

# **Office of Military Affairs Annual Report for 2008**

**Delivered on  
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**Executive Director  
Justin Bernier**

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## Introduction

George Washington famously called Connecticut "The Arsenal of Democracy" for its role in the Revolutionary War. That nickname, affixed to the *USS Connecticut* submarine, has stood the test of time. Connecticut's defense workers, world leaders in innovation and productivity, make the most technologically advanced systems in existence.

Connecticut's sons and daughters bravely serve worldwide, including at Naval Submarine Base New London – the "First and Finest" facility dedicated to the nation's undersea force. Connecticut is also fortunate to host the United States Coast Guard Academy, one of five service academies in the nation.

The Office of Military Affairs (OMA), mandated by the Connecticut General Assembly and Governor M. Jodi Rell in 2007, is committed to continuing the state's rich defense tradition. This overarching objective is critical not only to Connecticut's economy, but also to our national security. The U.S. Armed Forces would not be what it is today without Connecticut's talent for innovation, unsurpassed work ethic, and dedication to service.

Public Act 07-205 states that the Executive Director of the Office of Military Affairs shall:

*"...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 of the general statutes."*

This document, submitted to the Governor and the clerks of the Senate and the House of Representatives, represents OMA's first annual report. It highlights key actions the state has taken, and should take, to sustain and expand the defense presence in Connecticut. Questions or comments about the report should be directed to Justin Bernier, Executive Director of the Office of Military Affairs, at 860.270.8074.



***Built and home-ported in Groton, the USS Hartford (SSN 768) is the second U.S. ship named for the capital city. The original Hartford is credited with winning a decisive victory to keep foreign navies from entering the Civil War against the Union.***

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## **Overview**

The Office of Military Affairs was established by Public Act 07-205 on October 1, 2007. According to the law, "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**

Specifically, OMA's mission is to:

- 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, and
- Serve as liaison to the Connecticut congressional delegation on defense and military issues.

## **Structure and Organization**

Pursuant to state law, the Office of Military Affairs was established within the Department of Economic and Community Development (DECD) for administrative purposes. OMA and DECD are co-located at 505 Hudson Street in Hartford.

Mr. Justin Bernier has served as Executive Director of OMA since its establishment in October 2007. He has been assisted on a part-time basis by Mr. Stuart Fitzgerald, DECD's Agency Operations Officer. Other staff members of DECD have provided OMA with services on an ad hoc basis. OMA also benefited from the work of four interns in 2008. Clark & Weinstock (C&W), a Washington, DC, consulting and government relations firm whose contract is held by the Office of Policy and Management, provides additional support services. C&W (formerly The Washington Group) coordinated the state's campaign to keep open SUBASE during the 2005 defense base closure round. Finally, OMA has received valuable information and counsel from outside entities, such as the General Assembly's Select Committee on Veterans' Affairs, the Office of the Business Advocate, and the Submarine Base Coalition, of which Mr. Bernier has been a member since 2005.

## **FY08 Budget**

In Fiscal Year (FY) 2008, OMA expended less than \$86,000. OMA operated approximately 43 percent

below budget during the fiscal year despite start-up costs associated with the new office. OMA achieved these savings by utilizing human resources organic to DECD, internships, and electronic business practices designed to conserve funds. For example, OMA is

distributing this report primarily by electronic means. Consistent with the State of Connecticut's need to address large projected budget deficits, OMA will attempt to achieve similar savings in future years. The following table details OMA expenditures for FY 2008.

***Fiscal Year 2008 Budget for OMA***

<b>Account Name</b>	<b>Amount</b>
Salaries & Wages-Full Time	56,417.87
Cooperative Ed Students (Interns)	3,296.50
In-State Travel	206.00
Out-of-State Travel	2,197.20
Mileage Reimbursement	341.45
Management Consultant Services	155.00
Online Information Services	3,500.00
Subscriptions	1,399.00
Moving Services	2,100.00
Photographic Services	475.00
Printing and Binding	1,024.22
Motor Vehicle Rental	145.14
Motor Vehicle Fuel	30.65
Premises Repair/Maintenance	3,923.00
Premises Property Management	598.8
General Office Supplies	313.08
Minor Equipment	3,451.50
Office Equipment	6,388.10
<b>Total Expenditures FY08</b>	<b>\$85,962.51</b>

**Defense Interests & Activities**

General military interests – military bases and personnel, and the defense industries that support them – are integral to Connecticut's economy and heritage. This report outlines several key components of Connecticut's national security presence. Some sections are meant to be illustrative rather than exhaustive. Others include hard

data that reveal emerging trends affecting the state.

**Submarine Base New London**

The Office of Military Affairs' first concern is Naval Submarine Base New London. SUBASE is a crucial component of the economy of the entire state – not just of New London County. Closure of SUBASE alone would potentially cost Connecticut 15,000 jobs and

drain \$1.4 billion annually from its economy. Closure of SUBASE would deny the state tax revenue sources, on average annually, of an estimated:

