

PROPOSED STRATEGIC PLAN FOR WASHINGTON STATE

MILITARY & DEFENSE SECTOR DEVELOPMENT



Office of Economic Development and Competitiveness

Sector Strategy—Military & Defense



EXECUTIVE SUMMARY

Governor Inslee’s top priority is to create an economic climate where innovation and entrepreneurship can continue to thrive and create good-paying jobs in every corner of our state. The Military and Defense industry provides tens of thousands of jobs for Washington families and contributes billions of dollars to our economy each year. Washington is home to many critical assets safeguarding our national security, from armed forces installations to homeland security assets and including over 1,000 businesses supporting and supplying military and national security missions.

THE SECTOR: How We Define It:

For the purposes of this strategic plan, the Military and Defense Sector shall be comprised of:

- **Infrastructure** (Missions, Installations)
- **Industry** (Contractors, Suppliers & Service Providers)
- **Partnerships** (Public, Private & Social)

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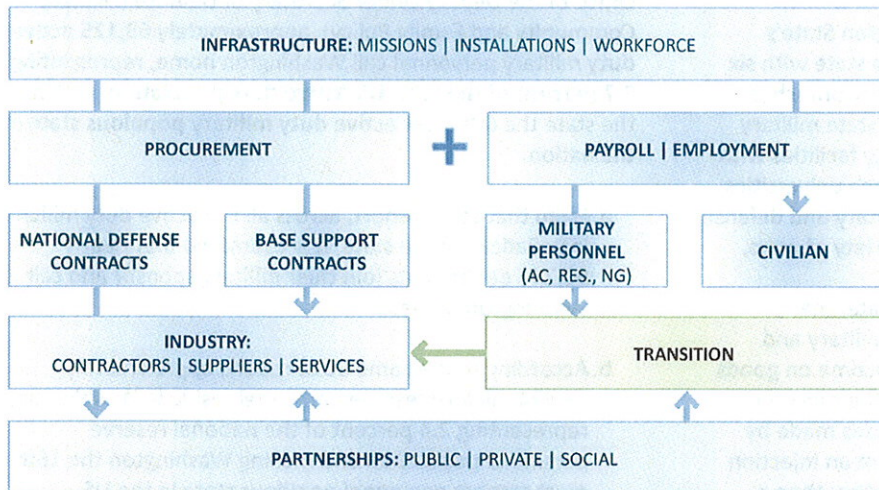
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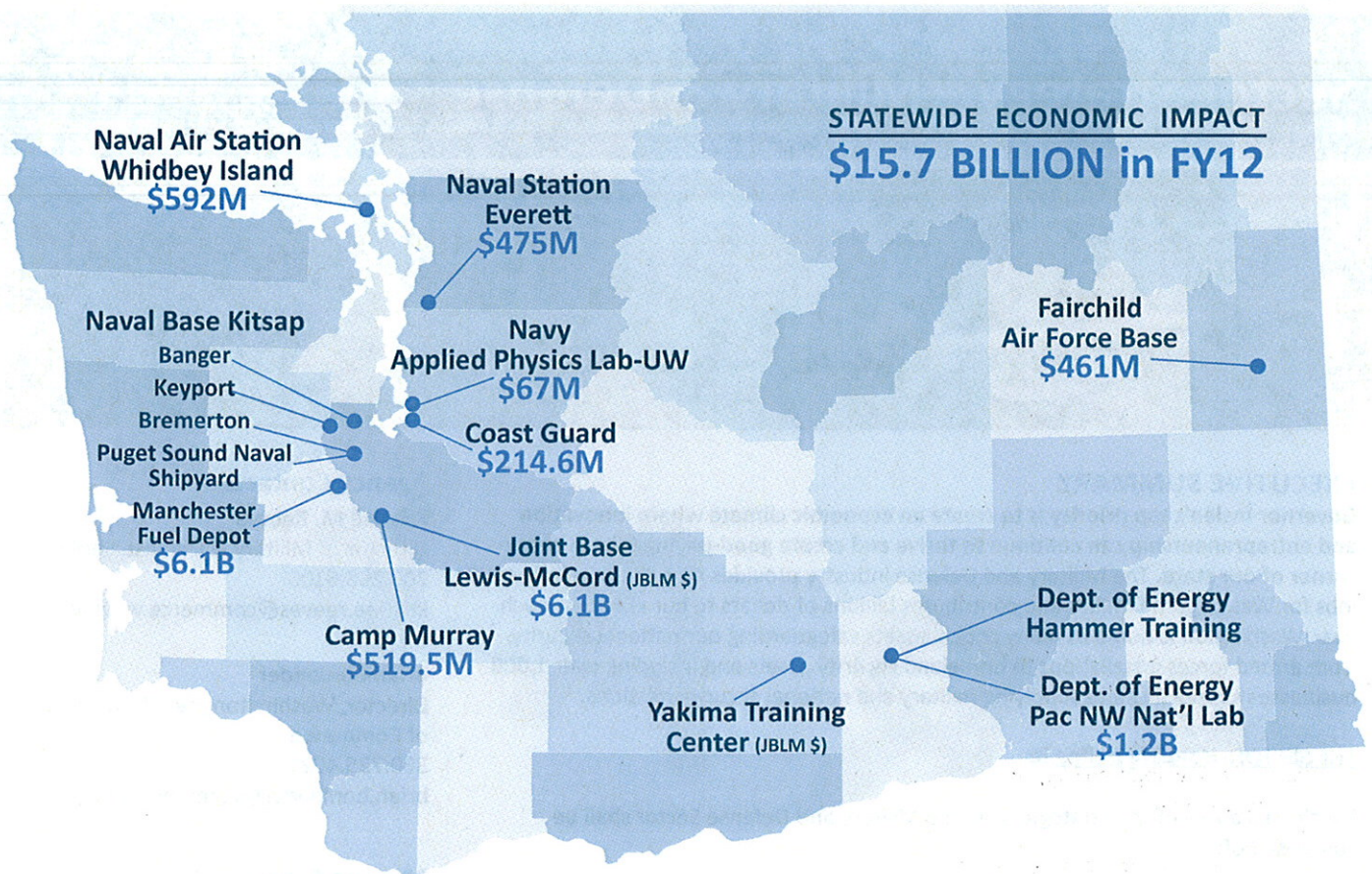
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Mission Statement:

Support and inform statewide sector specific economic development efforts by strengthening state and federal collaborations that support military & defense infrastructure, military & defense industry and public, private and social sector partnerships in all communities across the state.



Statewide Impacts of the Military and Defense Sector in Washington



THE IMPACT: Military & Defense Related Assets in Our State

THE INFRASTRUCTURE: Missions, Installations & Workforce

Within these three sector components, Washington State's military and defense presence is significant. As a state with six (6) active duty installations across multiple military branches, a major homeland security installation, a strong state military department, two (2) major Department of Energy facilities with defense benefits and two (2) major public research universities supporting defense initiatives, Washington's military and defense sector directly impact the state economy in a variety of ways.

