

Overview

Against a background of ongoing international tensions, Utah's defense industry continued to expand in 2006. Having survived the Defense Base Realignment and Closure Commission (BRAC) process with the Deseret Chemical Depot, Hill Air Force Base, and Fort Douglas essentially intact, these installations continued to carry out their assigned missions. HAFB picked up additional missions to maintain and modify F-16, F22, and A-10 aircraft. Defense related spending in Utah in FY 2005 was estimated at \$3.7 billion, rising 12.8% from the previous year. The current level of defense activity is expected to continue in 2007, a result of military involvement overseas and base realignment.

Trends

Nationwide defense spending, as a percent of U.S. personal income, was 6.0% in 1987; it dropped to 2.9% in 2000, but has since risen to 3.7% in 2005. Correspondingly, as a percent of Utah personal income, defense outlays represented 9.9% in 1987, with a low of 2.8% in 1998, but have since been on the rise, increasing to 5.4% in 2005. Total defense related spending in Utah was estimated at \$3.7 billion in 2005, 12.8% growth from 2004 and 192.2% growth from 1997 when defense spending was the lowest in recent history.

Contracting Activity

During the Cold War build-up of the mid-1980s, a number of defense contractors in Utah routinely received contracts in the \$50 million-range on an annual basis. Throughout the 1990s, defense contracts to private firms decreased considerably at both the state and national level. In recent years, however, defense contracting in Utah has increased significantly. Procurement contract awards increased 73.1% in 2000, 34.4% in 2001, and 44.2% in 2003. While growth was essentially flat in 2004, it is estimated that 2005 will show an increase of 16.1%, to \$2.2 billion.

Northrop Grumman Corporation continues as Utah's top prime contract recipient with \$872.1 million in contracts for FY 2005. Northrop is not only the largest prime contractor in the state; it is also one of the top defense contractors in the nation. Other top prime contractors in Utah include: L-3 Communications; URS Corporation; Wasatch Energy, LLC; Aerospace Engineering Spectrum; Chevron; Alcoa Extrusions Inc.; CH2M Hill Companies, LTD; Creative Times Day School, Inc.; and Golden Gate Petroleum Co. ATK Corporation, while not a top prime contractor in Utah, remains a large defense contractor in the state. In 2006, ATK and Northrop contracted to modernize the propulsion systems for the silo-based inter-continental ballistic missile fleet.

Geographic Distribution

In 2004, federal defense spending in Utah was concentrated in

those areas with the largest military bases in the state. Davis County, home to Hill Air Force Base, had the state's largest share of defense spending, 57.0% percent of the total. Salt Lake County was second with 19.0%. Tooele, home to Dugway Proving Grounds, had an 8.3% share, and Weber County, home to the Odgen Air Logistics Center, had a 3.5% share. Spending was not confined to these counties. Significant spending also occurred in Utah (2.7%), Cache (1.6%), Washington (2.2%), and Box Elder (3.5%) counties.

BRAC Impacts

The base closures and realignments recommended in September 2005 by BRAC were passed into law by Congress in November 2005. All closures and realignments must begin by 2007 and be completed by 2011. Hill Air Force Base, one of the state's largest employers and center of Utah's defense industry, escaped closure under the current recommendations by the Base Realignment and Closure Commission.

The results of the BRAC procedures have expanded the role of Hill AFB in maintenance and modification of additional aircraft. Through a public-private partnership with Hamilton Sundstrand, Hill AFB will participate in the fabrication of parts and maintenance for the C-17 Globemaster III aircraft. Hill will also make modifications to the F-22A Raptor. Already considered 20 years ahead of its time, the F-22A will eventually replace the F-16. It is expected that 183 F-22A's will be modified at a rate of two to three a month.

As a result of BRAC recommendations, the Air Force also assigned modern F-16s to fighter squadrons at Hill AFB, replacing older aircraft currently part of those units. The modern aircraft will come from Cannon AFB, New Mexico while Hill AFB's older F-16s will move to Homestead AFB, Florida. Additionally in the 2005 Legislative Session, \$5 million was appropriated to purchase equipment Hill AFB needed to move to Utah jobs currently under contract out of the state. Over the next three to five years this could bring hundreds of jobs to Utah.

Expanded Role at Hill Air Force Base

In addition to the BRAC decision to keep Hill Air Force Base open, the base has received several assignments over the past several years that have expanded its role in the Air Force. In 2004, Hill AFB began its Falcon STAR (Structural Augmentation Roadmap) program. The purpose of this \$1 billion program is to ensure that F-16s meet their original expectations and serve beyond the year 2020. Aircraft modifications will continue through 2014, with most of the work performed at Hill AFB. By 2020, more than 1,200 F-16s will be modified, including those flown by the active duty Air Force, Air National Guard, and Air Force Reserve. The quality of the work performed at Hill AFB has been recognized

with the 2006 Gold Shingo Prize for excellence in manufacturing--the "Nobel Prize" for manufacturing excellence.