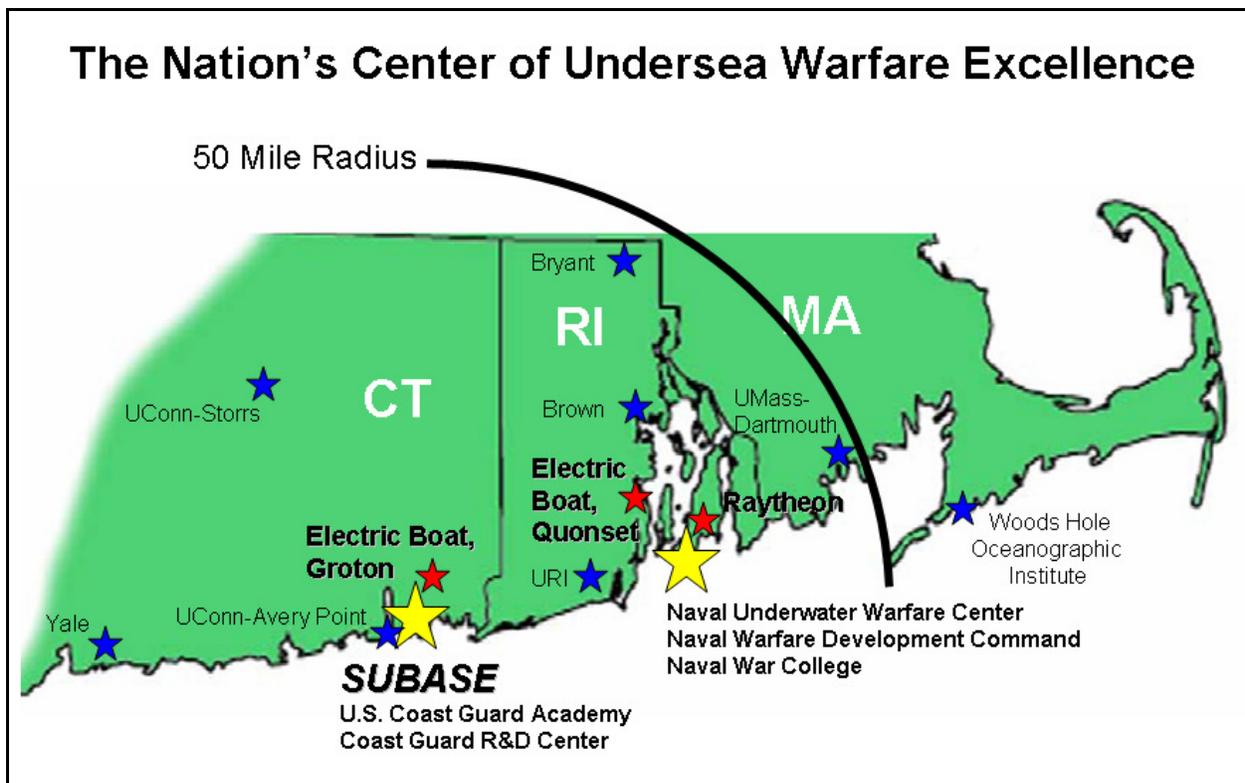
- \$728 million in personal income for Connecticut residents
- \$49 million in net new revenue to the State, and
- \$657,000 in net new local/regional revenues.

SUBASE in Groton is the core of the Nation's Center of Excellence for Undersea Warfare that extends across Connecticut, Rhode Island and parts of Massachusetts. Hundreds of Connecticut

businesses are direct subcontractors of SUBASE.

Thousands of talented workers in the southern New England region comprise the world's highest concentration of undersea expertise. SUBASE, the glue that holds these pieces together, is a true national security asset.

The chart below, used to make this point to the 2005 Defense Base Realignment and Closure (BRAC) Commission, serves as a reminder of the importance of this cluster to the Navy and U.S. national security in general. Reconstituting this cluster elsewhere would be prohibitively expensive – if at all possible.



### ***SUBASE: Priority #1***

OMA made improving the state's relationship with the Navy its top priority in 2008.

Executive Director Bernier, assisted by C&W, met with Navy/SUBASE officials on more than a dozen occasions to explore ways the state could help improve the value of SUBASE to the Navy and the U.S. Department of Defense (DoD). Working with the Navy, DECD and the Connecticut Attorney General's office, OMA produced a Terms & Conditions document that will serve as a formal agreement when the State Bonding Commission allocates SUBASE infrastructure improvement funds that the General Assembly authorized in 2007. OMA also proposed legislation, for the General Assembly and the U.S. Congress, to further streamline the process by which the state could transfer infrastructure funds to the Navy.

The lines of communication between the state and the Navy are as strong as ever. On October 10, Governor M. Jodi Rell was keynote speaker at the 2008 Navy Birthday Ball. Governor Rell was joined by more than 700 Sailors, spouses, and veterans; Rear Admiral Bruce Grooms, Commander, Submarine Group Two, the region's senior naval officer; and Captain Mark Ginda, Commanding Officer of SUBASE. In April, Mr. Bernier met with Rear Admiral Grooms and Captain Ginda

to brief them on the state's interest in supporting SUBASE. In July, by invitation from Governor Rell, Captain Ginda became a member of the Connecticut Military and Defense Advisory Council, providing the state with a direct line of communication to SUBASE. These events are just three examples of how the state expanded its relationship with the Navy in 2008.

***"...Our work begins now so that when the next round of base closings takes place, no one will even think of putting sub base New London on the list."***

***-- Governor M. Jodi Rell,  
August 24, 2005***

At a February 28 hearing of the U.S. House Armed Services Committee, Assistant Secretary of the Navy for Installations and Environment B.J. Penn called SUBASE "an enduring base." Over \$100 million in federal military construction (MILCON) funding is currently programmed for SUBASE between FY 2009 and 2013.

However, spending in 2010 and beyond is contingent on future defense budgets, which are subject to change. With this real possibility on the horizon, members of Connecticut's congressional delegation should consider forgoing non-essential budget requests in the FY 2010 defense bill in favor of MILCON funding for SUBASE.



*Snow covers the hull of the USS Virginia (SSN 774) as it sits moored to a pier at SUBASE in Groton, a few miles from its birthplace at Electric Boat. (DoD photo by John Narewski, U.S. Navy.)*

### **Next Base Closure Round**

In 2005, "Team Connecticut," comprised of federal, state, and local officials, convinced the Base Realignment and Closure Commission to overturn DoD's recommendation to permanently close SUBASE.

The next BRAC round has not been announced. The BRAC Commission's report to Congress recommended that it formally begin by 2015. In addition, the independent commission "strongly" recommended that future BRAC rounds begin after – not before, as occurred in 2005 – the completion of the Quadrennial Defense Review (QDR), a comprehensive strategy

exercise mandated by Congress. DoD has begun work on the 2009 QDR; a 2013 QDR will follow barring an unlikely change in U.S. law. If DoD and Congress adhere to the BRAC Commission's recommendations, then another BRAC round would be expected in 2010 or 2014.

