

Vayu on-the-spot report



AN EFFICIENT MODEL FOR PRIVATE SECTOR INITIATIVE



The Defence Industry Media Tour of Pennsylvania, USA

In August, six foreign journalists (including from the *Vayu*), on invitation from the *Team Pennsylvania Foundation*, spent a week touring the state of Pennsylvania. The aim was to see first-hand the defence industry that is located all over this thriving but less known region—companies that are essential to the US defence manufacturing industry. Besides all the manufacturing activity and entrepreneurship witnessed, of great surprise was to observe how active these regional economic development councils were in promoting their regions and, to a large extent, very successfully. Very apparent too was involvement of the local community as well as these defence companies helping each other when needed. Support from higher levels is certainly given by their Congressman John Murtha who has seriously taken up the cause of promoting (and funding) the state of Pennsylvania to local as well as outside investors; the Congressman, along with the regional departments are vigorously pushing and educating the public as to why others should invest in the state (especially when investment conditions were “perfect”). This then, was recurring theme wherever we went and whomever we talked to. The citizens of Pennsylvania are well served!

The tour started in Philadelphia with a visit to Boeing IDS facility at Ridley Park where the CH-47 Chinook and V-22 Ospreys are manufactured. At York we visited BAE Systems’ Land Division after which we progressed to Johnstown and were shown around the facilities of JWF Defence Systems/JWF Industries, DRS Laurel Technologies, Kongsberg Defence Corporation and Concurrent Technologies Corporation (CTC). In Pittsburgh we visited the Carnegie Mellon University Cylab and the University of Pittsburgh Centre for Bio-terrorism. The next day we attended the arms exhibition ARMTech at Kittanning as well as had



U.S. Representative John P. Murtha is dedicated to serving his country both in the military and in the halls of Congress. He had a long and distinguished 37-year career in the U.S. Marine Corps, retiring from the Marine Corps Reserve as a Colonel in 1990. The first Vietnam War combat veteran elected to Congress, he has been serving the people of the 12th Congressional District since 1974. Currently the Chairman of the House Appropriations Subcommittee on Defence, he oversees appropriations for the Department of Defence, which includes the Air Force, Army, Marine Corps, Navy, and the intelligence community. Congressman Murtha has worked consistently to bring thousands of family-sustaining jobs to Western Pennsylvania.

DRS Technologies: providing IR systems for tanks and combat vehicles

While there is talk about Finmeccanica of Italy taking over DRS Technologies, the latter received a \$116.6 million contract from Raytheon Network Centric Systems to provide Horizontal Technology Integration Second Generation Forward Looking Infrared (HTI SGF) sighting systems and components used in U.S. Army combat and tactical-wheeled vehicles. DRS Technologies is a leading supplier of integrated products, services and support to military forces, intelligence agencies and prime contractors worldwide. Focused on defence technology, the Company develops, manufactures and supports a broad range of systems for mission critical and military sustainment requirements. Their integrated products, systems and support services are familiar to all branches of the U.S. military, major aerospace and defence prime contractors, government intelligence agencies, international military forces, and industrial and homeland defence markets. Its organisation consists of four operating segments: the Command, Control, Communications, Computers and Intelligence (C4I) Segment, the Reconnaissance, Surveillance & Target Acquisition (RSTA) Segment, the Sustainment Systems Segment and the Technical Services Segment, which all together consist of more than 40 operating units.

an exclusive breakfast meeting with Congressman John P. Murtha.

This review covers the *Team Pennsylvania Foundation* and the three regional organisations visited, being Select Greater Philadelphia, Johnstown Area Regional Industries (JARI) and the Pittsburgh Regional Alliance.

Team Pennsylvania Foundation is a dynamic, public/private partnership that “initiates and supports innovative programmes to improve Pennsylvania’s competitiveness and economic prosperity.” This is done by supporting important economic development, expansion and retention opportunities; providing comprehensive access to state and regional information about site location, expansion and workforce development and attracting, developing, and retaining capable and diverse people to and within the state.

