

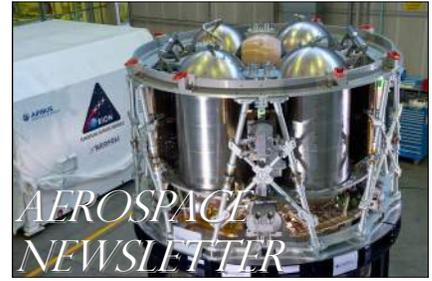
Gulf Coast Reporters' League

Louisiana

Mississippi

Alabama

Florida



Vol. III, Issue III

A bi-monthly update of aerospace activities in the Gulf Coast I-10 region

December 2015



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Okaloosa County has multiple aerospace hot spots, including the Commerce and Technology Park, Bob Sikes airport and Eglin..

The aviation MSA

The Crestview-Fort Walton Beach-Destin MSA is ranked 10th nationally in the concentration of aerospace engineers, but it brings a lot more to the table in aviation jobs...

Fort Walton Beach, Fla.

In a region of the nation that's growing its aerospace and aviation footprint, there's one metropolitan area that for a long time has been a stand out.

The Crestview-Fort Walton Beach-Destin metro area is ranked 10th in the nation for the concentration of aerospace engineers,

Staff report

according to 2014 data from the U.S. Bureau of Labor Statistics. But that's just one of the intriguing figures. It has multiple aviation-related occupations where the concentration is well above the national norm.

Nathan Sparks, executive director of the Okaloosa County Economic Development Council, said he can drive through the Fort Walton Beach Commerce and Technology Park and point out 20 businesses with ties to aerospace and aviation. And that's just one park.

"Economic clusters are the Holy Grail of economic development," Sparks said, according to the 2015-2016 edition of the *Gulf Coast Aerospace Corridor* annual.

(Continued on page 2)

The park is one of the oldest aerospace business clusters in Northwest Florida, which boasts six military installations with aviation-related missions and is a leader in aerospace-related research and development.

The MSA is home to Eglin Air Force Base, the focal point of Air Force aerial weapons development and the location where pilots and maintenance personnel are training for the fifth-generation F-35. It's also home of Hurlburt Field and Duke Field.

To the north along Interstate 10, the county seat of Crestview is home of Bob Sikes Airport and the adjacent Okaloosa-Crestview Industrial Airpark, both of which have drawn multiple aviation-focused businesses.

When it comes for aerospace engineers, only nine metro areas in the na-

tion boast a higher concentration. In Florida it's second to Palm Bay-Melbourne-Titusville.

But Crestview-Fort Walton Beach-Destin brings a lot more to the aerospace and aviation table when it comes to aerospace jobs.

As good as the ranking is for aerospace engineers, the MSA has even bigger numbers in at least six other fields of interest to aerospace and aviation sector. And in an even more revealing measure, the local quotient, there are multiple fields where the Crestview-Fort Walton Beach-Destin MSA has a larger concentration than the nation as a whole. In one, there are 13 times the average concentration found in the United States.

The local quotient is a way to determine the concentration of particular

job categories. A number above 1 means it exceeds the national average. Anything below shows less than the national average.

The MSA has more than a dozen aerospace-related occupations with a higher concentrations than the norm, according to figures from the Bureau of Labor Statistics.

In the MSA, there are almost four aircraft structure, surfaces, rigging and system assemblers for every 1,000 people, a location quotient of 13.24. The next highest concentration are avionics technicians, with a quotient of 9.05. Electrical engineers make the most money, \$97,650 per year. - *(Contributors: Tom McLaughlin, David Tortorano)*

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Selected occupation employment statistics

