, they occasionally need reasonable accommodations and OMA actively engages state agencies and local organizations on their behalf.

OMA worked with regional leaders at LEARN (a regional

educational service center), and the Military Superintendent's Liaison Committee to make charter and magnet schools available to military families. The DOD tends to transfer families in the summer months to avoid moves during the school year. However, the unintended consequence of this policy is that newly arriving military families often can't establish residency in time to compete in the drawing/lottery for seats in charter and magnet schools. Area superintendents implemented a program to hold back a number of seats to be made available to highly mobile families when they arrive later in the summer months. This benefits military families, giving them a level playing field to compete for seats in these unique educational programs.

The State of Connecticut is an active member of the Interstate Compact on Educational Opportunity for Military Children. This national organization recognizes the unique challenges military children face as members of families in transition. Making reasonable accommodations for these children in matters such as immunizations, physicals, administrative and academic documentation reduces the stress and challenges associated with the many relocations imposed on military families.

The OMA Executive Director served on the outreach steering committee for the Military Child Education Coalition in Connecticut. This organization facilitates training and awareness of teachers, healthcare providers and other community leaders to the unique challenges faced by children in military families. Deployments, relocations, separations and disabilities all take a toll on children and through awareness and training we enable communities to better recognize and respond to these issues.

Working with the Eastern Connecticut Chamber of Commerce, annual Military Appreciation events have been established in southeastern Connecticut to honor service members from all branches of the military. These venues offer excellent opportunities to showcase the supportive relationships and professional partnerships established between the state and our military communities. OMA has been closely involved with these initiatives.

In partnership with the Chamber of Commerce of Eastern Connecticut, the Navy, the Coast Guard, and the National Guard, OMA orchestrated an annual Military Orientation Day to expose future community leaders to all of the military branches in eastern Connecticut. The day includes an orientation at the SUBASE, a tour of a nuclear-powered submarine, a tour of the USCG Academy, and visits to several National Guard facilities throughout southeastern CT. Weather permitting, air transportation is provided by National Guard Black Hawk helicopters, ground transportation is provided by the Navy, and waterborne transportation by the USCG. This program is designed to educate future community leaders on Connecticut based military's missions, ongoing operations, economic impacts, and civic contributions to the region. These future leaders can in turn inform other people within their spheres of influence.

The OMA Executive Director continues to serve as a founding board member of the Southeastern CT Cultural Coalition. This newly formed non-profit advocates for the entertainment, arts and cultural sectors of the region's economy. Military art, history and performance units have played an instrumental role in the region, and having the military represented on the board of

directors reflects an appreciation of how the military is so ingrained in the social, civic and economic landscape of Connecticut.

To commemorate the 225th Birthday of the USCG and the 100th anniversary of the USCG Academy at its current location, Governor Malloy declared the summer of 2015, **Connecticut's Coast Guard Summer**. Throughout the summer, local officials and businesses organized numerous celebratory events, culminating in the United States Coast Guard's official designation of The City of New London, Connecticut's first Coast Guard City®.



Recognizing another historic milestone, Governor Malloy declared the period of October 2015 to October 2016, **Connecticut's Submarine Century**, celebrating the 100th anniversary of the nation's first submarine base and the establishment of the Submarine School. The first Navy submarines arrived October 18, 1915, and over the years created the iconic image people have observed for a century. Submarine Base New London, the submarine capital of the world, was officially established on June 21, 1916, when U.S. Navy Commander Yeates Stirling assumed command of the Submarine Base, Submarine Flotilla, and the Submarine School in the harbor of New London on the Groton shore.

From that date forward, all crewmembers and officers of the submarine force received their basic training at Connecticut's SUBASE. Submarine Base New London is the professional birthplace of all USN submariners and in this way is connected to all of the nation's submarine history. For the last century, no matter where undersea history was made, it began in Connecticut.



VII. Conclusion

Connecticut's Office of Military Affairs demonstrates an efficient model for achieving tangible strategic outcomes. Since it was established, the office has produced a partnership with the Navy that is unprecedented in the United States. The SUBASE is now in a much better position to withstand another round of BRAC. The Connecticut National Guard and U.S. Coast Guard Academy are realizing and planning for expansions with new facilities to support their missions. The state and City of New London are looking forward to being the home of the NCGM. OMA has helped coordinate consistent and sustained support for increases in defense and military economic impacts within the state. Most importantly, OMA has advanced the *quality of life* and *quality of service* for service members and their families stationed here and deploying to destinations around the world.

The state's diversified defense industries continue to thrive. Even as the nation continues to significantly reduce defense spending, Connecticut will be less severely impacted due to the high quality and strategic relevance of the products designed and manufactured throughout the state. Our defense industries enjoy superb reputations for their highly skilled workforces, outstanding management and efficient business practices.

Residents should be proud of Connecticut's long history as the *Provisions State*. It is a foundational part of our character, embedded in the economic fabric of our state and a legacy that should be carefully protected. The Office of Military Affairs will continue to seek opportunities to enhance the military and defense industry presence in Connecticut and advocate for the many organizations and people in our state - particularly military members and their families - who serve and support our nation's defense.