A start date of 2014, although seemingly distant, does not leave time for delay. Experience teaches that DoD begins its work on BRAC years ahead of the formal start date. Importantly, DoD could direct the military services to "cut off" MILCON funding at select bases that are likely candidates for closure so that federal funds are

not wasted on a terminated facility. For instance, about five years before the 2005 BRAC round, federal MILCON funds for SUBASE were frozen, effectively halting improvements to the facility. These funds were unfrozen only after SUBASE was removed from the closure list in 2005. In the face of budgetary pressures, the Navy could decide to take a comparable approach ahead of 2014.

On November 28, in Waterford, 2005 BRAC Commission Chairman Anthony J. Principi warned SUBASE supporters against complacency. Principi, who served in the President's Cabinet as Secretary of Veterans Affairs, predicted that budget shortfalls would ultimately force DoD to make additional reductions in basing. "I strongly suspect there will be pressure within the Defense Department for another BRAC round," said Principi. "Please do not assume that because [SUBASE] survived the last round that you will be spared in a future call for cuts."

If SUBASE is unprepared for the next BRAC round, another heroic effort by "Team Connecticut" would be required to save it from closure. Historically, the BRAC Commission has approved the vast majority of DoD's closure recommendations. For instance, of 33 "major" closures advocated by DoD in 2005, the Commission approved 21, recommended realignment for 7, and rejected only 5. In addition,

the Commission recommended one base for closure rather than realignment, for a total of 22 major closures. Overall, the Commission approved 86 percent of DoD's recommendations, suggesting that the Pentagon gets its way on the large majority of basing decisions.

DoD can also influence major basing considerations outside of a formal BRAC round. For instance, in January 2009 the Navy announced its decision to move a nuclear powered aircraft carrier from Virginia to Florida, a development that will require major infrastructure modifications at Naval Station Mayport and will economically hurt the Norfolk area. Likewise, the Navy could make significant changes to SUBASE without a BRAC round. For these reasons, OMA keeps a close watch over Navy submarine basing developments, trends and policies.

One issue that is unlikely to change is the emphasis on savings in the BRAC process. DoD's Base Operations Support (BOS) funds are used to operate the bases, installations, camps, posts, and stations that belong to the military departments. Moreover, BOS resources pay for personnel and infrastructure support to sustain mission capability, ensure quality-of-life, and enhance work force productivity.

In FY 2009, the Navy is expected to spend over \$5 billion on 77 installations – about the same as it

did in 2007. Future defense budgets will probably not include significant increases in BOS resources for existing Navy facilities. Conversely, in the event of defense spending cuts, DoD could target BOS costs for potential savings.

During the 2005 BRAC round, an emphasis on cost savings drove DoD's analysis and recommendations. Because a similar emphasis is likely to characterize the next BRAC round, Team Connecticut should seize any opportunities to lower the BOS costs at SUBASE. For instance, helping the Navy lower SUBASE's energy bill through organic and

renewable energy sources would likely improve Groton's chances in a future BRAC round. The state is working to identify ways to achieve similar objectives elsewhere, with fuel cell technology, as pioneered by the United Technologies Corporation (UTC).

### [Submarine Industry](#)

Closure of the base would negatively impact the Electric Boat Corporation (EB), the state's second-largest private-sector employer and the nation's only prime contractor of nuclear submarines. With a current workforce of more than 10,000 employees, EB's primary operations are the shipyard in



***Governor M. Jodi Rell floods EB's renovated dry docks in May 2008. Improvements to the two dry docks, originally built in 1963 and 1968, will enable EB to perform maintenance work in Groton for another 50 years. (CPBN Photo by Harriet Jones.)***

Groton and the automated hull-fabrication and outfitting facility in Quonset Point, Rhode Island. Some 500 EB personnel work on SUBASE property daily, lowering overhead costs for the company.

In support of the unique partnership between SUBASE and Electric Boat, the State of Connecticut recently helped rebuild two dry docks at the shipyard. The state provided \$10 million in loans, \$4 million in sales-and-use tax exemptions, and \$6 million in enterprise-zone benefits. EB paid the balance of the \$65 million project, which will generate tax revenue and high-paying jobs over the dry docks' 50-year life. Governor Rell remarked that Connecticut's \$20 million investment would "support one of the state's largest employers in its efforts to upgrade and modernize its operations" and help to "protect SUBASE from future rounds of base closure."

The state's investment is already improving productivity at EB, which has used both dry docks since the completion of the reconstruction projects. Dry Dock 1, which returned to service in May 2008, conducted two dockings this year for work on the USS Hawaii (SSN 776) and the USS Virginia (SSN 774) – two of the Navy's newest submarines. Using Dry Dock 2, returned to service in June 2008, EB worked on the USS Texas (SSN 775), another cutting-edge submarine.

Electric Boat's dry docks, integral to submarine maintenance operations, will help Groton avoid base closure in the future because they save the Navy time and money. During the 2005 BRAC round, Team Connecticut showed that maintenance activities performed on SUBASE by EB lowered overhead costs at the shipyard, thereby reducing the price of newly built submarines to the Navy. EB's maintenance work at SUBASE also improves naval readiness. A senior naval officer said that "being able to dry dock submarines near their homeport provides [the U.S. submarine] force with the important ability to conduct emergent, short-term repair work in a responsive manner – increasing deployment flexibility while minimizing operational days lost."

### ***Two Subs Per Year***

Submarine production, like the well-being of SUBASE, is a state-wide issue. Of 573 submarine subcontractors located across Connecticut, roughly 30 percent are in the eastern half of the state. Subcontractors on the western side of the Connecticut River fulfill the vast majority of total purchase orders for the Virginia-class submarine program each year. In 2007 (the last year for which data is available), Connecticut's submarine industrial base received approximately \$431 million in annual purchase order awards. These orders sustain and produce high-skill, high-wage

manufacturing jobs in the state. When available, data for 2008 will likely show an even larger number of purchase orders for Connecticut due to a higher rate of production.

The State of Connecticut has aggressively advocated a higher submarine build rate. With complimentary efforts by other members of Team Connecticut, the Navy is on track to accelerate submarine production earlier than initially planned.