<i>occupation</i>	<i>employment</i>	<i>hourly mean wage</i>	<i>annual mean wage</i>	<i>per 1,000</i>	<i>location quotient</i>
Aircraft structure, surfaces, rigging and system assemblers	300	\$21.84	\$45,430	3.980	13.24
Avionics technicians	90	\$20.26	\$42,150	1.149	9.05
Aerospace engineering and operations technicians	50	\$26.38	\$54,870	0.714	8.60
Commercial pilots	160	n/a	\$87,080	2.044	7.24
Aircraft mechanics and service technicians	360	\$28.01	\$58,260	4.681	5.41
Electronics engineers, except computer	330	\$44.29	\$92,120	4.374	4.41
Aerospace engineers	160	\$45.42	\$94,470	2.072	4.05
Electrical engineers	260	\$46.95	\$97,650	3.356	2.60
Electrical and electronic equipment assemblers	190	\$15.54	\$32,330	2.549	1.66
Industrial engineers	200	\$33.40	\$69,480	2.645	1.51
Computer hardware engineers	60	\$45.80	\$95,270	0.831	1.47
Computer and mathematical occupations	2,510	\$40.28	\$83,770	32.790	1.16
Mechanical engineers	160	\$41.62	\$86,570	2.074	1.04
Mechanical drafters	30	\$23.00	\$47,830	0.434	0.92
Computer-controlled machine tool operators, metal, plastic	70	\$19.82	\$41,230	0.905	0.83
Inspectors, testers, sorters, samplers and weighers	160	\$21.08	\$43,860	2.150	0.59
Machinists	80	\$17.50	\$36,400	0.998	0.34
Welders, cutters, solderers and brazers	60	\$21.24	\$44,180	0.768	0.28

Source: U.S. Bureau of Labor Statistics, May 2014. Compiled July 2015



The Mobile Downtown Airport is three miles from the Mobile, Ala., business district at the former Brookley Air Force Base. Photo courtesy Mobile Airport Authority

Economic development

Downtown Airport expects to get busy

Airbus has garnered most of the attention at the Brookley site, but a lot is going on at the Mobile Downtown Airport, which is doing some \$39 million in construction work in part because of Airbus...

Mobile, Ala.

From college football team charters to military C-130s, the Mobile Downtown Airport is hardly all Airbus, all the time.

Granted, the assembly plant for the A320 series jetliners draws most of the attention as the star tenant of the Mobile Aeroplex at Brookley, once a World War II Air Force base known as Brookley Field. It's also true that the Mobile Airport Authority is doing \$39 million in construction work in large part because of the 210,000-square-foot Airbus Manufacturing Facility.

But military air traffic still makes up half of the "operations" or take-offs and landings, at the airport on Mobile

By Jane Nicholes

Bay, said Roger Wehner, executive director of the authority. That may well change as Airbus reaches full capacity and support businesses move in.

"We used to have about 100,000 operations a year. That was almost evenly divided between 50,000 military training activity and 50,000 business jet, general aviation and MAE, Continental Motors," Wehner said.

"I've got a Coast Guard helicopter flying overhead right now. Yesterday we had a C-130 flying in and out. Because of the preponderance of military installations on the Gulf Coast, we get a lot of military traffic."

However, overall air traffic is down slightly this year, Wehner said. He attributes the decline to the airport's biggest current project, a \$32 million two-phase realignment, lengthening and widening of the main Taxiway A. The work is expected to be finished in 2016 after being on the drawing board for several years.

"I would say that the Airbus project has kind of sped that along, because the taxiway used to go through the

Airbus site. So they'll certainly be a beneficiary, but it wasn't the No. 1 cause agent. It's always been on the books," Wehner said.

Signature Flight Support, the fixed based operator at the downtown airport (FAA ID BFM), has seen a similar decline in traffic, said station manager Matt Thocker.

"We get a lot of our business from the military flights and training flights," Thocker said. "They've actually been down a little bit. We think most of that's been due to the taxiway being reworked and upgraded. Up to this point it's been slightly down, but we're expecting a growth spurt probably next year."

Signature bought out Azalea Aviation, owned by Taylor and Harris Morrisette, in 2012 about six months ahead of the official Airbus announcement.

The sale anticipated that Airbus would locate its first U.S. final assembly plant in Mobile, but Thocker said the company also thought the airport

(Continued on page 4)

was growth-oriented anyway, aside from the Airbus plant.

Signature Flight Support is owned by BBA Aviation and is the world's largest FBO network. Signature will expand further as a result of BBA's acquisition of Landmark Aviation for more than \$2 billion.

Because of FAA regulations, the British-owned FBO cannot operate its own planes, Thocker said. Signature has three hangars, provides fuel for FedEx and MAE in addition to general aviation customers, and provides multiple passenger services ranging from baggage handling to hotel reservations to catering services.

About 30 percent of Signature's business is military, Thocker said. The FBO also handles football team charters for the University of South Alabama, its opponents and the GoDaddy Bowl. BFM is much closer to Ladd-Peebles Stadium, where the bowl and USA games are played, than is Mobile Regional Airport, and Signature can easily transfer player luggage to downtown hotels.