In the mid 1990s, business leaders throughout the state were frustrated by Pennsylvania’s inability to be competitive

“ **The range and gamut of companies involved in defence especially in small towns and cities was an eye-opener.** ”

in the emerging global marketplace. In 1997, the Team PA concept was born and business leaders and senior government officials were brought together to focus on Pennsylvania’s job growth and business environment and to coordinate efforts with other economic development and civic organisations. This has certainly revolutionised economic development in Pennsylvania. “A testimony to this achievement is that for the past few years, Pennsylvania has been

recognised as a leading state for new business growth by national site selection journals. Prior to this team effort, Pennsylvania rarely achieved such status”, said Richard Hudic, President and CEO, Team Pennsylvania Foundation (TPF).

Each year, the Foundation brings together leadership from Pennsylvania’s public and private sectors to identify strategic opportunities to enhance Pennsylvania’s economy. “These opportunities may include such efforts as developing policy options for Commonwealth leaders to address crucial business

climate issues, funding business attraction and retention efforts, or supporting programmes or organisations that would give Pennsylvania the competitive edge over other business locations”, stated James C. Mentzer, Director of Communications at TPF.

Select Greater Philadelphia (Select) is a regional, economic development-marketing organisation dedicated to building the economy of the Greater Philadelphia region. *Select* specialises in streamlining corporate expansions and business locations. “Home to many Fortune 500 companies, 92 colleges and universities, a high quality of life and a lower cost of living than many other major

US metros, Greater Philadelphia is a good place to live and do business”, said Thomas G. Morr, President and CEO, *Select Greater Philadelphia*. “Ideally positioned midway between the New York City global financial centre and Washington, D.C.

the political capital, Greater Philadelphia offers easy access, rich resources, and a vibrant quality of life, urban, suburban, and rural” said Bryan A. Evans, Director PR and Publications at *Select*. A business marketing organisation, *Select Greater Philadelphia*, focuses on building the economy of their region by attracting and retaining businesses.

The *Johnston Area Regional Industries (JARI)* is an economic development service provider that has been the business

“ **We were impressed by a community that has survived economic depression, is on the rebound and how they have managed to reinvent themselves.** ”

JWF Defense Systems / JWF Industries

JWFDS is a new organisation supported by JWF Industries, a diversified contract manufacturing company that has been operating in the Johnstown, Pennsylvania area since 1987. JWF Industries offer a wide variety of manufacturing services to a wide variety of industries. From steel fabrication to structural steel and powder coatings, JWF Industries manufacture products for the architectural, aerospace, heavy construction, airline, hospital, and manufacturing industries. JWFDS is a force multiplier positioned to respond quickly and efficiently to supply and support US troops with parts, components, and assemblies for the ground equipment that they use; the company has 600 employees in 800,000 square feet of manufacturing space.

Johnny’s Welding

In 1957, John Polacek working for Bethlehem Steel and the father of nine was looking for a way to supplement his income. So he put a welding machine on the back of his pick-up truck and started Johnny’s Welding. When John Polacek passed away in 1987, his company had one employee, his son, Bill Polacek. Bill bought the company, which was located in a two-car garage, from his mother. Since then Bill Polacek has led this small town company into the new millennium. Today JWF Industries has annual sales of more than \$120 million.

University of Pittsburgh Centre for Bio -Terrorism

The Centre for National Preparedness is a broad, multidisciplinary, collaborative enterprise that engages the University’s scientists, engineers, policy experts, and clinical faculty. Members of the Centre possess expertise in biomedical research, public health, medicine, national security policy, engineering, and information technology. The Centre synthesises efforts in place in the Faculty of Arts and Sciences, the Graduate School of Public Health, the Graduate School of Public and International Affairs, and the Schools of Engineering, Information Sciences, Law, Medicine, and Nursing, Research, Education, and transmits training are the foundation of this enterprise. The Centre the innovative research of the University’s faculty to the broader public through educational and training programmes in which students, policymakers, and other interested parties participate. The Centre supports research and applications that are directed at the University’s numerous constituencies.