1. For each of the military installations in our state, the personnel assigned to the installation, both military and civilian, spend a significant portion of their income on goods and services offered by local vendors. Since their income comes from the Federal Government, purchases made by personnel assigned to an installation represent an injection of outside money into the state's economy rather than a redistribution of existing in-state capital.

2. According to the 2012 *Demographics Report* prepared by the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy), **approximately 69,125 active-duty military personnel call Washington home, representing 5.7 percent of the total US Active duty population, making the state the 6th most active duty military populous state in the nation.**

a. From that same report, across all the active duty military installations in the state, it is estimated that nearly 90,246 dependents join their military sponsor and call Washington home.

b. According to the same 2012 report, approximately 19,474 military reserve personnel reside in Washington, representing 2.4 percent of the national reserve personnel population and making Washington the 16th most reserve personnel populous state in the US.

c. Over 39,000 Department of Defense Civilian personnel are employed in the state with JBLM and PSNS serving as two of the largest employers.

3. Military Installations also purchase supplies and services from local establishments, everything from housing and groceries to petroleum, tactical supplies and healthcare. Once funds have flowed into the local economy, additional economic activity is supported by economic multiplier effects.

4. Military Retirees and their survivors (spouses and dependents) represent a special population of the state receiving benefits from the federal government independent of any other employment they may be obtaining and therefore should be considered an economic force bringing additional funds into the local economy.

d. The 2012 Statistical Report on the *Military Retirement System* indicates that over 71,451 military retirees and 10,901 military survivors (spouses and dependents) reside in Washington most of whom are receiving some form of compensation from the federal government.

5. In addition, it is estimated that there are nearly 2,000 defense contracting firms executing Department of Defense contracts within the state. These companies provide goods and services but also serve as a driving force behind workforce development opportunities for transitioning military members.

6. Beyond the economic activity of the active duty military installations, Washington's state and local economies receive a significant boost from the Washington National Guard, which receives funding from the federal government for both infrastructure investments and personnel and serves as an intentional component of the national defense strategy.

THE INDUSTRY: Contractors, Suppliers & Service Providers

We are proud to support companies that provide operations, maintenance and mission support, as well as several public research labs and numerous private firms designing and building innovative technologies that support our national security. While we are in the top ten states for hosting a large military population, we are listed as twenty-third (23rd) in procuring military contracting dollars. It is important that we begin fully understanding this challenge and working strategically to attract the programs the Department of Defense, Department of Homeland Security and Department of Energy are interested in funding in support of the military and defense sector.

As important, is Washington's commitment to transitioning veterans, a source of strength for building on our state's outstanding workforce. Joint Base Lewis McChord (JBLM) is the most requested duty station in the US Army, bringing many military personnel to our state who plan to return when their tour of duty is completed. Nearly 13,000 military personnel, across all services, list Washington as the state they intend to return to at the end of their service and JBLM transitions nearly 8,500 personnel from their installation yearly. Of the 8,500 people leaving JBLM, we know that nearly 40% of them choose to make Washington their home. It is important that our state capitalize on the highly skilled talent transitioning into our communities.

Top Ten Defense Contractors Located in WA in FY12

The Boeing Company	\$9.9 B	Seattle
The Boeing Company - Insitu	\$280 M	Bingen
Manson Construction	\$231 M	Seattle
Pacific Medical Center Clinic	\$210 M	Seattle
U.S. Oil Trading LLC	\$206 M	Tacoma
Vigor Industries	\$155 M	Seattle
Dakota Creek Industries Inc	\$151 M	Anacortes
Microsoft Corporation	\$203 M	Redmond
Skookum Educational Programs Inc	\$129 M	Port Townsend
Cubic Corporation	\$104 M	Lacey

Top Ten Defense Companies Doing Business in FY12

The Boeing Company	\$7.5 B	Seattle, WA
BP PLC	\$766 M	CALIFORNIA
Pacific Medical Center Clinic	\$698 M	Seattle, WA
EHW Constructors a Joint Venture	\$256 M	VIRGINIA
Pacific Medical Center Clinic	\$210 M	Seattle, WA
U.S. Oil Trading LLC	\$206 M	Tacoma, WA
Dakota Creek Industries	\$151 M	Anacortes, WA
The Geo Group	\$120 M	FLORIDA
EJB Facilities Services	\$101 M	VIRGINIA
Vigor Industries	\$77 M	Seattle, WA

THE PARTNERSHIPS: Public, Private & Social

Governor Inslee's top priority is to create an economic climate where innovation and entrepreneurship can continue to thrive and create good-paying jobs in every corner of our state. The Military and Defense sector, as Washington's second largest direct public employer, just behind the State itself, and a key industry that cuts across many sectors in Washington, helps create the backbone for a strong economy through our diverse defense missions and military installations, our pioneering companies, and our military friendly communities.

An important aspect of what makes Washington attractive to the military is our public infrastructure that helps ensure the military is able to carry out its missions, including deep water ports, strategically located airports, and an integrated road and rail system that allows the Pacific Northwest and Washington in particular to serve as a power projection platform to the Pacific. Working to ensure that defense communities and the public infrastructure that enables the military to meet its mission needs must be a high priority and requires a broad strategic perspective that must take into account the needs of the military, defense, public, private and social sectors.

THE DIRECTOR:

The Director of Military and Defense Sector helps serve as a single point of contact for military economic development related activity that affects the state and is charged with implementing initiatives and coordinating a strategic plan that will help attract, retain and expand our military and defense sector and facilitate it's growth. This work will be done in striking a balance between keeping what is located in the state, both military missions and installation, along with private sector companies that supply the military, but also in finding opportunity to grow those military missions and installations along with the private sector companies that do business with military and defense community.

Ultimately, Washington is a state of thriving military and defense communities with infrastructure and industry that have the ability to retain current economic development opportunities, but most importantly, have the ability to proactively attract more public-private opportunities in support of Washington's national defense community. It requires only a collaborative effort and thoughtful prioritization of endeavors.

WHAT'S NEXT: Items to Focus on in 2014

COALESCING THE SECTOR

- Bring all the sector stakeholders to the table representing infrastructure, industry and partnerships to:
 - Promote Infrastructure Stability;
 - Encourage Industry Vitality; and
 - Develop and Promote Strong Partnerships.
- Identify common opportunities and challenges to the sector and offer suggested paths forward; and
- Promote a common message on sector priorities.

COMMUNICATING THE SECTOR

- Provide a strategic focus on raising the general awareness of the value of the sector internal to the state;
- Promote a message of competitive advantage external to the state that encourages continued investment by the military & defense communities and positions the state as a known military friendly location; and
- Supports a common message to the federal delegation and agency partners regarding sector priorities.