Robert T. Ross
Executive Director

Questions or comments concerning this report should be directed to the OMA Executive Director, at (860) 270-8074 or to bob.ross@ct.gov.

Appendix A: Public Act No. 15-65

Connecticut General Assembly

House Bill No. 6833

Public Act No. 15-65

AN ACT CONCERNING THE QUALIFICATIONS AND DUTIES OF THE EXECUTIVE DIRECTOR OF THE OFFICE OF MILITARY AFFAIRS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (b) of section 32-58b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):

(b) The Governor, in consultation with the Commissioner of Economic and Community Development, shall appoint an executive director to manage the daily activities and duties of the Office of Military Affairs. The executive director shall have the necessary qualifications to perform the duties of said office, including, but not limited to, having prior military experience, and having attained the rank of a field grade or senior officer within a branch of the armed forces. The Governor shall give preference to any person with the necessary training and experience who has served in the Navy or who has knowledge or prior experience with the federal Base Realignment and Closure or "BRAC" process. Within available appropriations, the executive director shall: (1) Appoint, employ and remove such assistants, employees and personnel as deemed necessary for the efficient and effective administration of the activities of the office; (2) coordinate state and local efforts to prevent the closure or downsizing of Connecticut military facilities, particularly United States Naval Submarine Base-New London, located in Groton; (3) maximize the state's input into the federal Base Realignment and Closure or "BRAC" process, including, but not limited to, (A) acting as liaison to the state's congressional delegation on defense, military and BRAC issues, and (B) coordinating the activities of consultants hired by the state to assist in monitoring activities related to BRAC; (4) encourage the relocation of military missions to the state; (5) coordinate state and local efforts to enhance the quality of life of all branches of military personnel stationed in or deploying from Connecticut and their families living or working in Connecticut; (6) review and make recommendations for state policies that affect Connecticut's military facilities and defense and homeland security industries; (7) coordinate state, regional and local efforts to encourage the growth of Connecticut's defense and homeland security industry; (8) serve as an advocate for service members and their families to other state agencies; (9) initiate and sustain collaborative partnerships with local military commanders; (10) consult with the Department of Economic and Community Development on proposed financial assistance agreements with defense and homeland security firms; and (11) prepare and submit a report of activities, findings and recommendations annually to the Governor and the joint standing committees of the General Assembly having cognizance of matters relating to commerce and public safety, in accordance with the provisions of section 11-4a.

Approved June 19, 2015

Appendix B: Connecticut's Coast Guard Summer Designation



December 3, 2014

Admiral Paul F. Zukunft, USCG
Commandant of the Coast Guard
2701 Martin Luther King Jr Ave, SE
Washington, D.C. 20032

Dear Admiral Zukunft:

Next year will be a wonderful opportunity to celebrate the United States Coast Guard in Connecticut. As you know, the Coast Guard will celebrate its 225th Birthday and the U.S. Coast Guard Academy will commemorate 100 years at its current location in New London. For these reasons and in anticipation of New London being recognized as an official Coast Guard City® and future home of the National Coast Guard Museum, we will designate this summer as *Connecticut's Coast Guard Summer 2015*.

Several major event organizers in New London will choose themes to honor the Coast Guard for its heroic service throughout our nation's history. New London's annual Sailfest, will take place July 10-12 and will dedicate its street festival, 5K road race, maritime gatherings and fireworks display to the Coast Guard. Then, the City of New London is planning a series of other events leading up to the Connecticut Maritime Heritage Festival, September 10-12. The sixty day period between these major annual maritime events, presents a great opportunity to showcase the Coast Guard and celebrate its partnerships with Connecticut and the City of New London.

The executive director of the Connecticut Office of Military Affairs will be coordinating state agency support for this high visibility project. He will work with the City of New London and representatives of the USCG to assist in their planning and coordination. Your staff may contact Bob Ross in the Office of Military Affairs at (860) 270-8074.

To make this project a success, we hope to host additional USCG ships, aircraft, personnel and static displays in New London. Subject to available resources, I request that you consider scheduling port visits to New London and participation in our various commemorations during *Connecticut's Coast Guard Summer, July 10 through September 12, 2015*.

210 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106
TEL (860)566-4840 • FAX (860)524-7396 • www.governor.ct.gov
governor.malloy@ct.gov

Thank you for your consideration and I look forward to seeing you soon here in Connecticut.

Sincerely,

Dannel P. Malloy
Governor

Cc: Daryl Finizio, Mayor, City of New London
RADM Sandra Stosz, USCG, Superintendent, U.S. Coast Guard Academy
CAPT Edward Cubanski, USCG, Commander, Sector Long Island Sound
Catherine Smith, Commissioner, CT Department of Economic & Community
Development

Appendix C: Connecticut's Submarine Century Designation



Dannel P. Malloy
GOVERNOR
STATE OF CONNECTICUT

September 17, 2015

The Honorable Raymond Mabus, Jr.
Secretary of the Navy
1000 Navy Pentagon
Washington, D.C. 20350-1000

Dear Secretary Mabus,

On behalf of the citizens of the State of Connecticut I request your support as I designate October 2015 through October 2016 a year-long celebration of *Connecticut's Submarine Century*. Over this year, we will commemorate the centennial anniversary of our Submarine Base and Submarine School, which along with Electric Boat and the host community of Groton, we collectively and affectionately call the *Submarine Capital of the World*.