- On March 8, 2007, Governor Rell submitted testimony to the U.S. House Armed Services Committee on the critical importance of increasing the annual production of Virginia-class submarines to two vessels per year. "As the Governor of Connecticut I am, of course, interested in the jobs the two Virginia-class submarines would bring to our state," Governor Rell said in written testimony submitted to the panel's Seapower and Expeditionary Forces Subcommittee. "But equally important is my concern that the failure to move to two submarines per year will result in layoffs that could, in turn, affect the capability of our industrial base to continue to design and build these magnificent ships."
- In a letter from October 11, 2007, Governor Rell conveyed a similar message to Senators Daniel Inouye of Hawaii and Ted

Stevens of Alaska, chairman and ranking minority member, respectively, of the Senate Defense Appropriations Subcommittee. "Achieving two-a-year production as soon as possible would represent a giant stride forward for both our industrial base and national security," she told the senators.

- On October 23, 2007, Governor Rell requested that the fiscal year 2008 defense funding bill include \$588 million toward production of a second attack submarine annually in a letter to Representatives John Murtha of Pennsylvania and Bill Young of Florida, chairman and ranking minority member, respectively, of the House Appropriations Defense Subcommittee.
- On January 3, 2008, Governor Rell urged the Secretary of the Navy to support funding to build two submarines per year in 2010, citing a documented shortage of submarines.
- Also on January 3, 2008, Executive Director Bernier urged the Assistant Secretary of the Navy for Research, Development and Acquisition to support funding to begin construction on a second Virginia-class submarine in 2010. "Doubling submarine production as soon as possible would mitigate the Navy's shortage of fast attack submarines," Mr. Bernier wrote.

According to the Navy, in 2007 – the last year for which data is available – U.S. attack submarines forward deployed were able to meet only 54 percent of mission taskings requested by our nation’s commanders in the field.

- OMA worked to produce “Keep Securing the Future: Accelerating Submarine Procurement,” an information booklet delivered to every Member of Congress and key officials in the Department of the Navy. Credited with providing a strong policy argument for a sufficient submarine fleet, the document is available on the OMA website: [http://www.ct.gov/oma/lib/oma/Virginia\\_Class\\_Submarine\\_Booklet.pdf](http://www.ct.gov/oma/lib/oma/Virginia_Class_Submarine_Booklet.pdf)

In late 2007, Congress appropriated funds that would double Virginia-class production to two submarines per year by 2011 instead of 2012, as was previously planned. Additional funding in the 2008 defense appropriations bill will also help stabilize Connecticut’s submarine industrial base.

In December 2008, EB and the Navy signed a contract for a third batch of Virginia-class submarines. The \$14 billion agreement means eight more submarines from FY 2009 to FY 2013, with EB serving as the prime contractor.

### **Another Growth Area**

Working with DECD and the State Business Advocate, former-Representative Rob Simmons of the Second District, OMA has taken steps to bring new defense industry capabilities to the state. Notably, it has worked to achieve a miniature submarine capacity in southeastern Connecticut to expand the existing center of excellence for undersea warfare.

“Mini-subs” and unmanned undersea vehicles, or “UUVs,” will grow in importance as the Navy continues to expand its littoral area missions. Putting these capabilities close to SUBASE will further



**A “mini-sub,” made by ProMare of Chester, undergoes testing in Groton.**

improve the military value of the U.S. Submarine Force.

### **Connecticut Defense Industry**

While vital to the state, submarine production is only one area of Connecticut's substantial defense industry. Aircraft engines, helicopters, small arms, and other elements of space, sea, air and land systems are found across the state. The U.S. Department of Defense projects it will make over \$11 billion in direct purchases and pay in Connecticut in 2008. Measured by per capita, DoD estimates it will make more defense expenditures in only two other states. New contracts are critical to the sustainability and growth of Connecticut's defense industry.

In 2008, OMA helped Governor Rell fight an early decision by the Air Force to choose a less optimal aircraft over the Boeing Corporation's KC-767 Advanced Tanker, which would be powered by engines manufactured by Pratt & Whitney. In July 10 testimony to the U.S. Congress on the tanker decision, the Governor pointed to the failing "Marine One" (VH-71) presidential helicopter program as an example of government turning away from proven companies for the promises of false savings. Governor Rell also communicated with congressional leaders and the U.S. Government Accountability Office (GAO) to help ensure a full vetting of problems associated with an initial Air Force decision to outsource the contract to a foreign-dominated consortium. The



***An F-22 Raptor, powered by Pratt & Whitney engines, receives fuel from a KC-135 Stratotanker. In 2009, the Air Force may choose the team that will build the next generation of aerial refuelers, a contract worth approximately \$40 billion. (Lockheed Martin photo released by U.S. Air Force.)***

Governor's arguments against outsourcing the contract, worth approximately \$40 billion, were validated by a GAO report that showed how the initial source selection decision against Boeing and Pratt & Whitney was the result of a flawed process that included erroneous technical and cost evaluations, among other problems. The Secretary of Defense subsequently postponed the tanker decision until the next presidential administration. Governor Rell has said that the state will work with the next Congress and President to ensure that the final acquisition decision is fair and in the best interests of the United States. OMA will support this effort.

Other pending source selection contests with significant implications for Connecticut are scheduled for 2009. DoD, for instance, expects to award a contract for 141 search and rescue helicopters sometime this year. Sikorsky Aircraft, a UTC company, is a frontrunner in the competition for the \$15 billion contract, which has been held up twice by GAO for problems associated with the source selection process.