The airport's other two construction projects are about to get started: a \$6 million engine run-up facility and a \$1 million compass compensation area. An engine run-up facility is where plane engines are tested without flying. The aircraft can "run up" the engine to



The \$32 million two-phase project will realign, lengthen and widen Taxiway A. It will be finished in 2016. MAA photo

full speed and power back down to ensure everything is working properly.

A compass compensation area is where new or refurbished magnetic compass systems used in navigation are calibrated. The area must be meticulously surveyed for magnetic distortion, Wehner said.

Both existing facilities were displaced by Airbus, requiring the new construction. Airbus will be a major customer.

"You take advantage of the opportunity to make it far better," Wehner said.

Arguably the biggest asset of Mobile Downtown airport is its two runways that are long enough to handle any size aircraft in the world. The plane ferrying the space shuttle cross country once stopped to refuel at BFM. The runways are 9,618 feet long

and 7,800 feet long. They are 150 feet wide.

The airport boasts easy access to water and rail transportation. The aeroplex is adjacent to the Port of Mobile, which was one of the key attractions for Airbus. Airbus ships planes in pieces to the port and trucks them the short distance to its assembly plant.

Once Airbus is at full capacity and the construction is out of the way, Wehner said air traffic will go up.

"I doubt we will get a significant increase on military traffic, but I'm confident that we'll have an increase on commercial and business jets," he said.

More good news may be coming, too. Wehner hopes to "have clarity" in the next six months on at least a couple of economic development projects.

"We're competing right now for several projects, just pure economic development projects," he said. "Any one of them, if we were to win it, would have a significant impact on the facility."

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The taxiway project has been on the drawing board several years. MAA photo

Military

Coastal counties big defense spenders

Two of the four states in the Gulf Coast I-10 region are in the top 10 in defense spending, and two are in the top 10 for the proportion of GDP that relies on the defense department

When it comes to defense spending, every state takes a back seat to Virginia, whether it's total spending or spending as a portion of the state's Gross Domestic Product.

But Alabama, Florida and Mississippi are among the top states in defense spending in several measures. And while the state of Louisiana is in the middle of the pack, several parishes in Southeast Louisiana are also hot spots for defense spending.

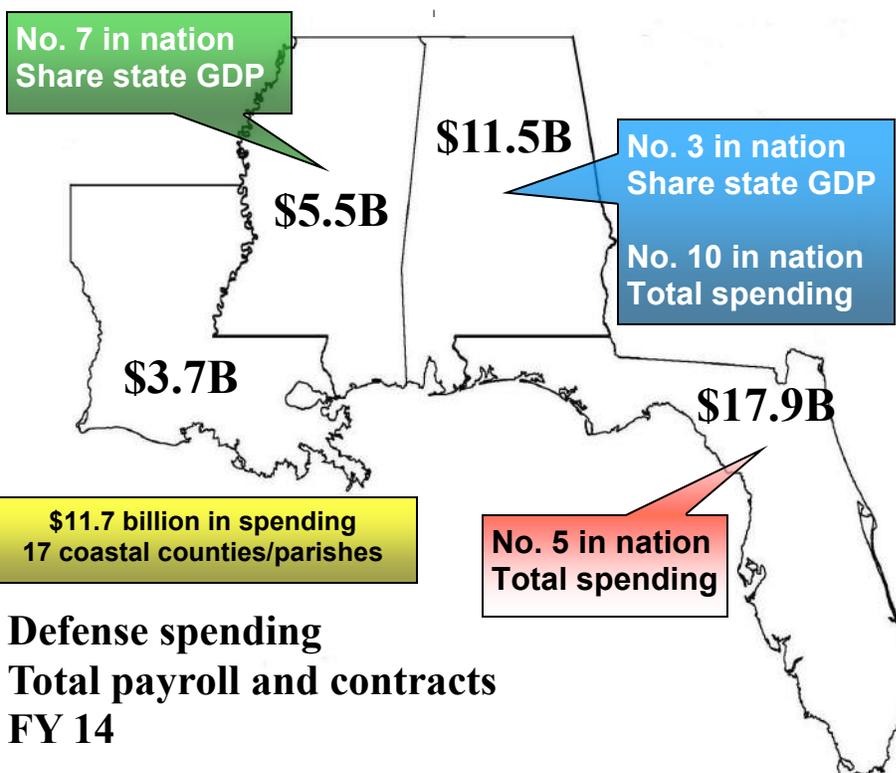
The Department of Defense in September released its Defense Spending by State Fiscal Year 2014 report, which examines defense spending at the state and local levels for all 50 states and the District of Columbia.

