Central Ohio Aerospace & Technology Center OHIO AEROSPACE DAY BRIEFING

May 7, 2008





• • • Introductions

• Called "Ohio's Finest Example of a Public-Private Partnership"

- The Boeing Company
- Bionetics
- Atlantic Inertial Systems
- Heath-Newark-Licking County Port Authority



• • • History

- o 1954: Facility built for ground stability
- **o 1962: Newark Air Force Stations opens**
 - Guidance System Repair, Metrology Workloads
- o 1993: Base on BRAC '93 closure list
 - Closure gives way to privatization-in-place
- o 1996: Base closes, workloads privatized
 - Renamed COATC with Port Authority as owner
- o 2006: Mortgage burned, employment stable





Over a 34-year period, Newark AFB helped our nation win the Cold War

"As long as the Air Force flies, our operators and our maintainers will remember Newark as the base that kept, and the base that keeps, the planes in the air, the missiles on alert, and both on course." - Gen. Henry Viccellio, AFMC





Central Ohio Aerospace & Technology Center TODAY





• • • Impact

• \$200 Million annual economic impact

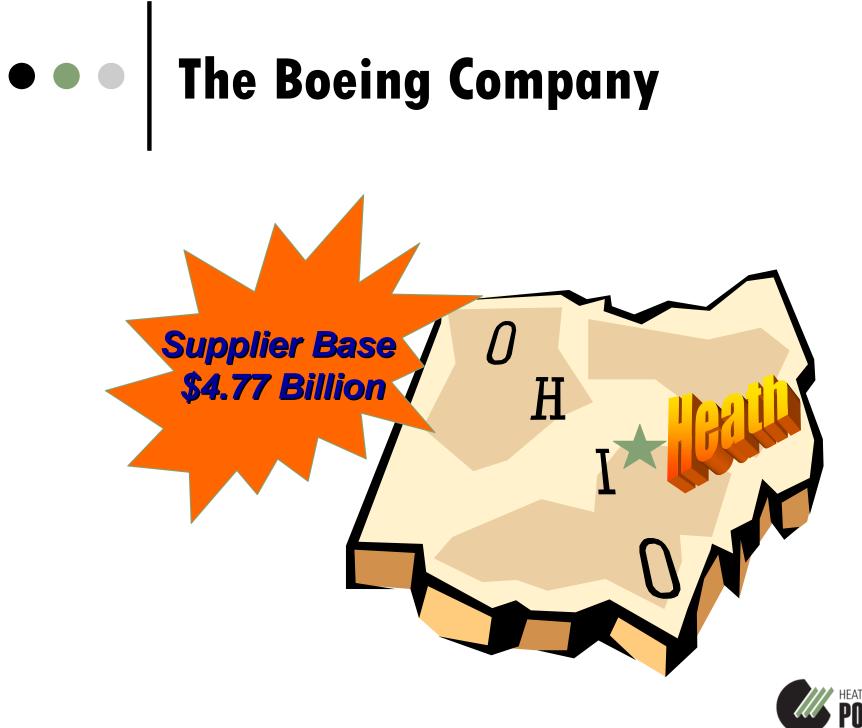
 Among top 5 largest aerospace & defense concentrations in Ohio

905 employees, \$55 million annual payroll

- Among largest tax payers in Licking County
- 16 different employers at "The Base"
- 867,000 sq. ft. building space on 50 acres

Includes clean rooms, laboratories, offices





Boeing - Heath: Workloads

o ICBM guidance systems



o Aircraft Navigation Systems

Navy – Electrostatically Supported
Gyroscopic Navigaton

• Radio Frequency Electronic Support Measures (ESM) - AWACS

Boeing: Platforms Supported

























Boeing - Heath: Accomplishments

- Employment Level for 2007 611
- Annual Revenue Approximately \$100 million
- Met All product delivery schedules
 - ICBM Guidance Systems = 135
 - Aircraft Navigation Systems = 2688 (Versus a Goal of 2121)
- Received the James S. Cogswell Achievement Award for outstanding Industrial Security from Defense Security Service
- Awarded a \$20.6 million Spares contract for Antennas in support of the E-3 AWACS aircraft reconnaissance and surveillance system
- Obtained \$500,000 in State and Port Authority grants to help fund the construction and development of a Virtual Manufacturing Center
- Increased Employment levels