Decisions regarding the next generation of U.S. Army carbine rifles, currently supplied by Colt Defense, may also transpire in 2009. The Army is expected to release a request for proposals for a replacement to the M4 carbine,



***A U.S. Army medical technician stands beside a Sikorsky-made Blackhawk helicopter as he waits to meet a patient at a landing zone in Iraq. (DoD photo by Staff Sgt. D. Myles Cullen.)***

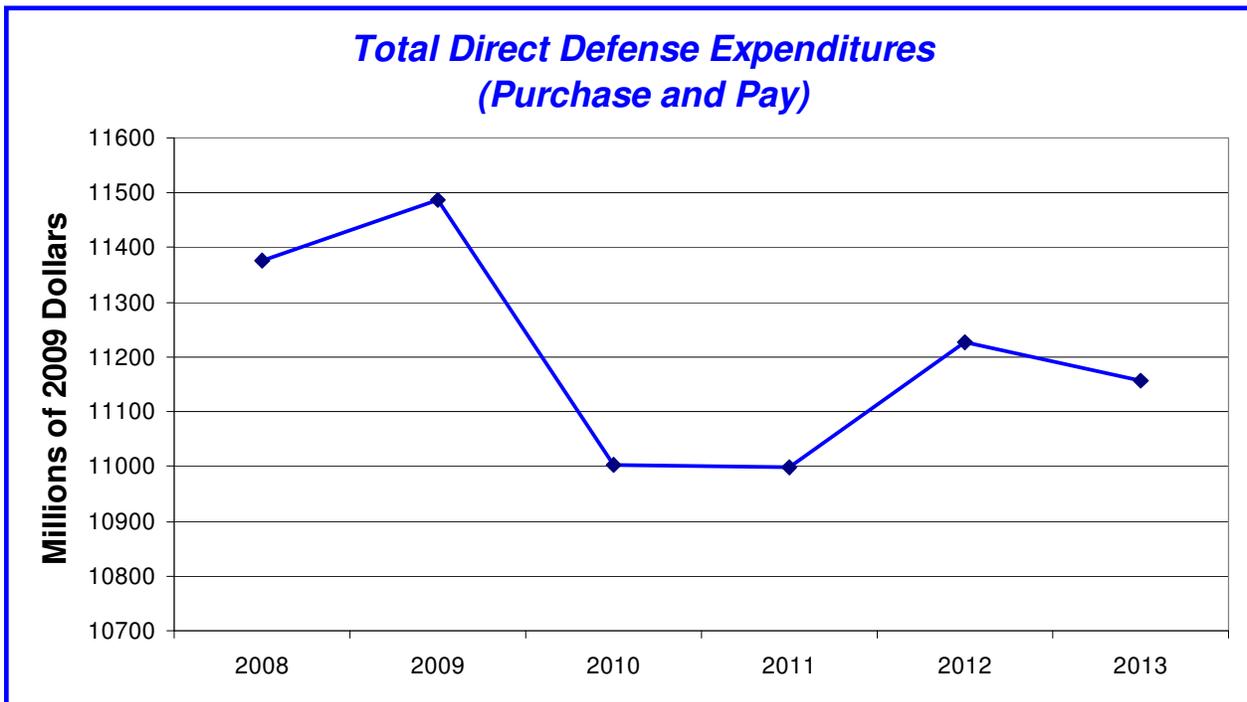
as Colt's contract has been successfully completed. OMA will work to ensure that final decisions are reached in an unbiased manner in each case.

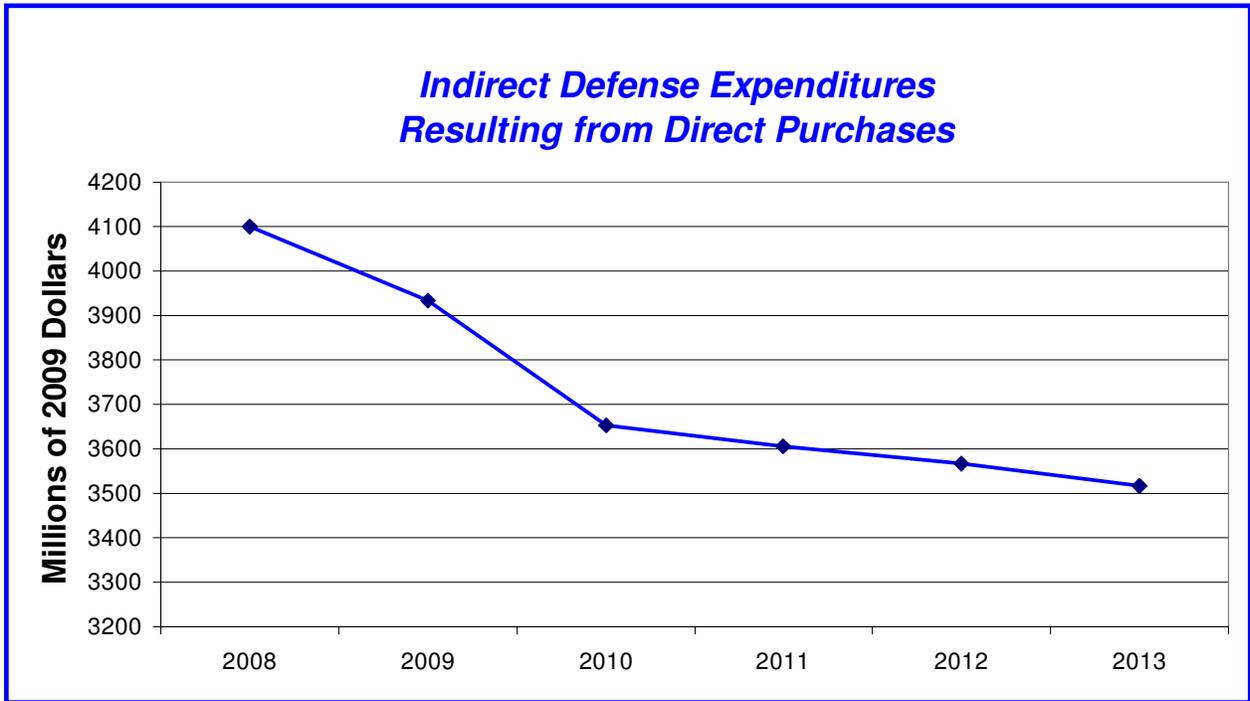
Connecticut can also benefit from defense exports to U.S. allies and friends. In May, Governor Rell urged the president to expedite a deal, approved in 2001, to make submarines for Taiwan. Design work for the submarines would be done by EB. The Department of the Navy has determined that the multi-billion dollar sale would "greatly support the U.S. industrial base for submarines..." The Navy has also said that the work should help mitigate the loss of jobs and associated technical expertise resulting from a decrease in submarine building orders over the last decade. In support of this opportunity, on May 2 Governor

Rell asked the President to expedite the submarine sale to Taiwan, worth an estimated \$8 to \$12 billion in work for the U.S. shipbuilding community. Taiwan has also been authorized to purchase Blackhawk helicopters, made by Sikorsky Aircraft. In each case, DoD has certified that Taiwan urgently requires these defensive systems. OMA urges members of Connecticut's congressional delegation to convince the President to expedite these sales in the interest of the U.S. industrial base and national security.