It showed DoD spent \$418 billion on payroll and contracts in the United States, about 2.4 percent of GDP. On a per capita basis, that's a spending level of \$1,312 per U.S. resident.

In a list of top states by total defense spending, Florida is No. 5 at \$17.9 billion, and Alabama is No. 10 with total spending of \$11.5 billion. The top 10 states account for \$246.9 billion of the total \$418.4 billion in spending.

In spending as a percentage of state GDP, Alabama is ranked No. 3 at 5.9 percent, and Mississippi is ranked No. 7 at 5.1 percent.

Of the 40 counties and parishes listed as the top 10 spending locations for their respective states, 14 are along the Gulf Coast I-10 corridor. In addition, three counties in Alabama just



Defense spending Total payroll and contracts FY 14

outside the I-10 region but strongly tied to the region are also in the top 10 of Alabama. The 17 counties and parishes combined accounted for \$11.7 billion in defense spending in FY 2014.

Alabama

Of the four states that have a portion of the I-10 aerospace corridor, Alabama is most reliant on the military. It has the largest percentage of its GDP dependent on military spending -- 5.9 percent. That's third highest in the nation after Virginia (11.8 percent) and Hawaii (9.9 percent).

The majority of Alabama's DoD spending, 61 percent, is in North Alabama's Madison County, location of the Huntsville military-industrial complex. That single county accounts for \$7 billion in defense spending, sixth highest in the nation among counties.

Fifty-five percent of the Alabama's military spending is on Army-related

activities. But the Navy account for 15 percent of the state's military spending, much of it in South Alabama.

Mobile County in South Alabama is the No. 2 defense spending location in Alabama thanks to the heavy shipbuilding activity at Austal.

The complex on the Mobile River is Alabama's top contractor, where \$991.4 million was spent in 2014. Austal builds littoral combat ships and fast ships for the United States Navy.

Alabama is also ranked 10th in the nation in actual dollars spent on defense -- \$11.5 billion, a 2.7 percent share of the nation's total defense spending. Defense spending per resident in Alabama is \$2,363.

Mississippi

In Mississippi, 5.1 percent of the state GDP relies on military spending, seventh highest in the nation. The three coastal counties that are part of

(Continued on page 6)

By David Tortorano, editor

Defense spending FY 2014

Location	As share of GDP (%)	Share of U.S. total (%)	Spending per resident (\$)	Rank by total spending	Rank share of state GDP	Total payroll and contracts (\$)
Alabama	5.9	2.7	2,363	10	3	11.5B
Florida	2.2	4.3	898	5	26	17.9B
Louisiana	1.4	0.9	786	28	30	3.7B
Mississippi	5.1	1.3	1,833	24	7	5.5B
United States	2.4	100.0	1,312	n/a	n/a	418.4B

Source: Defense Spending by State Fiscal Year 2014, September 2015

the I-10 aerospace corridor, Jackson, Harrison and Hancock, are among the top 10 locations in the state for DoD spending.

Jackson County, home of Huntington Ingalls Shipbuilding and VT Halter Marine, accounted for \$2.6 billion in spending, highest in the state, while neighbor Harrison County was second highest, with \$700.6 million. To the west, Hancock County was 9th highest with \$83.3 million in spending.

Jackson County's Huntington Ingalls is Mississippi's top contractor, accounting for \$1.9 billion in DoD spending. Ingalls builds Navy surface vessels as well as the Coast Guard's National Security Cutters.

Harrison County the top personnel location with 10,551, and Jackson County is third with 2,219.

Mississippi's total defense spending is \$5.5 billion, placing the state 24th in the nation. Mississippi accounts for 1.3 percent of total U.S. defense spending, or \$1,833 per resident.

Florida

In Florida, 2.2 percent of the state's GDP relies on military spending, 26th highest in the nation. But the \$17.9 billion in defense dollars spent in the state, 4.3 percent of the U.S. total, puts Florida at No. 5 in the nation in total dollars. Only Virginia, California, Texas and Maryland spent more.

Four counties in the I-10 region, Okaloosa, Escambia, Bay and Santa Rosa, are in the top 10 counties in the state for defense spending. Okaloosa,

home of the Air Force weapons development program at Eglin Air Force Base, and Hurlburt Field, home of the U.S. Air Force Special Operations Command, accounts for \$1.6 billion in defense spending, fourth highest in the state. Only Orange, Duval and Brevard counties account for more of the state's defense spending.