Boeing Chinook and Osprey assembly at Ridley

We had a detailed guided tour of the Boeing Chinook and Osprey facilities at Ridley Park and spent most of the day discussing the two programmes. Of particular excitement was the recent five-year U.S. Army contract valued at \$4.3 billion for 181 CH-47F Chinooks and 10 additional Chinooks under the US Fiscal Year 2008 supplemental funding. There are options for an additional 24 aircraft over the course of the contract. Built at the Boeing Rotorcraft Systems facility in Ridley Township, Pa., the CH-47F helicopter delivers greater mission-critical capability for the warfighter with a newly designed, improved airframe, a Rockwell Collins Common Avionics Architecture System (CAAS) cockpit, and a BAE-designed Digital Advanced Flight Control System (DAFCS). “This multiyear award will yield a cost savings of more than \$449 million for the U.S. Army and taxpayers,” said Jack Dougherty, Vice President, Boeing CH-47 Programmes. “This also builds security into our production schedule for the next five years, stabilizing the work force for Boeing and for our supplier partners in more than 45 states.”



The revolutionary V-22 Osprey.



The CH-47F Chinook.

Boeing Rotorcraft Systems has delivered 48 CH-47F helicopters to the U.S. Army till date and has equipped two units, with a third scheduled to form in August. Since the aircraft received its combat-ready certification from the Army in 2007, the F-model has completed several thousand flight hours, including deployments to Liberia and is currently undergoing its first deployment to Iraq. As with its predecessors, the CH-47F continues to excel across the full spectrum of operational missions, including air assault, combat re-supply, humanitarian relief, search and rescue, and transport operations.

development partner of numerable companies since 1974. Their primary service territory encompasses the Greater Johnstown Area, which includes Cambria County, Somerset County, and the City of Johnstown. They offer various business assistance programmes to other portions of Southwestern Pennsylvania, particularly in Pennsylvania’s 12th Congressional District. The JARI staff of experienced professionals provides a comprehensive suite of business development services, most at no cost, to their clients and local community. “JARI has helped many businesses

BAE Systems at York continues to receive large orders

When we visited BAE Systems at York, it coincided with the company receiving a \$43.5 million order from the U.S. Marine Corps for 40 RG33 Mine Resistant Ambush Protected (MRAP) vehicles: 36 Special Operations Command (SOCOM) variants, two RG33 MRAP Category II 6x6s, and two Category II Heavy Armoured Ground Ambulances (HAGA). The Company will work with Letterkenny Army Depot (LEAD) to deliver the vehicles. Vehicle hull production will be at BAE Systems’ York, Pennsylvania, facility while final assembly, integration, and test will occur at the depot in Chambersburg, Pennsylvania.



The international media at York (standing in front of an armoured recovery vehicle (photo: James Mentzer)



A Bradley IFV at BAE Systems’ facility in York, Pennsylvania (photo: James Mentzer)

Concurrent Technologies Corporation (CTC)

CTC engineers and scientists endeavour to find better ways to develop and use advanced materials (Advanced Materials and Manufacturing AMM) such as metal matrix composites, non-metals and alloys, and innovative approaches for mitigating metallic corrosion and other forms of material degradation. From product design and development to surface-finishing technologies to robotics, CTC offers excellent manufacturing improvement capabilities. Since their inception in 1988, they have contributed a number of industry-leading innovations to America's civil-military industrial base. Currently, Edward J. Sheehan, Jr. is their President and Daniel R. DeVos is the CEO who personally conducted us around their facilities.

by following their core mission philosophy which is to focus on the particular needs of individual clients and provide custom services that are second to none", said Linda Thomson, President, JARI.

Bob Shark, Vice President, Procurement & Technology and Michele L. Clapper, VP Economic Development at JARI, stated before our departure to Pittsburgh, "It was a privilege to interact with you on your visit to Johnstown and Cambria County, Pennsylvania and thanks again for your interest in the defence sector of our economy. As you have seen, our team and community are very proud of our transformation from reliance on steel and coal into a diversified economic base". And that's so clear!

“Impressive was the enthusiasm and drive that pushes these companies and communities further, the willingness to co-operate rather than compete with each other.”

The Pittsburgh Regional Alliance (PRA), marketing affiliate of the Allegheny Conference on Community Development, showcases the benefits of conducting business in southwestern Pennsylvania to companies all over the world that are growing, relocating or expanding. The PRA also works to support the growth of existing regional employers.

“The PRA Partnership functioning as a large network, the PRA Partnership

enables us to be your most strategic point of contact for accessing the resources available through the Pittsburgh regional business and economic development communities across our 10 counties”, said Dewitt M. Pearl, President at the Pittsburgh Regional Alliance.