### **Connecticut Defense Outlook**

DoD projects that it will make \$11,486 million in direct payments for purchases and pay to Connecticut entities in 2009. This amount represents a one percent increase from 2008, when DoD was projected to expend \$11,376





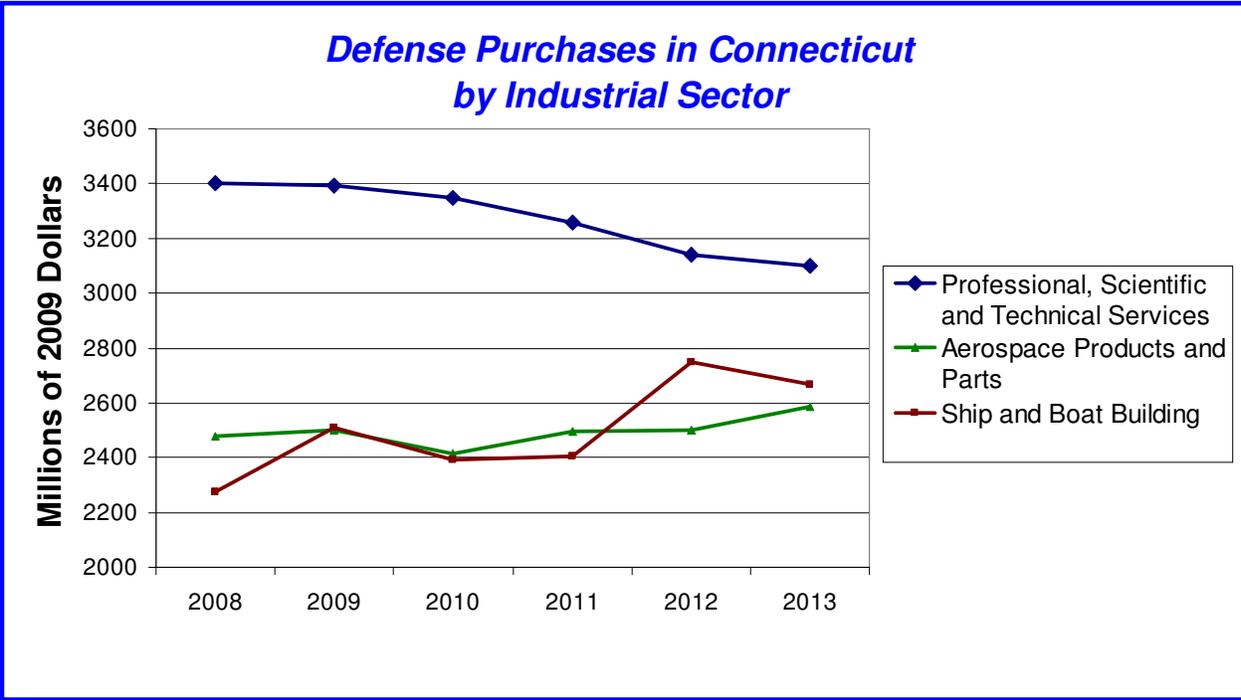
million in the state. On a per capita basis, DoD will buy more from Connecticut than just two other states. Absent significant changes to national security spending levels, Connecticut should see stability in its defense industry in 2009. Long-term challenges remain nonetheless, as the chart below suggests.

The estimates in the following tables below consider “direct” and “indirect” defense expenditures in Connecticut. *Direct defense expenditures* are those that DoD itself makes. These expenditures include purchases of goods and services as well as military and civilian pay.

By contrast, *indirect defense expenditures* represent purchases – generated throughout the economy – of items used to

produce goods bought by DoD. For example, a direct expenditure for a helicopter stimulates indirect expenditures for electronic components, tires, aluminum, engineering and logistic services used to manufacture the aircraft.

Direct and indirect defense expenditures in Connecticut are expected to decline in some sectors partly because of developments in Iraq. Operation Iraqi Freedom will require less defense spending if, as DoD expects, fewer war supplementals are necessary due to an improved security situation on the ground and/or the withdrawal of additional U.S. troops from the theater. If the DoD projections hold, Connecticut will see additional spending in shipbuilding and aerospace. A budgetary decision to accelerate submarine production



in FY 2012 drives the increase in shipbuilding purchases. EB has announced that it expects to hire an additional 650 employees in 2009 to help with the construction of the new Virginia-class submarine, the USS Missouri (SSN 780), and other projects.

The U.S. aerospace industry predicts strong performance in 2009 as a result of large backlog orders for commercial aircraft and an expectation that defense spending on acquisition programs will remain high in the near term. The industry recorded its fifth straight year of growth in 2008, with gains in sales, exports, employment and profits, the Aerospace Industry Association reported in December. In Connecticut, aerospace gains are reflected in the progression of several large aircraft programs, including the Joint Strike Fighter

(F-35). Pratt & Whitney is the primary engine supplier to the "JSF" program, the largest defense aviation contract ever; it is expected to deliver thousands of aircraft over the next several decades.

