

DEFENSE/AEROSPACE INDUSTRY IN NEI

The ten counties of Northeast Indiana (NEI) have 24 major employers in the defense industry. This number refers to businesses which provide services or goods for the defense industry – not just those who have been awarded a defense contract. These major players employ more than 7,600 people.

Future Growth in Defense

The Talent Initiative

Lilly Endowment Inc. will provide \$20 million to accelerate the development of northeast Indiana's workforce and talent resources. This program, The Talent Initiative, will develop education, training and talent initiatives in science, technology, engineering and mathematics.

New Tech High Schools

NEI's focus in defense is exemplified by the region's investment in New Tech high schools and STEM-oriented education.

IPFW Center for Excellence

The IPFW Center for Excellence in Systems Engineering and the Center for Wireless Communications were established with direct collaboration by the major defense contractors in the area, offering great resources for regional growth.

3G? Yes, please.

Leading-edge 3G telecommunications equipment is available through Sprint, Verizon and AT&T.

Incentives

Indiana Economic Development Corporation

- + EDGE & HBI tax credits
- + 21st Century Research & Technology Fund
- + Small Business Innovation Research Initiative
- + Venture Capital Investment Tax Credit

Cities & Towns

- + Tax abatements for new construction or equipment

Defense/Aerospace Companies in NEI

- + ITT Corp
- + Raytheon International Inc.
- + Navistar International Inc.
- + B.A.E. Systems Platform Solutions
- + Ultra Electronics - USSI
- + Riverside Manufacturing
- + Stuart Integrated Systems
- + Reelcraft Industries
- + Huntington Electric Inc.
- + General Dynamics C4 Systems

Workforce Statistics

Occupation	Median Wage	# Employed
Mechanical Engineers	\$29.40	1,010
Electrical Engineers	\$37.17	620
Electronics Engineers, except Computer	\$34.33	310
Electrical & Electronics Engineering Technicians	\$18.17	280
Computer Software Engineers, Applications	\$39.28	850
Computer Software Engineers, Systems Software	\$36.22	590
First-Line Supervisors/Managers of Production and Operating Workers	\$22.49	3,530
Electrical and Electronic Equipment Assemblers	\$10.43	1,920
Team Assemblers	\$13.70	9,490
Inspectors, Testers, Sorters, Samplers, Weighers	\$14.16	2,670

Workforce Development

- + IPFW*
 - + Indiana Tech*
 - + Trine University*
 - + Taylor University
 - + Valparaiso University*
 - + University of Notre Dame, College of Engineering*
 - + Rose-Hulman*
 - + Purdue University - College of Engineering*
- *Indicates schools that offer undergraduate and graduate programs*