Hill Air Force Base has been assigned the task of providing "precision engagement upgrades" for all 356 A-10 Thunderbolt aircraft that will extend their useful service by at least 20 years. The "Warthog" has provided close air support to combat units since 1975. Its career was revived with action in Bosnia and the Persian Gulf and will continue due to work performed at Hill AFB.

Because of military downsizing in other parts of the country, Hill has become the home of the prime contractor for the Air Force's B-2 Spirit. And in October 2006, the Air Force announced that Hill AFB will be home to one of the first operational units of the F-35 Lightning II, the Joint Strike Fighter that will replace the F-15. These developments have helped make Hill AFB the Air Force's "center of excellence" for low-observable and stealth technology.

Secondary Impacts

Supplementing the expanded assignments to Hill AFB, the Governor's Office of Economic Development is working to assist Utah companies in becoming more competitive in bidding for military contracts. GOED is also working to attract additional defense related industries to locate in the state.

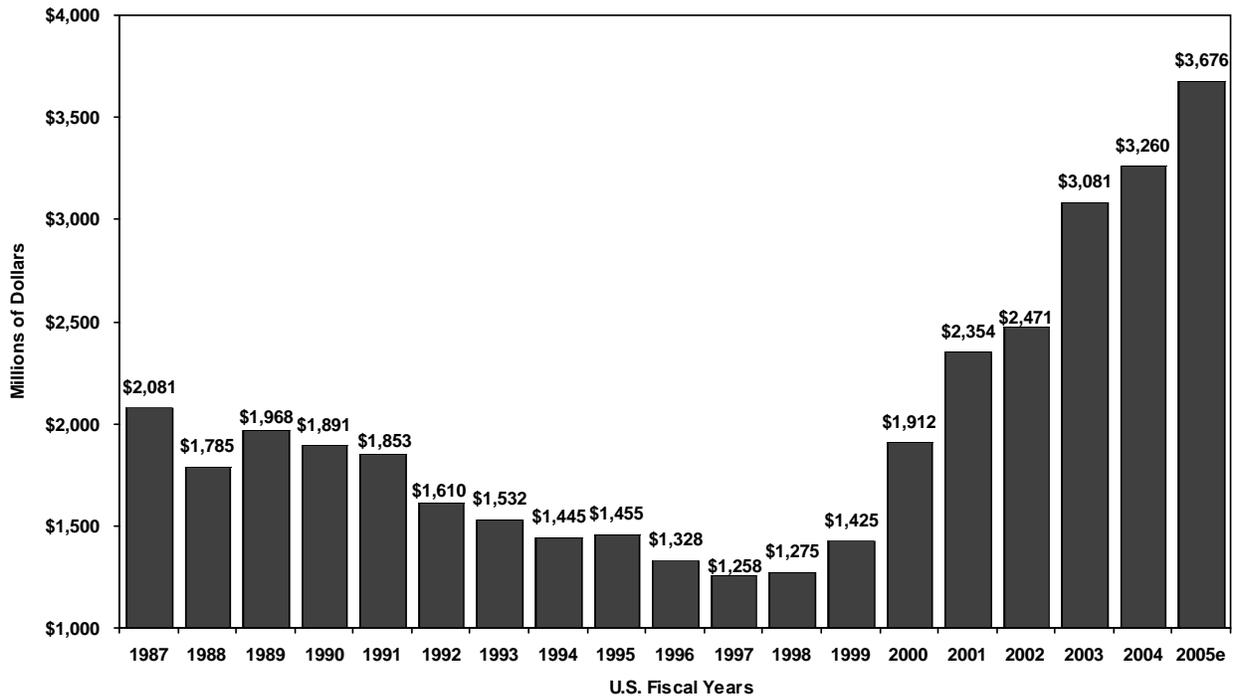
Much of GOED's work centers on development that came as a result of the 1995 BRAC closures. That year, Defense Depot Ogden was designated for closure by BRAC. After 56 years of operation, DDO was officially closed in September 1997. Most of the property has since been converted for private use and is now referred to as the Business Depot Ogden (BDO). In December 1999, Ogden City approved a 70-year redevelopment project for BDO. The property will be developed over the next 15 to 20 years and is expected to create approximately 7,000 to 10,000 jobs. By 2005 almost 80% of the older buildings and 90% of the newer buildings were occupied. Rossignol Group and Scott USA, manufacturers of ski equipment, have located facilities in the BDO.

Due to the demand for skilled workers in Weber County, jet engine manufacturer Williams International and Ogden-Weber Applied Technology College announced plans in 2006 for a facility at BDO that will train students in lean manufacturing techniques and advanced machining. The \$30 million investment by Williams will include 25 state-of-the-art milling machines which will produce rough parts to be finished at Williams's primary manufacturing facility at Ogden-Hinckley Airport. It will demonstrate lean manufacturing concepts and "continuous improvement". In October, Adam Aircraft broke ground for an expanded manufacturing facility in Ogden. They will begin producing the A700 corporate jet to augment the A500 that is already in production.

