



AROUND THE STATE

CONTRACT COULD CREATE 5,000 WARSHIP JOBS

What's fast, flexible and could bring an estimated 5,000 jobs to Wisconsin? The Littoral Combat Ship (LCS). The U.S. Navy recently announced its intent to accelerate plans to buy 55 of the vessels, 10 of which could be built by Wisconsin's Marinette Marine.



Marinette Marine and its partner, Lockheed Martin Corp., had been competing against Alabama shipbuilder Austal USA and its partner, General Dynamics Corp., to build 10 of the ships. But at the urging of the Navy, which likes the designs and prices both firms put forth, the lame-duck Congress may award 10-ship contracts to each company.

Advocating for Marinette Marine is Wisconsin Sen. Herb Kohl (D-Milwaukee), who said the total price tag for the already-approved LCS legislation won't change, but merely the contract-awarding process itself. Kohl anticipates no problems in securing the votes to make that happen, which could be as early as mid-December. While the Navy hasn't released the contract bids, Congress has capped the price at \$480 million per ship.

"One of the reasons that the Navy has decided to change its plans for the LCS is because Marinette and its prime contractor, Lockheed Martin, have done an amazing job of driving down costs for the taxpayers," Kohl said. "I have talked with Marinette Marine and Lockheed Martin's CEO many times this last year, discussing how they need to cut costs to win—and they responded. Their aggressive pricing has put this ship on track, and will get the Navy more ships faster."

A multi-mission warship, the LCS is designed to operate at high speeds close to the coast. It's also said to be able to hunt submarines, clear mines, fight drug smuggling and aid in humanitarian relief.

Marinette Marine and Lockheed Martin are no strangers to the LCS, having already built one—*The USS Freedom*—which is used by the Navy in the Pacific. According to news reports, Marinette Marine currently has 850 employees and could add another 1,000 when the Naval LCS contract is finalized. Also benefiting is Milwaukee-based DRS Power & Control Technologies, which manufactures ship

electronics. DRS said they have 408 employees with plans to hire more. That's up from 300 employees just 18 months ago.

Other maritime equipment makers and suppliers are also expected to increase staffing. Gov. Jim Doyle said the LCS economic ripple-effects "cannot be overstated," likening it to bringing a new auto plant to northeastern Wisconsin.

WISCONSIN SELECTED IN EFFORT TO ENCOURAGE DEFENSE INNOVATION

The Wisconsin Entrepreneurs' Network (WEN) is partnering with the Defense Alliance of Minnesota as part of a U.S. Small Business Administration program to create an Advanced Defense Technologies Cluster. The program is part of the Innovative Economies Pilot Initiative, which centers around regional clustering of high-technology enterprises, providing them with educational training opportunities and connecting them with related technology development programs, specifically those managed by the Department of Defense.

To fund the initiative, SBA awarded \$6 million in contracts to 10 regional groups with each group receiving \$600,000. The Defense Alliance of Minnesota, one of three groups concentrating on defense technologies, has decided to initially focus on Wisconsin and the Dakotas, selecting WEN to contribute to the effort.

"WEN is thrilled to be part of this important forward-looking initiative," says WEN Director Gayle Kugler. "With this contract, we can now establish a networked industry cluster and focus on providing connections, technical assistance and expertise to businesses engaged in energy related industries."

The upper Midwest, Wisconsin included, represents a region that collectively dedicates significant intellectual and financial capital to renewable and alternative energy sources, and to power systems for vehicles and infrastructure. With this project, WEN sources say that there exists a tremendous potential for answering the Department of Defense's Advanced Power & Energy technology needs while helping build existing capabilities and also ensuring tech transfer and commercialization success of related businesses.

"Having a vested interest in Minnesota and Wisconsin, this new collaboration is clearly one major step towards creating a regional cluster centered around a key technology of national and international importance," says WEN Northwest Regional Director Pat Dillon.

A second year funding option for ADT would extend the contract through fiscal year 2012 and provide another \$600,000 per group involved.