ADDRESSING CHALLENGES & OPPORTUNITIES FOR GROWTH (with a focus on BRAC)

- Assess previous rounds of BRAC and the impacts to Washington with emphasis on infrastructure challenges that have not been resolved;
- Identify opportunities to grow the sector through acquisition of future missions sponsored by the military & defense industry; and
- Address challenges and opportunities by promoting suggested paths forward to ensure growth.

ELEVATOR PITCH

The Military and Defense industry:

- Is comprised of multiple assets safeguarding our national security,
 - six (6) armed forces installations including the Army's number one power projection platform and number one requested duty station as well as the largest Joint Base west of the Rocky Mountains;
 - The Navy's only region to include an airfield, strategic weapons facility and a shipyard and home to the Navy's third (3rd) largest installation and largest fuel depot in the US;
 - Hosts one of four nuclear shipyards, hosts one of two nuclear weapons facilities and is home to the only west coast dry dock capable of handling a Nimitz class air craft carrier;
 - A Coast Guard district that supports homeland security for four states and patrols over 460,000 square miles of the Pacific Ocean
- Includes several facilities focused on the R&D of tomorrow,
 - PNNL is one of ten US DOE national laboratories benefitting the military
 - UW's Applied Physics Lab is one of five Navy managed University Research Centers in the US
- Provides tens of thousands of jobs both military and civilian;
- Contributes billions of dollars to our economy each year through defense procurement, representing nearly 4% of the state's GDP; and
- Includes over 2,000 businesses supporting and supplying military and national security missions.

It is important to promote the military and defense related economy by informing, coordinating and supporting statewide and industry specific economic development efforts across the three primary components of the sector, which focus on:

- **Infrastructure** (Missions, Installations)
- **Industry** (Contractors, Suppliers & Service Providers)
- **Partnerships** (Public, Private & Social)

It is the intent of the Director of Military & Defense Sector to balance those efforts between a focus on military-community collaborations that promote the value of military installations in the state and strengthen defense communities and public-private partnerships that retain, grow and facilitate private sector resources support of military infrastructure.

MISSION STATEMENT

Support and inform statewide sector specific economic development efforts by strengthening state and federal collaborations that support military & defense infrastructure, military & defense industry and public, private and social sector partnerships in all communities across the state.

GOALS

In formulating goals for this sector, it was important that any goals and objectives developed be informed by previous analysis done in the state. Several of the goals outlined in the subsequent chart are compiled primarily from four previous reports conducted regarding military and defense sector analysis in Washington.

- **Prosperity Partnership, Regional Economic Strategy: Military Cluster.** Puget Sound Regional Council. Feb. 2010
- **Washington State's Defense Economy: Measuring and Growing its Impact.** (Berk Report) WA Economic Development Commission. Sept. 2010
- **Defense Trade: Keeping America Secure and Competitive.** U.S. Chamber of Commerce. © 2007
- **Retaining and Expanding Military Missions, Increasing Defense Spending and Investment: Washington State's Importance and Opportunities for the Department of Defense in Achieving its Strategic Initiatives.** (WMA Report) Denny Miller Associates. Hyjek & Fix, Inc. Nov. 2012.

The following THREE (3) goals serve as the over-arching guide for work in the sector in YEAR ONE:

1. Coalesce the Sector
2. Communicate the Sector
3. Address Challenges & Opportunities for growth (focus on BRAC)

The following THREE (3) goals serve as the over-arching guide for work in the sector in YEAR TWO & THREE:

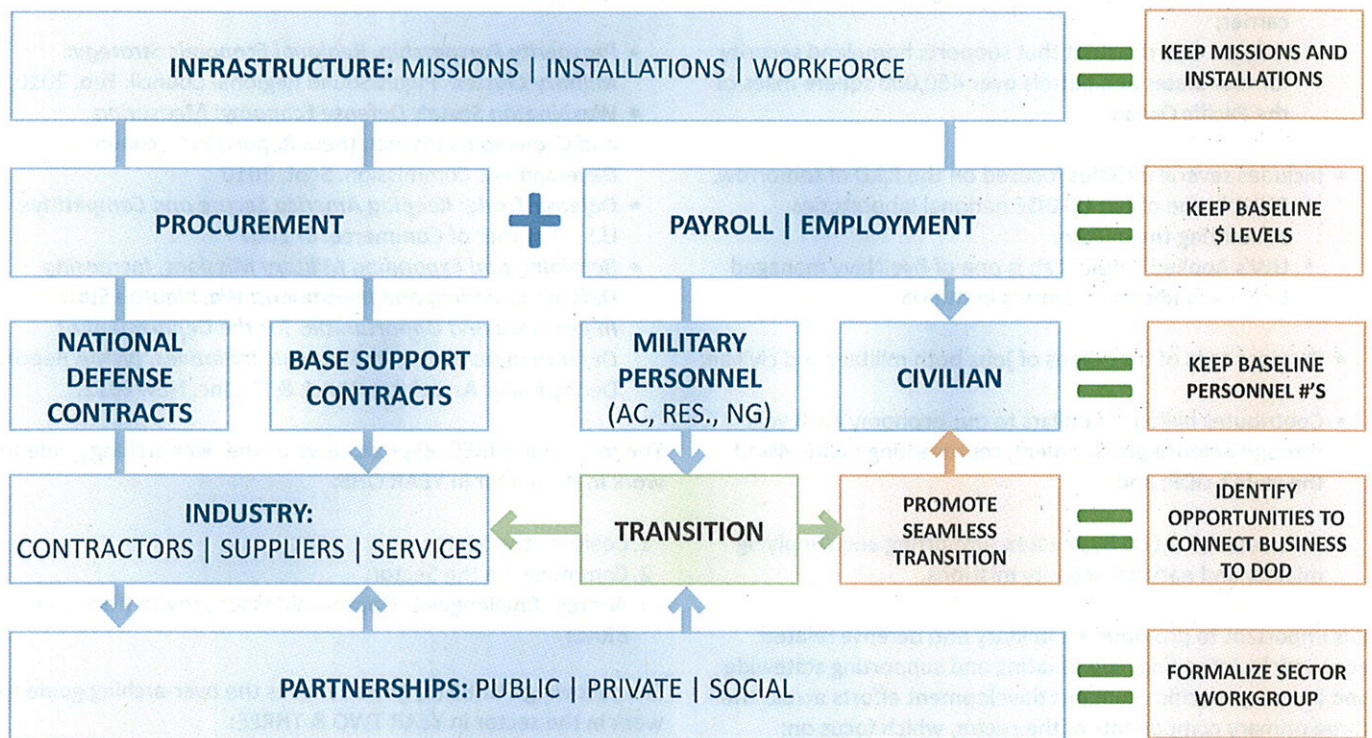
1. Provide a focus on smaller scale threats and responses as well as on emerging technologies by working with companies that are focused on the future needs of the military/defense industry.
 - Energy / Increased Energy Efficiency and Alternative Energy Production (BioFuels)
 - ICT / Cybersecurity Mission Growth
 - Life Sciences & Global Health / Multi-Service Markets under Defense Health Agency
 - Aerospace / UAV Technology Utilization and Growth

2. Provide for the military to maintain an ongoing role in peacekeeping and nation-building with continued emphasis on maintaining mission readiness.
3. Continue to elevate and communicate the state’s commitment to the defense economy by formalizing the State/Gov’s relationship with military leadership and the Sector

For a full expression of goals and objectives, please see the attached chart at the back of this document.