WHITLEY COUNTY CONTACT

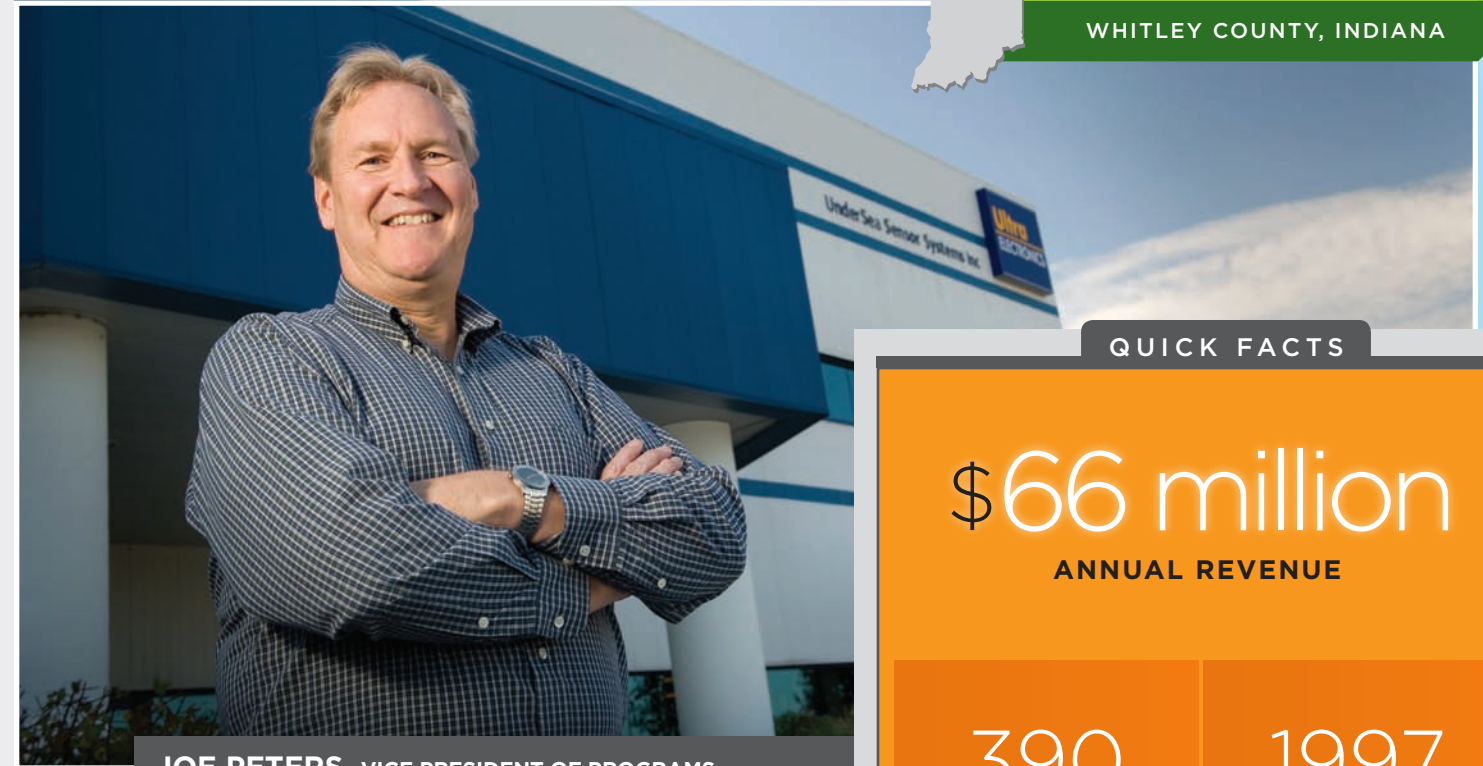
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JOE PETERS, VICE PRESIDENT OF PROGRAMS

BUSINESS PROFILE

ULTRA ELECTRONICS – USSI

QUICK FACTS

\$66 million
ANNUAL REVENUE

390
TOTAL EMPLOYEES

1997
YEAR FOUNDED

Ultra Electronics-USSI (Undersea Sensors Systems, Inc) has a long and successful history in Whitley County. The company – which designs, develops, and manufactures advanced underwater sensors, long-range acoustic hailing and communications devices, and first responder communication devices – started out as a division of Magnavox. In the early '90s the business was acquired by Raytheon; in 1997 USSI became a wholly owned subsidiary of UK-based Ultra Electronics. The new Ultra Electronics-USSI opened up shop on East Park 30 Drive in Whitley County, about a mile down the road from the Raytheon facility.

"Although we looked at many alternate sites, we realized there was really no need to move any further," said Joe Peters, Vice President of Programs. "The workforce in this area has a long history and rich experience in the military and defense industries. Management was and is very aware of the intellectual and technical resources available here, and didn't want to lose that by relocating out of the area. Plus, Whitley County and the Economic Development Corporation bent over backwards to make it easy for us to make the move locally."

The company expanded again in September 2008 when parent company Ultra Electronics closed its Cleveland-based operation Audiopack, folding the design and manufacture of advanced first responder communication products into operations at USSI. "Fortunately, when we originally built

the facility in 1998, we did it with expansion in mind," said Peters. "To accommodate our growth, we built up instead of out, creating a 20,000 square foot mezzanine to house the production and engineering staff for the first responder communication products." That expansion effort added an additional 60 employees to the existing staff, increasing the total number of employees to 390.

In September 2009, the company introduced the Hyperspike family of acoustic products, a line of high power, long range acoustic hailing and long range acoustic communications devices and was subsequently awarded a contract from the U.S. Army for the device.

Then in January 2010, the company expanded yet again when Ultra Electronics-USSI decided to move the manufacture of high pressure pure air generators (HiPPAG™) for military

aircraft from its facility in the U.K. to the United States. Two U.S. Ultra Electronics-USSI sites were in the running: Rochester, New York and Columbia City, Indiana.