Conversely, the table below indicates that Connecticut companies will simultaneously experience declines in demand for professional, scientific and technical services. These state-wide estimates are consistent with DoD's nation-wide expectations, which show increased spending in shipbuilding (+21%) and aircraft (+16%), but decreased outlays for research and development and other professional services (-17%). Importantly, the figures reported in this section are only projections. Real purchases from Connecticut will depend upon the size and composition of the defense budgets

proposed by the President and eventually enacted by Congress. Major national policy changes by the incoming presidential administration, particularly a targeted decrease in defense spending, could substantially alter these projections. In the words of U.S. Secretary of Defense Robert Gates, "the spigot of defense funding opened by 9/11 is closing." Secretary Gates testified to the U.S. Senate that the Obama Administration is preparing to make difficult choices to end programs that exceed their budgets. Thus, current spending projections for Connecticut could change dramatically if programs struggle with deadlines and performance benchmarks.

### ***Long-Term Prospects – Defense***

Connecticut is prepared to maintain a strong defense industry into the next decade. The 2008 State New Economy Index, which benchmarks the economic transformation in the 50 states, ranked Connecticut 6th highest in 2008.

The index uses 29 indicators to rank each state on the extent to which its economy is structured and operates to effectively compete nationally and globally. It divides the indicators into five categories that best capture what is new about the New Economy: knowledge jobs, globalization, economic dynamism, transformation to a digital economy and technological

innovation capacity. Many defense industry jobs fall into these categories. In particular, Connecticut's defense industry is at the forefront of the market, producing high-end goods and services for DoD. A key to this success is the exceptional quality of Connecticut's labor force.

In other respects, the long-term prospects of Connecticut's defense industry are less certain. Connecticut has one of the highest average costs of doing business in the nation, which discourages the relocation of new defense activities to the state and encourages the departure of established ones. Defense industry leaders in Connecticut routinely cite high taxes and the high cost of energy and insurance as three main factors responsible for inhibiting growth.

These realities are beginning to drive fundamental business decisions at the corporate level. Some prime contractors (large defense corporations that manage DoD contracts) have reportedly encouraged their Connecticut-based suppliers to re-locate out of the state in order to cut costs and improve overall competitiveness. A decision to raise taxes on Connecticut manufacturers, or impose additional business costs through legislation, would accelerate this negative trend to the detriment of the state's small business community, working families, and tax base.



*A sailor's homecoming. (DoD photo.)*

### **Military Quality of Life**

OMA is committed to identifying ways to improve the quality of life of Connecticut's service members and their families. Roughly 9,000 Active Duty Army, Navy, Air Force, Marine Corps, and Coast Guard personnel call Connecticut home. The state also claims about 7,500 National Guardsmen and Reservists. An additional 7,500 personnel and military dependents are assigned to SUBASE. These personnel are integral to our national security.

Pursuant to state law, the Connecticut Department of Veterans' Affairs, led by Commissioner Linda Schwartz, produces an annual report on state and municipal benefits to veterans

and current service members. This "Guide to Benefits" is available at <http://www.ct.gov/ctva/cwp/view.asp?A=2005&Q=293114>.

The State of Connecticut has taken many steps to improve the quality of life of its service members, military retirees, and veterans. OMA has met several times with leaders of the service member community to identify outstanding issues. The number one complaint of military personnel in Connecticut is the state's high cost of living.

Hard data corroborates anecdotal evidence that military families are at a disadvantage in Connecticut. The Council for Community and Economic Research's Cost of Living Index ranks Connecticut one of the most expensive states in the nation. Connecticut residents have the nation's third highest state-local tax burden, according to the nonpartisan Tax Foundation. Additionally, the U.S. Department of Energy reports that Connecticut has the nation's second highest cost of energy for residents. Unfortunately, under federal policy, service members assigned to New London County are not eligible for a Cost of Living Adjustment, as they would be if assigned to New Haven County. This means that sailors at SUBASE must endure a high cost of living in Connecticut, compared with other host states, without a commensurate pay increase. OMA urges the state to take steps to help reduce the cost of living for military personnel.



### **E-Voting**

Connecticut service members face many challenges while deployed overseas. Voting in elections back home should not be one of them. Yet, mail delays and other realities frequently disenfranchise the very people who are preserving our right to practice democracy. OMA advocates a state initiative to allow deployed service members to use a secure system to vote in elections via electronic means.

### **Military & Defense Advisory Council**

In July 2008, Governor Rell announced the formation of the Connecticut Military and Defense Advisory Council (CMDAC) to provide the state with technical advice and assistance on issues

related to military bases, homeland security, defense industries and the quality of life of service members. Public Law 07-205 requires the Executive Director of OMA to “establish and coordinate a Connecticut Military and Defense Advisory Council to provide technical advice and assistance.” The council is comprised of legislators from the majority and minority parties, military leaders, business association representatives, veteran group leaders, and relevant state department heads. The Executive Director of OMA serves as Chairman of the CMDAC. All council members serve voluntarily, without compensation.

On October 9, OMA hosted the inaugural meeting of the Connecticut Military and Defense Advisory Council. The meeting focused on the state’s defense base presence. The council received briefings from Major General Thaddeus Martin, Adjutant General of the Connecticut National Guard; Rear Admiral Scott Burhoe, Superintendent of the United States Coast Guard Academy; Captain Mark Ginda, Commanding Officer of Naval Submarine Base New London; Commissioner Joan McDonald, Department of Economic and Community Development; and Mr. James Noone of Clark & Weinstock. Future meetings will focus on Connecticut’s defense industrial presence and the quality of life of service members in the state.

## **Conclusion**

It is in Connecticut's power to help sustain and expand the defense presence in the state. Improving the quality of life of military families by taking measures to decrease their cost of living may be the most immediate way to keep SUBASE in Connecticut. Improving the business environment in the state would encourage leading defense companies to stay – and grow – in Connecticut. Positive steps can be taken at little or no cost to the state. Negative steps, such as higher taxes that hurt Connecticut's defense industries and families, should be avoided.

Like our nation's security, the state's defense presence requires constant vigilance. With so much at stake, Connecticut cannot afford to be satisfied with its past successes.

## Appendix A: Public Act 07-205

### **Connecticut General Assembly**

Substitute Senate Bill No. 937

Public Act No. 07-205

AN ACT ESTABLISHING AN OFFICE OF MILITARY AFFAIRS AND IMPLEMENTING RECOMMENDATIONS OF THE GOVERNOR'S COMMISSION FOR THE ECONOMIC DIVERSIFICATION OF SOUTHEASTERN CONNECTICUT.