KEY PERFORMANCE INDICATORS

Primary ways we will measure performance in the sector are based on the three components as previously outline and measurements include:



GOAL 1: COALESCE THE SECTOR

- Bring all the sector stakeholders to the table representing infrastructure, industry and partnerships to:
 - Promote Infrastructure Stability;
 - Encourage Industry Vitality; and
 - Develop and Promote Strong Partnerships.
- Identify common opportunities and challenges to the sector and offer suggested paths forward; and
- Promote a common message on sector priorities.

Measurable Outcomes of Success in Reaching Goal 1:

1. Promote Infrastructure Stability (Missions/Installations & Workforce)
 - Maintain mission assets at 2012 baseline condition levels,
 - Understand current mission capabilities in context with National Defense Strategy;
 - Increase articulation of mission values to infrastructure, industry and partnerships within all priority sectors.

- Maintain infrastructure assets at 2012 baseline condition levels.
 - Understand current installation capabilities within the context of the National Defense Strategy
 - Increase articulation of infrastructure values to infrastructure, industry and partnerships within all priority sectors.
 - expanded opportunities for seamless transition from military to civilian life resulting in decreased veterans unemployment.
 - Understand current workforce/force structure needs within the context of the National Defense Strategy
 - Increase employment rate for military spouses by 5% by 2015
 - Increase small business veteran employment by 5% by 2015
 - Increase employment rate for veterans by x% by 2015
 - Expand skilled workforce pipelines to match increase in high-demand industries by 10% by 2015
2. Encourage Industry Vitality (Attracting, Retaining and Expanding Businesses)
- Identify Industry analysis, generate a 2012 baseline, and increase by X% by 2015
3. Develop and Promote Strong Partnerships (Public, Private & Social)
- Develop a formalized sector support association focused on common goals to advancing the economic development of the sector in the state.
 - Increased articulation of policy priorities at the state and federal level through an annual agenda from 0 to 1 by Dec 2014.
 - Increased % of legislation sponsored annually and advocated for by sector support group.

Economic Indicators of Success in Reaching Goal 1:

- O&M/E (Procurement) Funding continues at or above baseline of pre-9/11
- Continuity in veteran transition numbers per installation accomplishing employment prior to separation.
- Veteran Unemployment numbers decline
- DOD Unemployment expenditures decline
- Vet owned business contracting/procurement increases by 1% by 2015

GOAL 2: COMMUNICATE THE SECTOR

- Provide a strategic focus on raising the general awareness of the value of the sector internal to the state;
- Promote a message of competitive advantage external to the state that encourages continued investment by the military & defense communities and positions the state as a known military friendly location; and
- Supports a common message to the federal delegation and agency partners regarding sector priorities.

Measurable Outcomes of Success in Reaching Goal 2:

1. Raising General Awareness of the Value of the Sector Internal to the State
 - Increased invitations to “educate” communities by 50% by 2015
 - Increased utilization of social media resulting in 50% increase in traffic.
 - Increase in written materials for public consumption by 50% by 2015.
 - Develop online materials for public consumption by JUN 2014 with increased traffic to site by 50%
2. Promoting a Message of Competitive Advantage External to the State
 - Washington is recognized as a strong competitor for increased military and defense opportunities with inclusion in future basing opportunities by three (3) new or additional missions by 2016.
3. Supporting a Common Message to Federal Partners
 - Federal Partners will begin utilizing messaging in their priority selection in funding opportunities.

Economic Indicators of Success in Reaching Goal 2:

- State Legislature will support priorities as messaged by 25% of (1 of 4) requests per year through 2016.
- Federal Delegation will support priorities as messaged by 25% of (1 of 4) per year through 2016.
- Washington will acquire three (3) new or additional missions by 2016 with an increase in industry opportunity and an increase in employment.

GOAL 3: ADDRESSING CHALLENGES & OPPORTUNITIES FOR GROWTH (with a focus on BRAC)

- Assess previous rounds of BRAC and the impacts to Washington with emphasis on infrastructure challenges that have not been resolved;
- Identify opportunities to grow the sector through acquisition of future missions sponsored by the military & defense industry; and
- Address challenges and opportunities by promoting suggested paths forward to ensure growth.

Measurable Outcomes of Success in Reaching Goal 3:

1. Generate Market Stability for Military & Defense Infrastructure by retaining and expanding current assets based on previous impact evaluations of the BRAC process in Washington.
 - Zero Loss of current missions and/or installations
 - Managed vs. drastic decline in workforce infrastructure from current baseline to no more than 10% by 2016.
 - Facilitate block grant funding opportunities to support BRAC specific preparedness by 2016 in preparation for 2017 BRAC.
2. Grow the sector through acquisition of future military & defense missions (Energy, Aerospace, ICT and Life Sciences)
 - Washington will be able to articulate the value of positioning three (3) new or additional missions by 2016 with an increase in industry opportunity and an increase in employment.

Economic Indicators of Success in Reaching Goal 3:

- Annual O&M/E Funding continues at or above baseline pre-9/11

INDUSTRY ANALYSIS

A Brief History:

Factors that Effect Growth:

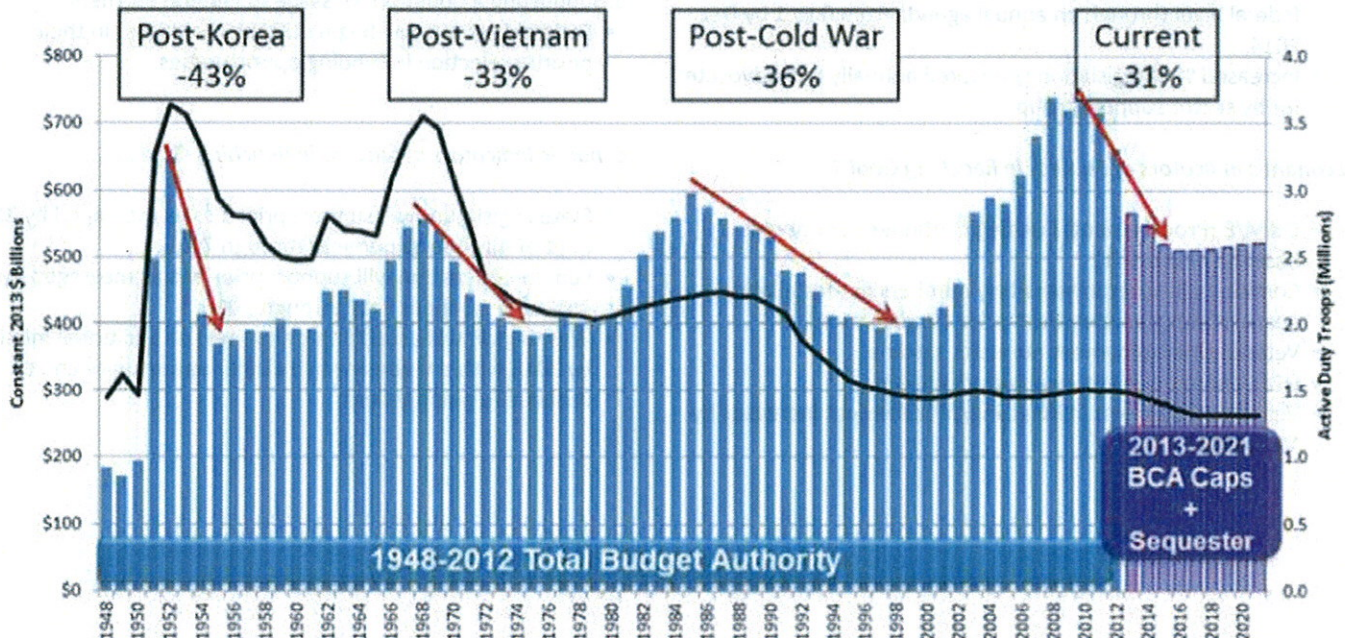
The number one factor that impacts growth of the military and defense sector are contingent on the interests of federal entities in future defense spending and on the potential for future war-time engagements.

A. Infrastructure Spending: Missions, Installations & Workforce

1. A National Picture:

The US spends more than any other country on military and defense. In 2012, 20 percent of the federal budget, or \$689 billion, paid for defense and security-related international activities. The bulk of the spending in this category reflects the underlying costs of the Department of Defense.

However, as the wars wind down and the Budget Control Act spending caps continue to be negotiated, the Department



"Everything Chuck Hagel Needs to Know About the Defense Budget in Charts". The Washington Post. 07 JAN 2013. Statistical Report on the Military Retirement System. (2012 Demographic Report) DoD Office of the Actuary May 2013.

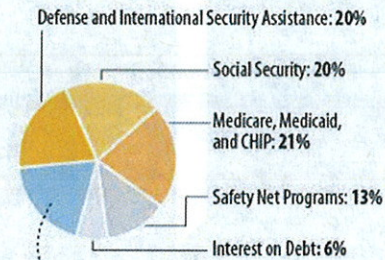
of Defense is looking to restructure strategically. This is a natural progression in the life-cycle model of defense. Our state's challenge is going to be finding a balance between that decline in the overall defense budget, while the West Coast becomes an increasingly important strategic location and our state hosts the number one power projection platform in Joint Base Lewis McChord.

2. The State Picture:

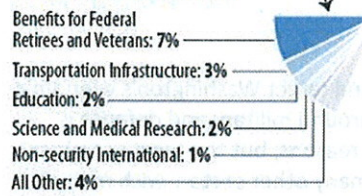
There are essentially two sides to the military/defense industry in WA. With an installation and mission support component of the industry, there is a focus on the military-community collaboration needs of the sector and a private sector component that promotes a focus on public-private partnership in support of the military and defense sector in the state.

On the public sector side, think of this as the "infrastructure" of the military and defense sector in the state regarding people and places. The military and defense infrastructure spent nearly \$16 billion dollars in Washington last year.

Most of Budget Goes Toward Defense, Social Security, and Major Health Programs



Remaining Program Areas



Source: 2011 figures from Office of Management and Budget, FY 2013 Historical Tables. Center on Budget and Policy Priorities | cbpp.org

Retaining and Expanding Military Missions, Increasing Defense Spending and Investment: Washington State's Importance and Opportunities for the Department of Defense in Achieving its Strategic Initiatives. (WMA Report) Denny Miller Associates. Hyjek & Fix, Inc. Nov. 2012.

Retaining and Expanding Military Missions, Increasing Defense Spending and Investment: Washington State's Importance and Opportunities for the Department of Defense in Achieving its Strategic Initiatives. (WMA Report) Denny Miller Associates. Hyjek & Fix, Inc. Nov. 2012.

Impacts of military installations and defense related assets

People Impact¹

Active Duty	Reserve	National Guard	Civilian Workforce*	Family Members	Retirees	Survivors	TOTAL
69,124	19,474	8,000	39,355	90,246	71,451	10,901	308,551

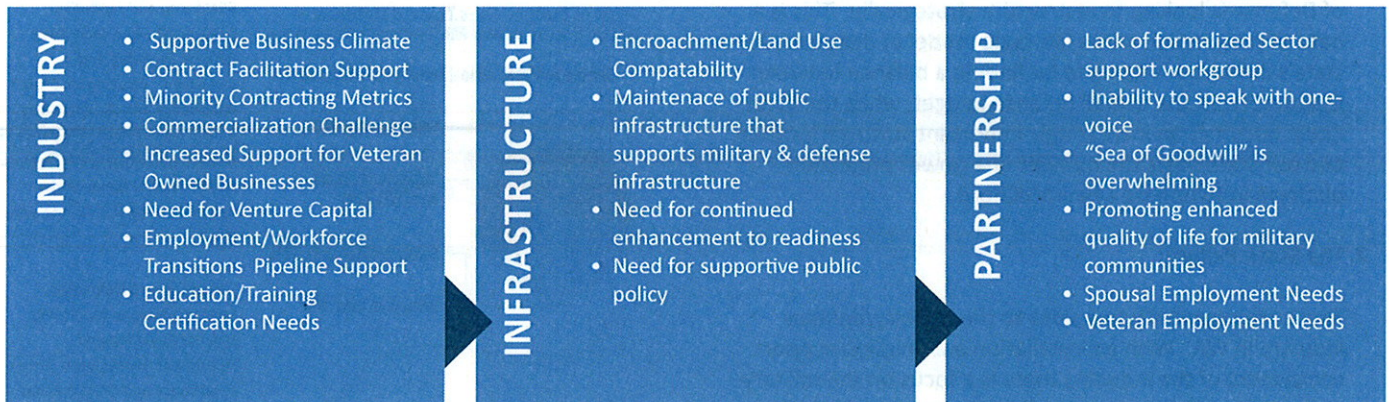
Defense & Homeland Security Contracts FY14, FY13, FY12 – Data pulled from USASpending.gov. Tiffany Scroggs, Thurston County EDC & PTAC. 10 DEC 2013

