

REMARKS TO THE EXECUTIVE AND LEGISLATIVE NOMINATIONS COMMITTEE

By Robert T. Ross

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Good afternoon Senator Looney, Representative Janowski, Senator McKinney, Representative Piscopo and distinguished members of the Executive Nominations Committee. I am Bob Ross, nominee for Executive Director of the Connecticut Office of Military Affairs (OMA). I am honored to have been nominated by Governor Rell to serve the citizens of Connecticut and I appreciate the opportunity to appear before this committee today. I would like to begin by thanking Governor Rell for this nomination and a new opportunity as a public servant.

My Professional Background

I've been a public servant my whole adult life. I spent 23 years in uniform serving in the United States Navy as an enlisted Sailor, a Surface Warfare Officer and Navy Public Affairs Officer. I've experienced the rewards and challenges of military life from the very bottom of the ranks, and as a senior officer. I spent nearly half of my career at sea, deployed on numerous warships. When ashore, I served as a spokesman at the Pentagon and on major staffs of the Atlantic Fleet, where I specialized in public affairs, and community and government relations. During my career, I earned a masters degree in National Security and Strategy, and as I retired from the Navy I earned a second masters degree in Public Policy and Administration. Since leaving the Navy, I've served as a City Emergency Manager, a City Administrator and as a Chief Elected Official for a Connecticut municipality.

I believe my military background, experience in national defense policy matters, understanding of the economic relationships between military bases and surrounding communities, and education in national security and strategic planning give me the

credentials to undertake the mission the General Assembly has prescribed for the Office of Military Affairs. I'm grateful for the opportunity to use my background to protect and promote a healthy military and defense industry in our state. Connecticut's long history as a leader in our nation's defense is something our residents should be proud of. Our historic role in the *Arsenal of Democracy* is part of our character, is embedded in the economic fabric of our state, and is a legacy we should carefully protect.

Connecticut's Economic Interest in Military Operations and Defense Industries

The State of Connecticut ranks in the top 10 among all states in defense spending. This year, defense spending in Connecticut will top \$13 billion. That's about six percent of our state's total economy. These defense dollars translate into stable, good paying jobs, modern production facilities, new technologies, state-of-the-art research and design enterprises, new military construction programs, and subcontracting in townships throughout our state. At a time when most of our economy has been turned upside down by a global recession, unemployment and plummeting revenues, federal defense spending in our state has been experiencing growth and the long-term outlook is very good as we are positioned to remain competitive for future military operations and defense-related business. This assessment is encouraging, but should not be taken for granted. Defense spending in Connecticut is a precious resource for our economy. It should be watched over carefully and protected with coordinated strategic planning.

If we set aside funding for military operations, base support and DOD employee and service member salaries, to look exclusively at defense contracting, the recent trends are encouraging. In the federal 07/08 fiscal year, defense contracting in Connecticut was about \$7.9 billion. In the following year it was \$8.6 billion; an increase of 8.86 percent. In the current year, with the award of a major TRICARE (military health care management) contract to Hartford-based Aetna, defense spending in Connecticut is up by more than 50 percent over the same period from the previous year.

Our aerospace industries account for the largest portion of defense spending in our state. United Technologies Corporation, the parent company of Pratt & Whitney, Sikorsky, and Hamilton Sunstrand secured about \$8 billion in defense contracts last year. And General Dynamic's Electric Boat brought in over \$2.5 billion. What is most important to understand in these large acquisition programs is that in each program the prime contractors employ thousands of people, and utilize hundreds of subcontractors. For example, in the Virginia Class submarine program, Electric Boat purchases parts and services from nearly 600 subcontractors spread throughout our state. Many small commercial vendors get business from the major defense contractors. The vast majority of the subcontractors are small businesses, many of which you would never expect to be connected to our defense industrial base. This ripple effect throughout our state economy is what is so important to the economic health of our state.

The Pentagon recently released two major documents that taken together predict an optimistic outlook for major defense contractors in Connecticut. The Quadrennial Defense Review (QDR) and the President's proposed budget for fiscal year 2011, call for a larger inventory of attack submarines (53-55 over the next five years), and includes \$5.4 billion to increase construction of Virginia class submarines to two per year beginning in 2011. It also includes \$700 million for the research and design of a modern replacement for the Ohio class ballistic-missile submarines to be developed at Electric Boat over the next decade.

The President's proposed budget also excluded funding for an alternative engine for the F-35 Joint Strike Fighter. The primary engine is being produced by Pratt & Whitney and is intended to be the powerful single engine for U.S. and allied Air Force and Navy warplanes of the future. Additionally, the recent cancelation of the Presidential helicopter program, previously awarded to a foreign company, opens the way for Sikorsky to eventually compete for the follow-on Presidential helicopter, and keeps Sikorsky maintaining the current fleet. And, there is funding in the President's budget for additional Black Hawk helicopters to support the troop surge in Afghanistan and projected increase in the Army end strength; an immediate boost to Sikorsky.

The future warfare requirements forecast in the QDR is good news for our Connecticut defense industry, calling for more submarines, transition to a single engine Joint Strike Fighter, and more unmanned aircraft. Much of the high tech acquisition sought by Pentagon planners will be designed and produced here in Connecticut. Even as we see some near-term job losses in a few labor intensive production programs, we will see growth in the higher end research and design of future programs. This will translate to higher paying, higher skilled jobs in Connecticut. However, this has important implications for our state in terms of producing and retaining the kind of work force our industries need. We need to support education programs that focus on science, technology, engineering and math and create incentives to keep that work force here in Connecticut.