• • • Boeing - Heath: Challenges

• Funding levels for ICBM and Aircraft repair and maintenance workloads

• Obtaining the right technical skills



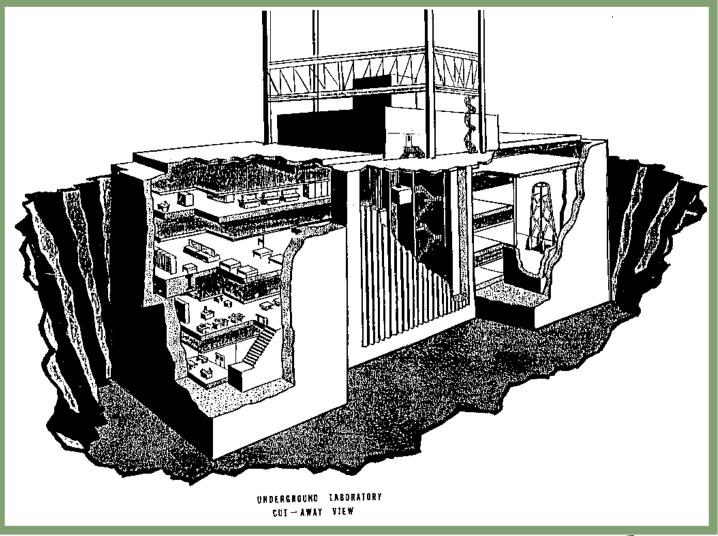
• • • Bionetics

• Contracted to manage Air Force Primary Standards Laboratory

- Largest DoD metrology and calibration program
- 50+ labs, including some underground
- Central to AFMETCAL program
 - Traceability to all major Air Force aircraft and missile systems



Bionetics: AFPSL Cutaway





Bionetics: Successes

- In Year 8 of 20-Year Contract
- New NIST-developed co-conical chamber
- New resistance standard
- Growth in Foreign Military Sales
- Certified to accept commercial workload using government-furnished equipment
- Picked up some BRAC workload since 2005



Bionetics: Challenges

- o 50+ Labs are aging future capital needs
- **o** Workforce is aging
- Budget shortfalls



• • • Atlantic Inertial Systems

• Engineering Services for Missile Systems

• Research and Development for next generation guidance





• • • AIS: Successes

- Breaking News: ICBM advanced development research approved funding for FY08
- Conducting next generation guidance system research and development for Minuteman and space guidance applications
 - Converted former Base fire station in 2004
- Achieved major productivity measure
 - Mean time between failure (MTBF) rate 1500% improvement vs. rate at privatization in 1996
- Grown from 3 to 40+ employees since 1996
 - Poised to exceed 50 employees by end of 2008



• • • AIS: Challenges

o FY08 Redirection of Research Funding

 Breaking News: Sustaining Talent for New Start Up Effort

• Found alternative research placement

- Facility upgrades needed in future
 - Currently in 13 different on-site locations



Port Authority: Successes

• Next Generation Fund yielding results

- Boeing AWACS, VMC, and Navy ESGN Projects
- Investing \$6 million in capital improvements
 - New bridge/road to opens more property
 - Aided by \$885k State Roadwork grant
 - Environmental remediation projects
- Port Authority expects fourth year in a row of flat lease rates—that's a <u>good</u> thing!



• • • Port Authority: Challenges

- Modernizing security equipment to meet DoD and Homeland Security standards
 - Seeking \$800k federal earmark, not hopeful though
- Need State help to keep competitive edge
 - In a "Catch 22" with federal funding
 - If in lease rates, makes customer uncompetitive
 - If seek federal funds, our customer gets backlash
 - If don't upgrade, customer becomes uncompetitive
 - Why we advocate on Panhandle Rail Line and Columbus-Pittsburgh Corridor



• • • Public-Private Partnership is Key

The \$200 million economic impact of the BRAC-closed facility has been sustained. . .

...ranking it among the <u>nation's</u> finest examples of a public-private partnership.