Infrastructure Impact of Military Installations and Defense related Assets⁴

Installation	Acres
Joint Base Lewis McChord	86,000 + 324,000 at Yakima Training Complex
Naval Base Kitsap	11,200 acres (4 counties)
Naval Air Station Whidbey Island	4,253 acres (Ault Field); 55,605 Total
Naval Station Everett	5,111 acres
Fairchild Air Force Base	4,551 acres & 500k acres for SERE Training
National Guard / Camp Murray	295 acres
Navy Applied Physics Lab – UW	
DOE HaMMER Facility	Plant replacement value of \$70+ M.
DOE PNNL	Plant replacement value of \$409+ M.
Coast Guard District 13	Covers 4 states & 460 sq miles of ocean

Economic Impact of Military Installations and Defense related Assets⁵

Installation	Economic Impact
Joint Base Lewis McChord	\$6,100,000,000.00
Naval Base Kitsap	\$6,100,000,000.00
Naval Air Station Whidbey Island	\$592,000,000.00
Naval Station Everett	\$475,000,000.00
Fairchild Air Force Base	\$461,000,000.00
National Guard / Camp Murray	\$519,572,437.00
Navy Applied Physics Lab – UW	\$67,000,000.00
DOE HaMMER Facility	
DOE PNNL	\$1,200,000,000.00
Coast Guard District 13	\$214,600,000.00
TOTAL (conservative)	\$15,729,172,400.00



B. Business Industry

The desire to inform and target Washington’s economic development efforts around military and defense is complicated for a few reasons, but the most prominent would be that unlike many other sectors with multiple source buyers across one sector, DOD is a single source buyer across multiple sectors. Understanding how to sell to either local installations or to the Pentagon requires our state to understand that opportunities are spread across a wide range of industry sectors that touch military and defense and can include any type of product.

Leading Businesses in the Industry:

With no known comprehensive industry analysis compiled on the number of businesses in WA working on defense or military contracts, a definite area of needed in-depth analysis would be the business community that touches this sector.

Estimated Size of the Industry:

According to www.usaspending.gov, \$14.8 Billion in Federal Defense and Homeland Security contracts were awarded to Washington State firms in FY14, FY13 and FY12. In the same timeframe, \$16.2 Billion in contracts listed Washington State as a place of performance.

Established Trends in Sales:

Based on recent data pulled from www.usaspending.gov, trends for defense spending in Washington state mirror the trends for spending at the national level.

Current Challenges in the Industry:

There seem to be three primary reasons that solicitations are awarded to firms outside WA and it is because firms are either unaware of the opportunity, do not understand

the opportunity and how to bid for it, or do not have the resources necessary to bid on the opportunity.

Therefore, what I can offer is an industry analysis snapshot by Congressional district of the top five military/defense contractors and their award amounts. We know that there are at a very conservative minimum, a thousand WA based businesses contracting with the DoD at a time, but believe that number to be substantially higher.

What is painfully clear is that in each of the top five contractor listings per congressional district, one to two of the top contractors are not WA based companies and in the case of the 8th congressional district, one is not even nationally based. What is most disconcerting about this is that some of the districts’ top contractors are getting contracts to spend but may not be spending the bulk of that funding in WA or on WA products⁷.

This continues to highlight the need to develop an understanding around the business development and trade and export side of this industry sector and focus support on their success and growth in the state.

MARKETING PLAN

This plan provides a strategic approach and set of suggested actions designed to aid Washington state in meeting its Military and Defense Sector communications goals:

PRIORITIES: What Is Important For Us to Say?

1. Communicate the Value of Military & Defense Assets in our state Consistently
2. Communicate the Value of Military & Defense Assets in our state Continuously
3. Communicate the Value of Military & Defense Assets in our state Cautiously

PERFORMANCE GOALS: How We Know We Are Saying Something People are listening to?

1. An increase in our public communication by 100% by 2015.
2. Information we are providing is utilized in others public presentations.
3. The department is asked to serve as a subject matter expert on the sector.

KEY AUDIENCES: Who Are We Talking To?

1. Federal Agencies Funding Military & Defense Infrastructure
2. State & National Industry
3. Federal, State & Local Elected Officials
4. Military Personnel, Family, Retirees & Veterans

OBJECTIVES: What Do We Want Our Communication to Say?

Depending on a variety of factors, communicating with key audiences is a skill that requires careful analysis and follow-through. Information provided to the audience should:

- Provide information that adds to the Sector & State's credibility;
- Be timely for the issue(s) at hand;
- Maintain consistency, especially since one person may receive information from a variety of sources;
- Be sensitive to the issues and communication needs of the audience;
- Educate the audience on the issue(s); and
- Provide tools for the audience to take appropriate action.

GOALS FOR THE SPECIFIC TARGET AUDIENCES:

1. Federal Agencies Funding Military & Defense Infrastructure

As a result of the State's activities, Federal Agencies Funding Military & Defense Infrastructure will:

- See the state as an attractive place to locate and expand operations.
- See the state as an attractive place to locate personnel due to the military friendly attitude.

2. State & National Industry

As a result of the State's activities, The State & National Industry will:

- See the state as an attractive place to locate, retain or expand a military or defense related business.

3. Federal, State & Local Elected Officials

As a result of the State's activities, Federal, State & Local Electeds will:

- Understand the value of the military and defense sector to the state's economy.
- Accurately articulate the value of the military and defense sector in their communities.
- Make decisions better informed of the potential positive and negative impacts to the military and defense sector and economic development in the state.

4. Military Personnel, Family, Retirees & Veterans

As a result of the State's activities, Military Personnel, Family, Retirees & Veterans will:

- See the state as an attractive place to live and work due to the military friendly attitude.

IMPLEMENTATION: How Are We Going to Get Information Out There?

This strategy recommends emphasis in three areas:

1. Outreach & Education
2. Policy & Regulation Support
3. Shared Messaging

OUTREACH & EDUCATION:

Outreach is designed to meet awareness and knowledge objectives in the target audiences.

This may include:

- presentations or meetings with local, regional or national agencies, businesses or governmental bodies;
- on-the-ground project tours – field trips for state and local elected representatives;
- targeted local media stories to reach local audiences and elected officials;
- briefs at meetings – in person or written;
- Current and accurate web content, social and documents.

POLICY & REGULATIONS SUPPORT:

Policy and Regulation Support is designed to provide a pathway to minimizing roadblocks and maximizing opportunity to create efficiencies in the system.

This may include:

- Advocacy at all levels of government in support of military and defense sector priorities.
- Testifying in front of the legislature at work sessions or hearings.