Base Realignment and Closure (BRAC) Commissions

Chief among the reasons to create the Office of Military Affairs was the very real probability that the Naval Submarine Base (SUBASE) in Groton would be closed. Twice it was targeted by the Defense Department 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 SUBASE. After the second difficult episode in 2005, the Governor and General Assembly realized the need to create an office to protect the state's interests in Connecticut-based military operations and defense industries. This is the primary task of the Office of Military Affairs; to do proactively now what *Team Connecticut* had to do reactively in 1993 and 2005. We don't want to wage this battle again. We don't want to be in the BRAC battleground again. The Office of Military Affairs is responsible for strategies and initiatives to prevent the SUBASE from being targeted for closure 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 -- its \$3 billion annual economic impact and over 15,000 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 adrift.

Early in 2007, the General Assembly authorized \$50 million for investments in *Military Value* at the SUBASE to protect it from closure. Since then, funding has been directed to carefully selected projects. This strategy seeks to use the criteria of a BRAC Commission to 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 feasibility of closure because DOD simply can't afford to recreate it anywhere else. It's not about sunk cost; it's about future *Military Value*. Today, the SUBASE is undergoing a remarkable transformation as we demolish old infrastructure and replace it with modern capacity.

In the spring of 2007, the state agreed to help nearby Electric Boat refurbish two dry docks at their shipyard. It was a \$65 million project and the state helped with a \$9.9 million investment in the form of low interest loans. In the two years since the dry docks were recertified, Electric Boat has completed over \$375 million worth of work in these dry docks. This brought business to the region, kept submarines here instead of sending them out of the state for repair and maintenance, and created jobs. It's a stunning outcome for Connecticut taxpayers. Having this industrial capacity in close proximity to the SUBASE is also a BRAC criterion.

In September 2009, Governor Rell presented \$7.65 million to the Secretary of the Navy at the SUBASE to fund two major projects. The state is funding the design and construction of a new \$3 million boiler to provide more efficient energy to the SUBASE. The state is also funding the design and construction of a new \$4.65 million Diver Support Facility for the Navy Divers who perform repairs and maintenance on submarines. Each of these projects will replace archaic infrastructure with state-of-the-art, energy efficient construction and enhance the *Military Value* of the SUBASE as part

of our long-term strategy. These projects compliment several federally-funded projects also underway on the base.

This strategy is unprecedented in our nation's history. No other state has taken such a bold step to fully fund construction projects on a military base to enhance its *Military Value*. In January 2010, Governor Rell formally requested the Navy give preference to Connecticut-based contractors who are qualified and competitive to bid on and complete these state-funded projects. This request to the Navy has also been supported by members of our congressional delegation.

Our Connecticut National Guard is undergoing a similar transformation as a result of the last round of BRAC which identified chronic problems and directed new investments in infrastructure. Decades of underfunded construction programs and deferred maintenance created a state military infrastructure of outdated, undersized and ineffectual military facilities. Today, under the leadership of General Thaddeus Martin, our National Guard is implementing a Capital Project Program of both state and federally-funded improvements to facilities throughout the state. Over \$330 million in military construction projects over the next three years will provide the modern facilities our troops need for training, support and operations.

The Connecticut Military and Defense Advisory Council (CMDAC)

Leaders in the State of Connecticut want to promote the highest quality of life, work and service for all service members and their families who serve in our state or deploy from Connecticut to other destinations. As Chairman of the CMDAC, I will organize a holistic review of the challenges and benefits service members and their families experience living and serving in our state.

The CMDAC is composed of senior military officers, leaders in state government, and leaders of defense-related industries. Council members include The Adjutant General of our National Guard, Commissioner of Veterans Affairs, Superintendant of the

Coast Guard Academy and Commanding Officer of the Submarine Base. Our charge is to provide technical advice and assistance to the Governor and State Legislature on matters pertaining to military and defense. My office will coordinate efforts to educate the council members and expose them to the diverse missions of military organizations throughout our state. We will create a cohesive group focused on resolving obstacles to quality of life, promoting the well-being of service members and families, and assist military organizations in the performance of their missions. We will do this by taking the council to various locations within our state, to see first-hand how our military members live and serve in Connecticut.

Connecting People, Industry, Communities and Government

Key to the success of our Office of Military Affairs is close coordination with our congressional delegation in Washington D.C. As the state's primary liaison to the delegation on military, defense and BRAC issues, I'll work cooperatively with our U.S. Senate and House members and their staffs to identify early trends in defense policy, prioritize our joint efforts in federal projects and programs, and advocate for Connecticut's interests. From this collaboration, I'll communicate with and advise the Governor on critical national defense issues of importance to Connecticut.

The Office of Military Affairs serves as a conduit connecting our military communities, defense industries, local municipalities and federal delegation to state agencies and resources. As Executive Director, I look forward to serving the citizens of our state and doing all I can to protect and promote defense-related industries in Connecticut. I also look forward to working with members of the General Assembly and other state agencies to enhance quality of life and service for our armed forces serving at home and abroad in defense of our great nation.

Thank you for your time and consideration. I am happy to take your questions.