The initial Navy installation established along the eastern shore of the Thames River in Connecticut was a result of the generosity and efforts of the State and its citizens, who conveyed some 86 acres to the Navy in 1868. But it was not until 1915 that the installation, then a Navy Yard, took on historic prominence. October 18, 1915, marked the arrival of submarines G-1, G-2, and G-4 under the care of the tender USS OZARK. And on June 21, 1916, the Navy Yard changed forever as Commander Yeates Stirling assumed command of the newly designated Submarine Base, the newly established Submarine School, and the New London Submarine Flotilla.

Connecticut was the perfect location for our Nation's first submarine base in 1916. The Lake Torpedo Boat Company in Bridgeport, founded by Simon Lake, and the Electric Boat Company in Groton, founded by Isaac Rice and inventor John Holland, were the foremost submarine manufacturers of the time. As you are well aware, Electric Boat continues to build the most advanced and capable submarines in the world.

Since the founding of the Submarine School, Submarine Base New London has produced all of the talented and courageous military professionals in our submarine force. It is the professional birthplace of every officer and crewmember in the Navy's undersea profession. In this way, the storied history of the Navy's submarine force is directly connected to the State of Connecticut. And that history and heritage is archived at the Submarine Force Library and Museum in Groton.

To highlight the centennial of Naval Submarine Base New London and the Naval Submarine School, and to celebrate Connecticut's submarine heritage, I invite you and the Navy to promote and participate in our year-long observance of *Connecticut's Submarine Century*.

210 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106
TEL (860)566-4840 • FAX (860)524-7396 • www.governor.ct.gov
governor.malloy@ct.gov

Community leaders and stakeholders in Southeastern Connecticut are working with Navy representatives to create and expand opportunities for Navy leadership and citizens alike to commemorate this historic milestone for the Navy and the nation. We would welcome additional Navy outreach efforts to raise awareness of the Navy's compelling history in Southeastern Connecticut.

Bob Ross, Executive Director of the Connecticut Office of Military Affairs, will be coordinating state agency support for this high visibility project. He will work with local communities and representatives of the Navy to assist in their planning and coordination. Your staff may contact Mr. Ross at (860) 270-8074.

On behalf of the people of Connecticut, I commend the men and women of the world's greatest Navy and its submarine force. I thank you for your superb leadership of our Navy. And I look forward to your support as we celebrate *Connecticut's Submarine Century*.

Sincerely,

Dannel P. Malloy
Governor

Cc: U.S. Senator Richard Blumenthal
U.S. Senator Christopher Murphy
U.S. Representative Joseph Courtney
CT State Senator Andrew Maynard
CT State Senator Paul Formica
Mayor Marian Galbraith, City of Groton
Mayor Rita Schmidt, Town of Groton
Mayor John Rodolico, Town of Ledyard
Mayor Daryl Finizio, City of New London
Commissioner Catherine Smith, CT Economic and Community Development
Executive Director Bob Ross, CT Office of Military Affairs
Executive Director James Butler, Southeastern CT Council of Governments
Captain Carl Lahti, USN, Commanding Officer, Submarine Base New London

Appendix D: Biography of OMA Executive Director



ROBERT T. ROSS

Bob Ross is Executive Director of the Connecticut Office of Military Affairs. He was originally appointed by Governor M. Jodi Rell in July 2009 and reappointed twice by Governor Dannel P. Malloy. He serves as an advisor to the Governor and legislature on defense industry issues and is the primary liaison to the Connecticut congressional delegation on military and defense matters. He is responsible for coordinating state-wide efforts to protect Connecticut military bases and facilities from closure in future Base Realignment and Closure (BRAC) rounds. He also represents the state in local efforts to enhance the quality of life for service members and military families residing in or deploying from Connecticut.

He is a retired naval officer who piloted aircraft carriers and guided missile cruisers before directing public affairs for the U.S. Sixth Fleet, encompassing naval operations ashore and at sea in the Mediterranean, European and North African areas of responsibility. He also served as a spokesman at the Pentagon and coordinated media operations and community relations for the U.S. Atlantic Fleet.

He holds an M.A. in National Security and Strategy from the U.S. Naval War College in Newport, RI, and an M.A. in Public Policy and Administration from the University of Connecticut. As a former City Administrator for the City of Cripple Creek, Colorado, and former First Selectman (Mayor) of the Town of Salem, Connecticut, he has decades of experience in federal, state and municipal government. He was selected by the national Association of Defense Communities as the 2014 Member of the Year for leadership and commitment and currently serves as a member of their Board of Directors. He is a Trustee of the Chamber of Commerce of Eastern Connecticut and former Commissioner on the Connecticut Maritime Commission. He's a former Adjunct Professor of Public Policy in the UCONN Graduate School and is a recipient of the UCONN Department of Public Policy Distinguished Alumni award for continued commitment and excellence in public administration.