And should focus priorities in one of three areas:

- 1. Infrastructure:** Installations, Command Staff & Procurement Specialists
- 2. Industry:** Businesses, Chambers & Economic Development Partners
- 3. Partnerships:** Public, Private and Social Organizations focused on Military & Defense support

SHARED MESSAGING:

Shared Messaging is designed to promote a unified voice when discussing the State’s priorities for the sector.

This may include:

- Support efforts and staffing support for a sector support organization.

CONTACT: Who Speaks for the Sector?

For the purpose of media relations, the Director shall serve as the primary point of contact.

OPERATIONS PLAN

The following is a list of identified projects with a request for resources and scheduling.

Project Title: Formalize the WMA	Resource Requirement: Governor’s Time, request of federal delegation members time, facility support, document printing support. Schedule: This reconvening should take place NLT JUN 2014.
Project Title: Foster/Maintain on the ground working relationships with installation leadership/staff.	Resource Requirement: Travel budget to visit each installation.. Schedule: Visits should occur at least twice yearly for those outside the Puget sound, but on an as needed basis for those in western Washington.
Project Title: Foster/Maintain working relationships with DC support systems (del./pentagon)	Resource Requirement: Membership in the Association of Defense Communities at a minimum. Participate in Forums/Committees within the National Governor’s Association relevant to the sector. Schedule: Membership in ADC should be achieved as soon as possible and recur annually.
Project Title: Formalize participation in the Washington State Military Transition Council (WSMTC) to support workforce development opportunities for military members into industry.	Resource Requirement: Request executive membership to the council via the Governor’s policy office. Schedule: Membership in the WSMTC should be achieved as soon as possible and recur continuously.
Project Title: Bring Military/Defense contracting agencies and contractors together.	Resource Requirement: TBD Schedule: Show support for current regional defense contracting event known as Alliance in March 2014.
Project Title: Develop in-depth industry analysis for business development.	Resource Requirement: Intern, work with PTAC and FPDS. Schedule: To be completed NLT 4th QTR of 2014.

FINANCIAL AND JOBS IMPACTS OF YOUR WORK

Collectively, the military serves as the second largest employer in the state of WA with over 100+ thousand people on payroll including military and civilian employees.

Losing any one mission set at a local installation means hundreds to thousands of jobs, lost payroll revenue and secondary and tertiary community retailer impacts. Losing any one of the installations themselves multiplies that loss into the millions of dollars of operational funding to maintain the facilities and upkeep the missions located there on top of job loss impacts.

For example, Joint Base Lewis McChord is the largest employer in Pierce County. It is the 7th largest city, by population, in the state and has the highest economic impact of any installation in the state. Losing even one mission set at JBLM can mean a loss of revenue to the local housing market, to the hospitality industry, to the retail industry, etc. The most recent example of this was the loss of the 4/2 Stryker Brigade Combat Team (SBCT) which represents about 3,000 personnel and their families who will either be exiting the military and entering our workforce, or moving to installations outside our state.

In referencing workforce development impacts to the state, again, Joint Base Lewis McChord, as the prime example, transitions on average 8,000 service members out of the military each year. Nearly 4,000 of those service members are calling WA home. An additional 2,000 who transition from another installation in the US will return to WA as their home state. This means on average, our state is welcoming to its workforce between 6-7,000 veterans who are looking for work yearly.

Capitalizing on industry workforce development plans that create pipelines of military talent into their workforce saves the company training money and saves the DOD and American taxpayer from having to pay unemployment compensation. Currently the DOD pays out nearly \$5 billion dollars to WA residents who are former military getting unemployment compensation. Helping military members earn living wage jobs demonstrates their value to our state, to the industries we need to grow and shows DOD that WA is a great place to serve, live and work.

YEAR ONE GOALS/OBJECTIVES:

GOAL/OBJECTIVE	STRATEGY/INITIATIVE	TACTICS/KPI's
Coalesce the Sector (organization of industry workgroup)	Understand & Support the Military/ Defense mission at individual installations in the state and how WA fits into the global strategy.	<ol style="list-style-type: none"> 1. Visit each of the installations & meet with command staff (1st QTR) 2. Act as a liaison to State/Federal Partners in support of installation needs (continuously)
	Use business Attraction, Retention and Expansion strategies to maintain/expand state's military/ defense contracting industry.	<ol style="list-style-type: none"> 1. Identify specific military/defense suppliers in the state, generate a report of the suppliers and their direct impact on the economy of WA, and identify opportunities for attraction, retention and expansion specific to each business. (1st QTR) 2. Work with contracting stakeholders to support subcontracting and in-state prime contracting opportunities (PTAC, PNDC, DLA, etc.) – (continuously) 3. Serve as a facilitator across COM sectors to access military/defense interests. (continuously)
	Enhance Workforce Development opportunities for Military, Veterans and Spouses through employment & education opportunities.	<ol style="list-style-type: none"> 1. Join the Washington State Military Transition Council as an executive member. (1st QTR) 2. Strengthen Competitiveness by encouraging the creation of pipelines from Military/Defense into industry through workforce development programs, certifications, and training opportunities that meet industry needs. (continuously)
	Formalize the WMA as the sector industry workgroup organization and advisory board to assist local, state, and federal officials with policy recommendations affecting Washington's Military/Defense industry. (2nd QTR)	<ol style="list-style-type: none"> 1. Have the GOV verbally declare this position/office as his "go-to" on military/ defense industry stuff (1st QTR) 2. Have the GOV reconvene the group, take ownership & provide charge (2nd QTR) 3. Introduce Military Sector Lead as ED of the workgroup and outline 4 areas of the sector
Formalize the creation of a central office focused on the military/ defense industry to provide support to the sector.	Serve as a promoter and advocator for specific investments and initiatives to support the growth of the military/defense industry in WA.	<ol style="list-style-type: none"> 1. Explicitly include Military/Defense in the State's economic development strategy. 2. Promote the economic benefits of the defense economy to stakeholder groups in the state. 3. Provide high-level participation in trade shows 4. Focus on relationship building in state and in DC 5. Communicate what's happening.
	Serve as an information provider by compiling, analyzing, and propagating information & market opportunities, then sharing information with economic development partners and the private sector.	<ol style="list-style-type: none"> 1. Support emerging defense specific economic development efforts 2. Support local economic development efforts in collaboration with the local ADOs 3. Raise awareness of defense related opportunities across all WA sectors specific to their industry cluster by creating a centralized information system to share opportunities (4th QTR)
	Serve as a policy advisor to highlight opportunities to utilize legislative opportunities to facilitate a robust military/defense related economy in Washington	<ol style="list-style-type: none"> 1. Take a proactive approach to growing WA's defense related economy by identifying forward looking cluster-specific initiatives and launch 1-2 pilot efforts in support of this work. (3rd QTR)
	Help facilitate funding opportunities in support of targeted efforts among the sector that will help advance the industry sector as a whole.	<ol style="list-style-type: none"> 1. Increase business training and support resources through collaboration with PTAC (4th QTR) 2. Support the development of online resources and toolkits (3rd QTR) 3. Strengthen Washington's ability to attract R&D funding by proactively connecting industry to opportunities.