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

Section 1. (NEW) (Effective October 1, 2007) (a) There is established an Office of Military Affairs within the Department of Economic and Community Development for administrative purposes only. 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.

(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 an 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 and 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) acting as liaison to consultant lobbyists 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 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) support the development of a Defense and Homeland Security Industry Cluster; (9) establish and coordinate a Connecticut Military and Defense Advisory Council to provide technical advice and assistance; (10) oversee the implementation of recommendations of the Governor's Commission for the Economic Diversification of Southeastern Connecticut; 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 of the general statutes.

Sec. 2. Section 4-5 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2007):

As used in sections 4-6, 4-7 and 4-8, the term "department head" means Secretary of the Office of Policy and Management, Commissioner of Administrative Services, Commissioner of Revenue Services, Banking Commissioner, Commissioner of Children and Families, Commissioner of Consumer Protection, Commissioner of Correction, Commissioner of Economic and Community Development, State Board of Education, Commissioner of Emergency Management and Homeland Security, Commissioner of Environmental Protection, Commissioner of Agriculture, Commissioner of Public Health, Insurance Commissioner, Labor Commissioner, Liquor Control Commission, Commissioner of Mental Health and Addiction Services, Commissioner of Public Safety, Commissioner of Social Services, Commissioner of Mental Retardation, Commissioner of Motor Vehicles, Commissioner of Transportation, Commissioner of Public Works, Commissioner of Veterans' Affairs, Commissioner of Health Care Access, Chief Information Officer, the chairperson of the Public Utilities Control Authority, the executive director of the Board of Education and Services for the Blind, the executive director of the Connecticut Commission on Culture and Tourism, and the Ombudsman for Property Rights and the executive director of the Office of Military Affairs...

Approved July 10, 2007

## **Appendix B: Membership of CT Military & Defense Advisory Council**

### **Connecticut Military & Defense Advisory Council**

Membership (In Alphabetical Order)

- Chairman Justin Bernier  
Executive Director, Office of Military Affairs
- Lieutenant Colonel Russell J. Bonaccorso, Jr., USA  
Senior Reserve Service Member from a Connecticut-based Unit
- Rear Admiral J. Scott Burhoe, USCG  
Superintendent, U.S. Coast Guard Academy
- Mr. John Daggett, Jr.  
Department Commander, American Legion Department
- The Honorable Leonard A. Fasano  
Senator, Connecticut General Assembly
- Captain Mark S. Ginda, USN  
Commanding Officer, U.S. Naval Submarine Base New London
- The Honorable Ted C. Graziani  
Representative, Connecticut General Assembly
- Mr. Frank J. Johnson  
President and CEO, Manufacturing Alliance of Connecticut
- The Honorable Gary D. LeBeau  
Senator, Connecticut General Assembly
- Major General Thaddeus J. Martin, USANG  
Adjutant General, Connecticut National Guard
- Ms. Joan McDonald  
Commissioner, Department of Economic and Community Development
- Mr. Alfred "Rusty" Meek  
Department Commander, Veterans of Foreign Wars Department
- Mr. John R. Rathgeber  
President and CEO, Connecticut Business and Industry Association
- Dr. Linda Spoonster Schwartz, RN, Dr.P.H., FAAN  
Commissioner, Department of Veterans Affairs

## [Appendix C: Biography of Executive Director Justin Bernier](#)

### **Justin Bernier Executive Director, Office of Military Affairs**



Executive Director Justin Bernier brings national security, defense and economics experience to the Office of Military Affairs (OMA). He is applying skills and know-how he gained while working in the U.S. Congress, Department of Defense, and U.S. Navy to help the State of Connecticut develop and improve its homeland security and military-related interests.

On October 9, 2007, Governor M. Jodi Rell announced that she would nominate Justin Bernier to serve as the State of Connecticut's first Executive Director of the Office of Military Affairs. "Adding value to the Submarine Base and protecting it from a future closure continues to be one of my top priorities and Connecticut will benefit tremendously from Justin Bernier's knowledge and experience," Governor Rell said.

Established by the General Assembly, the Office of Military Affairs works to enhance the quality of life of Connecticut's military personnel and families, and to expand and protect the defense and homeland security presence in the state. On March 6, 2008, the state Senate unanimously confirmed Mr. Bernier as the Executive Director of OMA.

An officer in the U.S. Navy Reserve, Mr. Bernier served a tour in land-locked Afghanistan in 2007. He was Senior Legislative Assistant to U.S. Representative Rob Simmons from 2005 through 2006, during which time he played a key staff role in Team Connecticut's successful effort to save Submarine Base New London from closure. Working under the leadership of Rep. Simmons, Vice Chairman of the House Seapower Subcommittee, he also directed efforts to authorize funding to double submarine production to meet national security requirements and facilitated a multi-billion dollar deal to let Taiwan buy up to eight diesel-electric submarines from the United States.

From 2002 to 2005, Mr. Bernier was a staff member of the U.S. House Armed Services Committee, where he learned first-hand how defense policy is made in the nation's capital. While serving on the committee staff, he spearheaded legislative efforts dealing with nonproliferation, export controls, and U.S. policy towards China. Prior to his work on Capitol Hill, Mr. Bernier was a research specialist for the Director of the Institute for National Strategic Studies, which frames national security policy and defense strategy options for the Joint Chiefs of Staff and other senior decision-makers. He was also a defense analyst for SAIC, a leading provider of services for the U.S. military and intelligence community.

Mr. Bernier holds a master's degree in International Security and Economic Policy from the University of Maryland School of Public Affairs, and a bachelor's degree from New York City's Fordham University. He has authored articles on defense and foreign policy in such publications as *The Naval War College Review*, *Parameters* (the U.S. Army's senior professional journal), *Orbis*, *The Los Angeles Times*, *The Baltimore Sun*, *The Hartford Courant* and *Defense News*. Born and raised in Connecticut with his eight siblings, Mr. Bernier now resides in Plainville with his wife, Jennie.