Escambia County, home of Naval Air Station Pensacola and Corry Station, \$1.5 billion was spent on defense activities, seventh highest in the state. In Bay County, home of Tyndall Air Force Base and the Naval Support Activity, defense spending was \$707.7 million, eighth highest in the state. In Santa Rosa County, home of Naval Air Station Whiting Field, it was \$465.2 million, the state's 10th highest.

Escambia County came in as the top DoD personnel location with 19,315, with Okaloosa County third at 14,547, Santa Rosa fifth with 7,623 and Bay County sixth with 6,516.

The state's top contractor was Lockheed Martin, accounting for \$2 billion in spending. Because of the state's large population, the amount spent per resident is \$898, well below the national average of \$1,312.

Louisiana

Although Louisiana is ranked 30th in proportion of GDP attributed to the military and No. 28 in actual defense dollars spent, there are six parishes in Southeast Louisiana that are in the top 10 parishes as spending locations, according to DoD.

Second highest is in Orleans Parish, where \$758.6 million was spent. Orleans Parish also is the top location for DoD personnel in the state, with 10,254. The state accounts for .9 percent of total defense spending, \$786 per resident.

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Top Gulf Coast locations

location	spending
Jackson County, Miss.	\$2.6B
Okaloosa County, Fla.	\$1.6B
Escambia County, Fla.	\$1.5B
Mobile County, Ala.	\$1.2B
Dale County, Ala.	\$938.1M
Orleans Parish, La.	\$758.6M
Bay County, Fla.	\$707.7M
Harrison County, Miss.	\$700.6M
Santa Rosa County, Fla.	\$465.2M
Jefferson Parish, La.	\$355.2M
W. Baton Rouge Parish, La.	\$205.9M
Plaquemines Parish, La.	\$170.3M
Coffee County, Ala.	\$163.3M
St. Tammany Parish, La.	\$114.8M
Houston County, Ala.	\$92.4M
Hancock County, Miss.	\$83.3M
E. Baton Rouge Parish, La.	\$68.6M
Total	\$11.724B

Source: Department of Defense

Military

Consolidation concerns still hover

A previous base closing and realignment raised the possibility of consolidating helicopter pilot training, and the issue never seems to go away despite past rejections of the move...

MILTON, Fla.

It's been 20 years since the names of a pair of Gulf Coast military aviation-training facilities have been mentioned in the same breath along with the scary word realignment, and 10 since the Navy last officially rejected a consolidation.

But with talk of a new Base Closure and Realignment Commission round looming on the horizon, it's only natural that economic development officials will think of those past concerns.

The Army's Fort Rucker in Southeast Alabama and the Navy's Naval Air Station Whiting Field in Northwest Florida, separated by about 100 miles, both train helicopter pilots. And in an age where consolidation is seen as a cost-cutting measure, the question continues to hover, even with the general belief is that a BRAC in 2017 is dead in the water.

The issue of consolidating helicopter training actually goes back at least 50 years. During the 1995 BRAC, when the commission refused to put Naval Air Station Whiting Field on its hit list, an AP story at the time said that Alabama politicians had been trying to consolidate training at Fort Rucker for three decades.

The AP story said that the Navy, Marine Corps and Coast Guard have resisted the consolidation on grounds their training is incompatible with the Army's. Differences include over-water navigation, shipboard operations and

By Rod Duren



TH-57 Sea Rangers at Naval Air Station Whiting Field, Fla., in this Navy file photo.

preliminary training in fixed-wing aircraft that is not included in the Army's training program.

The idea was again brought up but trumped in BRAC 2005. In fact, it was not even pursued, according to a GAO report in July 2005, after the Navy said it had concerns any attempt to move training to Fort Rucker would effect training schedules.

Despite all those years of rejection, the consolidation possibility has never entirely faded away as a concern.

Now the Pentagon, facing tighter monetary constraints, has been pushing for another BRAC in 2017. The Air Force and Army say they have too much infrastructure in an age where lawmakers have capped funding on non-war related military activities and military installations.

Earlier this year, the Army took it upon itself to reorganize and downsize infrastructure and personnel based on planned reductions of 450,000 personnel by the end of FY 2018.