Elevate and communicate the state's commitment to the military/defense economy by formalizing the State/Gov's relationship with military leadership and the Sector through leadership coordination and communication.	Focus on Individual Installations/Commands	<ol style="list-style-type: none"> 1. Have GOV visit an installation for a tour (2nd QTR) 2. Have the GOV host military themed event for military leadership (4th QTR)
	Focus on Workforce Development Groups/Organizations	<ol style="list-style-type: none"> 1. Have GOV/COMSEC tour a workforce development pipeline that is working and one that is potential (2nd, 3rd, or 4th QTR) 2. Sponsor legislation to address certification issues at state level (1st QTR)
Foster/Maintain in state, DC, and national stakeholder relationships on behalf of the sector	Focus on State Level Relationships	<ol style="list-style-type: none"> 1. Help strengthen Military Community Advocacy Groups in each Military Service area. 2. Visit each installation/major command in WA (1st QTR) 3. Visit each military community advocacy group (1st QTR) 4. Visit at least 5 major defense contractors in each of the congressional districts. (1st QTR) 5. Visit each of the WDC's touching the military communities (2nd QTR)
	Focus on DC/Federal Level Relationships	<ol style="list-style-type: none"> 1. Set up monthly check-in call schedule with federal delegation staff/MLAs (1st QTR) 2. Visit DC to meet all state delegation staff, pentagon staff from OEA, DLA, DOD SBP, Joint Chiefs, etc. (2nd QTR)
	Focus on National Level Relationships	<ol style="list-style-type: none"> 1. Have WA Join Association of Defense Communities (1st QTR) 2. Attend ADC Conference to continue fostering national relationships (1st QTR/Feb)
Help balance a potential decline in the overall defense budget, while the West Coast becomes an increasingly important strategic location (power projection platform).	Develop a strategy to mitigate the potential closure of, or significant mission reductions at WA installations, as well as a strategy to attract additional missions to Washington State.	<ol style="list-style-type: none"> 1. Review data on WA installations from the 2005 BRAC, as well as from more recent basing decisions (Army's BCT analysis, Air Force tanker basing, etc) to identify strengths and weaknesses of each installation. 2. Work with State and local stake holders to develop an over-arching legislative strategy along with specific initiatives to address identified vulnerabilities. 3. Work with the WA Congressional Delegation to identify future mission requirements suitable for WA installations. 4. Work with State and local stake holders to develop an over-arching legislative strategy along with specific initiatives to help attract new missions to WA installations. 5. Work with State and local stake holders to develop legislative or other initiatives to help attract new missions to WA installations. 6. Help facilitate funding opportunities to military/defense advocacy groups to support preparedness report.
Communicate sector priorities to the Legislature	In conjunction with the GOVs office and the WMA, with support from COM, create a legislative agenda and priorities list for the sector within the four identified key areas to help meet the needs of the sector.	<ol style="list-style-type: none"> 1. Create subcommittees to the WMA that work on identifying priorities specific to BSD, T/E, I&MS, (1st QTR) 2. Formalize the Leg. agenda on an annual basis for presentation to the legislature, GOV, Communities, Industry (continuously) 3. Identify recommendations for addressing the legislative agenda/priorities list at the state. (1st QTR) 4. Implement and support Legislative Days around each branch of the military (1st QTR)
Create opportunities to generate public attention regarding the value of the military/defense sector to the state and the state's value to the military/defense sector.	Work collaboratively with the GOVs office and COM Marketing team to push messaging and education opportunities into the public arena.	<ol style="list-style-type: none"> 1. Develop written materials for use by the public and dissemination by the department (1st QTR) 2. Develop online presence to create dynamic environment for sector related information to be shared (1st QTR) 3. Participate in recurring stakeholder engagement opportunities/forums in which to share information (continuously) 4. Provide a clearly articulated message around the military & defense sector that articulates "why Washington" to both the public and private sector partners (formalize 1st QTR then continuously)

YEAR TWO & THREE GOALS/OBJECTIVES:

GOAL/OBJECTIVE	STRATEGY/INITIATIVE	TACTICS/KPI's
<p>Provide a focus on smaller scale threats and responses as well as on emerging technologies by working with companies that are focused on the future needs of the military/defense industry.</p>	<p>To include a focus on homeland security advances in monitoring of the air, land, maritime, space and cyber domains for potential direct threats to the US.</p>	<ol style="list-style-type: none"> 1. Develop comparative analysis among other states assets in these potential areas to identify opportunities to highlight Washington's strengths in growing these missions.
	<p>To include a strategic prioritization of succeeding in counterinsurgency, stability and counter-terrorism operations which can include expanding unmanned aircraft systems for intelligence, surveillance, and reconnaissance as well as strengthening key supporting capabilities for strategic communication.</p>	<ol style="list-style-type: none"> 1. Develop industry subgroup focused on unmanned aircraft systems in the state 2. Work to develop a statewide land/air use study in support of growing this sub-sector. 3. Work with the aerospace sector lead.
	<p>To include a focus on deterring and defeating aggression in anti-access environments with a call for enhancements in assuring access to space and the use of space assets; enhancing the robustness of key intelligence, surveillance, and reconnaissance capabilities; as well as defeating enemy sensors and engagement systems.</p>	<ol style="list-style-type: none"> 1. Develop industry subgroup focused on space initiatives and the use of space assets. 2. Work with the aerospace sector lead.
	<p>To include a focus on cyber threats and the need for a strong cyber defense with a focus on greater cyber expertise and awareness.</p>	<ol style="list-style-type: none"> 1. Develop industry subgroup focused on cyber security initiatives. 2. Work with the ICT sector lead.
	<p>To include a focus on energy efficiency and alternative energy production companies and suppliers.</p>	<ol style="list-style-type: none"> 1. Develop industry subgroup focused on energy efficiency and alternative energy production initiatives.
<p>Provide for the military to maintain an ongoing role in peacekeeping and nation-building</p>	<p>Help provide a focus with WA businesses and non-profits who may tailor services, products and expertise in the IT, Energy, and Global Health arenas.</p>	<ol style="list-style-type: none"> 1. Work with the sector leads for identified arenas to determine opportunity for military applications.
<p>Continue to elevate and communicate the state's commitment to the defense economy by formalizing the State/Gov's relationship with military leadership and the Sector</p>	<p>Have the Gov visit one installation/defense community per year for the next three years with an emphasis on leadership and industry.</p>	<ol style="list-style-type: none"> 1. Identify one major issue per installation in the first year of the position, that the military needs help with at the state level and have staff work through until resolution (tankers at Fairchild, transportation at JBLM, etc)