In 2000, the Pittsburgh Regional Alliance (PRA), the Greater Pittsburgh Chamber of Commerce, and the Pennsylvania Economy League of Southwestern Pennsylvania entered into strategic affiliation with the Allegheny Conference on Community Development. The affiliation plays to the strengths of each organisation – the marketing intelligence capabilities of the PRA, the advocacy efforts of the Economy League. These strengths, guided by private sector leadership, enable an efficient model

for regional improvement. The PRA is the only organisation in southwestern Pennsylvania dedicated to marketing the entire 10-county Pittsburgh region for capital investment and job creation. It does so across the economic spectrum, as opposed to other organisations that seek to develop one particular industry. The PRA has always aimed “to develop a broad coalition of citizens, businesses, regional development agencies and government organisations, working together to make the Pittsburgh region a global economic growth leader”, Dewitt said.

It was an excellent educational and informational familiarisation tour. Yayu would like to thank the hosts, Team Pennsylvania Foundation, as well as the State Department of Community and Economic Development and regional economic development partners including Select Greater Philadelphia, Johnstown Area Regional Industries (JARI) and the Pittsburgh Regional Alliance for the arrangements made. Their drive to attract and promote industry in their state and counties is worthy of emulation.

Last but not the least, special thanks to David Briel and Daniel B. Dolan who not only drove us all over Pennsylvania to various locations in the itinerary but also giving a guided tour as one went along, stopping at famous and quaint eateries, important landmarks and literally giving a taste of unusual American cuisine and culture not generally seen outside the main cities frequented by most visitors.

VSC

Carnegie Mellon University CyLab at Pittsburgh

Carnegie Mellon CyLab is a bold and visionary effort aimed at creating a public-private partnership to develop new technologies for measurable, available, secure, trustworthy, and sustainable computing and communications systems and to educate individuals at all levels. The CyLab is a university-wide, multidisciplinary initiative involving more than 200 faculty, students, and staff at Carnegie Mellon that builds on more than two decades of Carnegie Mellon's leadership in Information Technology. CyLab works closely with the CERT Coordination Centre (CERT/CC), a leading, internationally recognised centre of internet security expertise. The CyLab Strategy is to integrate response, prediction, research and development, and education both nationally and internationally and build capacity in technology (by pursuing an aggressive, highly interdisciplinary research and development agenda that integrates technology, policy, and management), human resources (by educating professionals in information technologies, business, and policy, and by creating “cyber-aware” citizens worldwide) and lastly industry – by transitioning technologies to large, medium, and small companies and by creating start-ups. Together with a consortium of visionary companies and international partnerships, CyLab is pursuing an industry-enabled research and education programme.

ARMTech 2008

The Armstrong County Board of Commissioners and the Armstrong County Industrial Development Council (IDC) hosted the 10th annual ARMTEch Showcase of Industry & Technology on 13-15 August at Kittanning. Leaders in the fields of electro-optics, advanced manufacturing, medical research, aerospace and defence contracting, they have worked towards developing new business contacts and this opportunity to network is an important element that the showcase provided companies who exhibited. At this year's event, 17 new exhibitors (out of nearly 100) took advantage of this valuable networking opportunity. Responding to the need to address a growing presence of technology based businesses in Armstrong County, the Armstrong County Board of Commissioners established the Armstrong County Regional Manufacturing Initiative (ARMTEch). ARMTEch is designed with the goals of promoting industry recruitment, workforce development, and establishing local supplier relationships within Armstrong County and the surrounding region.



Lockheed Martin JLTV on display. Among the subcontractors are CTC and JWF Defence whose facilities Vayu had visited a few days earlier.



Displays from 100 companies provided an overview of technology-based businesses.

The event was joined by US Congressman John P. Murtha, also Chairman of the House Appropriations Subcommittee on Defence, who announced that the Penn State Electro-Optics Centre (EOC) had won a competitive three-year contract with the US Missile Defence Agency (MDA) worth \$23 million. "ArmTEch is a premier showcase for industry and technology," said Murtha. "Through the diligent work of the Armstrong County Commissioners and local officials, this area continues to attract high-tech business opportunities."



Bob Shark, Vice President Procurement and Technology, JARI acquainted the visitors on industry/ community partnerships.