In August, that Army analysis determined that Fort Rucker, which trains Army and Air Force helicopter pilots,

would lose 186 active duty personnel by the end of FY 2017, and an unspecified number of civilians.

Sixty-eight percent would come from the United States Aviation Center of Excellence, headquarters command for Army Aviation training.

Those numbers were "not nearly as devastating as the 40 percent potential cut some studies had outlined" for Fort Rucker, says U.S. Rep. Martha Roby of Alabama's 2nd District.

Those Fort Rucker reductions can be handled through attrition, and won't affect the aviation student load, according to Roby, who serves on the House Appropriations Committee.

Since FY 2013, the base has been producing more than 1,000 helicopter pilots every year, according to retired Army Brig. Gen. Rod Wolfe, director of the non-profit Friends of Fort Rucker group.

Fort Rucker's Cairns Army Airfield is the busiest Army aviation base, with 240,000 flight hours per year. Fort Rucker has a nearly \$2 billion direct and indirect economic impact on southeast Alabama, newspapers report.

(Continued on page 8)

Across the state line in Santa Rosa County, Fla., Naval Air Station Whiting Field is seen as a real jewel. Training Air Wing 5 at Whiting and its 13 Navy Outlying Fields, including six in Alabama, accounts for 1.4 million annual flight operations, 14 percent of the Navy's total.

CTW-5 produced 872 helicopter pilots: 486 Navy, 241 Marines, 75 Coast Guard, and 70 international using the TH-57 Sea Ranger.

Santa Rosa County Commissioner Don Salter and military affairs consultant Pete Gandy learned long ago that one of the best ways to protect Whiting Field from the threat of closure is to protect it from encroachment.

As part of a three-county 2004 Joint Land Use Study (JLUS) for Eglin Air Force Base efforts to host F-35 training, Santa Rosa County began to identify "every piece of property" within a mile of Whiting Field, said Salter.

Since then, the county has either procured or gained conservation easements – through federal grants - on about 2,130 acres. There are about 2,395 acres on the county's planning board for future action that includes property along the flight paths out of the base's North and South fields.

They use this comprehensive approach to protect Whiting's missions in front of any future BRAC talk, said Gandy, who also heads a three-county Defense Support Initiative.

On another front, the project to move the current Outlying Field 8 in Escambia County, used by the Navy for helicopter training, to a location in



UH-60 Black Hawks from Fort Rucker, Ala., at Eglin Air Force Base, Fla. Photo from Fort Rucker website.

Santa Rosa County closer to Whiting Field is moving forward. Escambia County wants to use the current OLF 8 in Beulah for a commercial park close to Interstate 10. To do so, Escambia County bought more than 640 acres in Santa Rosa County to use as the new OLF 8.

The current OLF 8 is adjacent to the multimillion-dollar and growing headquarters of the Navy Federal Credit Union.

The site swap would provide Santa Rosa County with another opportunity to gain more encroachment control for Whiting's missions.

In Southeast Alabama, according to Wolfe, encroachment has never been an issue around Fort Rucker since its beginning in the 1940s because it's "basically surrounded" by farmland as far as one can see.

Whether there will be a BRAC in 2017 is unclear at this point. But it's looks increasing unlikely considering the long lead time.

"It's unlikely that the Defense Department will undergo BRAC in the near future" and there are "no plans to consolidate Army and Navy helicopter training," said Roby.

According to Florida 1st District Congressman Jeff Miller's chief of staff Dan McFaul, it's pretty much dead in the water.

"There's no way in hell" there's going to be a BRAC-17 because it should have already been put in motion. He said there is nothing in the BRAC pipeline. Besides, "Congress doesn't have the stomach for it" at this time, McFaul says.

The political winds could shift for an off-election year BRAC in 2019. But right now, with all the terrorist activities and international nation-building going on worldwide, "we should be growing" the military not gutting it, McFaul concludes.

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Fort Rucker switching to UH-72

The Army's Fort Rucker will undergo at least one major change to its basic helicopter training in 2016. It will ditch the decades-old TH-67s for the Airbus Helicopter UH-72As. At least a dozen Lakotas, which are built in Columbus, Miss., have already been shipped to Fort Rucker. The first UH-72s to arrive at Fort Rucker in early 2015 were being used for medical transport and medical evacuation training. The Navy is considering acquiring and modifying some of the TH-67s, which, like the Navy's TH-57, is a military variant of the Bell Jet Ranger 206. - Rod Duren



Airbus photo