“The willingness of state and local governments to offer financial incentives was one of the major deciding factors in choosing our facility as the new manufacturing home for the air generator,” said Peters. Those incentives include up to \$565,000 in performance-based EDGE tax credits, \$150,000 in state training grants, ten-year tax abatements, and ongoing Northeast Indiana Fund-Talent Initiative training dollars. To date, company employees have accessed \$10,000 in Talent Initiative funds for training in soldering, systems engineering, and IT technology.

“The state of Indiana and Whitley County have shown over and over that they are more than willing to step up and do what it takes to get — and keep — businesses and jobs in the area,” said Peters.

Rich in Intellectual and Technical Resources

Another major factor in choosing the Columbia City facility for the manufacture of the air generators was the availability of a quality technical and manufacturing workforce. “We’re going to need an additional 40 skilled manufacturing and technical workers to produce the high pressure air generators for the U.S. military,” said Peters.



ADDITION OF NEW PRODUCT LINE OF HIGH PRESSURE AIR GENERATORS (HiPPAG™) MANUFACTURED FOR US MILITARY PLANES

January 2010 to December 2010



- TOTAL ACREAGE:** 6
- TOTAL SQUARE FOOTAGE:** 110,000 square feet—design and manufacturing space
- CEILING HEIGHT:** 20+ feet
- GREEN ELEMENTS:** updated lighting system

KEY PLAYERS

- ▶ *WorkOne Northeast*
- ▶ *Whitley County Economic Development Corporation*
- ▶ *Indiana Economic Development Corporation*

DECIDING FACTOR

- ▶ *Availability of intellectual and technical resources*
- ▶ *Willingness of local and state governments to offer monetary incentives*

INCENTIVES

- ▶ **\$565,000 State EDGE (Economic Development for a Growing Economy) tax credits for job creation**
- ▶ **\$150,000 State training grants**
- ▶ **Ongoing Northeast Indiana Fund-Talent Initiative training dollars**
- ▶ **Whitley County 10-year real and personal property tax abatement**

40 NEW EMPLOYEES by 2012



“Fortunately, not only does northeast Indiana have along history of expertise in the defense and manufacturing industries, it is also committed to training top technological and scientific talent for the future. Indiana Tech, Trine, IPFW, Ivy Tech—they’ve all got programs that focus on educating and training engineers. They ask us, ‘What do you guys need?’ and then design educational programs to give us what we ask for.”

In March 2009, Lilly Endowment awarded a grant of \$20M to help fund the Talent Initiative to prepare the region’s workforce to meet the staffing needs of defense, aerospace, and advanced manufacturing companies in the 21st Century.

“In addition to a workforce with all the technical skills we need, we also have ready access to our suppliers,” said Peters. “We use lots of small, local businesses—machine shops, plastics manufacturers, and so on—that support the automotive industry. They have the technology to support our industry, too.”

Rich in Local Attractions

“Although we’ve rarely had to recruit from outside the area, when we do the low cost of living is always a draw,” said Peters, “especially the low cost of housing. Parents are impressed by the quality of the local school districts, too. It’s a good place for families.”

Once people relocate to the region, there’s a lot to make them want to stay, including a broad spectrum of recreational

and cultural activities to appeal to all tastes. “We’ve got all kinds of sports available here,” said Peters. “IPFW basketball, TinCaps baseball, Komet hockey, plus the major league NBA and NFL teams that are just a few hours away in Indianapolis or Chicago.”

For those who aren’t into sports, the area has other more esoteric cultural attractions, as well. “Did you know there are four bagpipe bands in the local area?” said Peters. “Our Senior Technical Consultant plays in one at the Johnny Appleseed Festival every year.”

Rich in Potential for Future Growth

In addition to the manufacture of high pressure pure air generators, Ultra Electronics-USSI will also be moving their U.S.-based Overhaul and Maintenance (O&R) division from Arlington, VA to the Columbia City facility by the end of 2010. In the past year, the company has also moved their sonobuoy cable pack process from the Dominican Republic to Columbia City, and incorporated manufacturing processes once completed by suppliers into the Ultra Electronics-USSI manufacturing and assembly process.

“On the face of it, these changes will only mean an additional three to four workers,” said Peters, “but on a larger scale, they provide the company with more control of the entire manufacturing process, reduce costs, and position Ultra Electronics-USSI for new opportunities. It’s an exciting time.” ■