Outlook

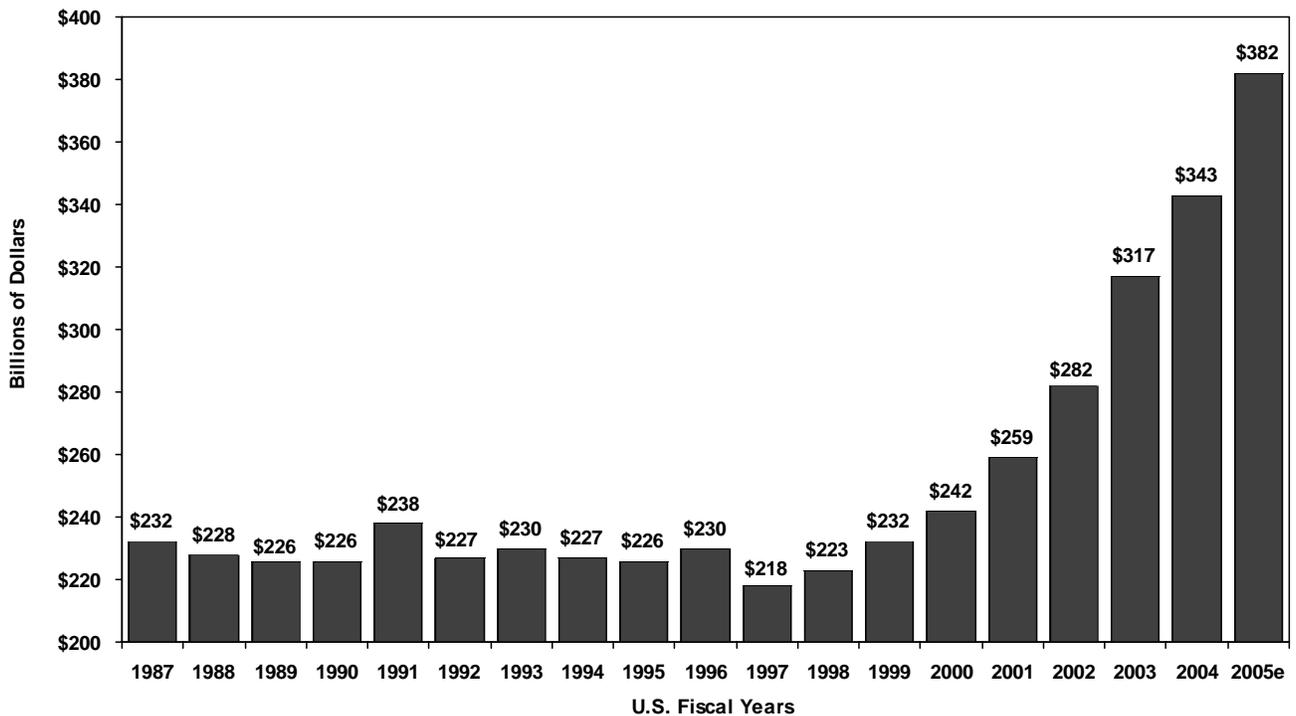
In 2000, the United States spent 2.9% of U.S. personal income on defense. This has increased as homeland security and the war on terror warranted increased defense spending during the 2000s. Defense spending in fiscal year 2005 was estimated to have risen to 3.7% of U.S. personal income. In Utah, Defense spending has paralleled this national trend. As a share of Utah personal income, defense spending rose from 2.8% in 1998 to 5.4% in 2005. Total defense related spending in Utah was estimated at \$3.7 billion in 2005, and this level of defense activity is expected to continue in 2007, a result of military involvement overseas, base realignment, expanded responsibilities of defense installations, and expansion of defense related industries in the state.

Figure 65
Federal Defense Spending in Utah



Sources: U.S. Census Bureau; Department of Defense; estimates by the Governor's Office of Planning and Budget

Figure 66
Federal Defense Spending in the United States



Sources: U.S. Census Bureau; Department of Defense; estimates by the Governor's Office of Planning and Budget

Table 85
Federal Defense-Related Spending: Utah Total (Thousands of Dollars)

U.S. Fiscal Year	Wages and Salaries ¹		Procurement Contract Awards		Military Retirement		State/Local Grants		Total ²		Utah Personal Income ³	Defense Spending as a % of Personal Income
	Value	Percent Change	Value	Percent Change	Value	Percent Change	Value	Percent Change	Value	Percent Change		
1987	\$794,294		\$1,182,097		\$98,743		\$5,766		2,080,900		\$21,108,000	9.9%
1988	817,787	3.0%	866,782	-26.7%	98,876	0.1%	1,318	-77.1%	1,784,763	-14.2%	21,994,250	8.1%
1989	870,295	6.4%	979,116	13.0%	108,005	9.2%	10,186	672.8%	1,967,602	10.2%	23,502,000	8.4%
1990	890,892	2.4%	883,014	-9.8%	115,442	6.9%	1,232	-87.9%	1,890,580	-3.9%	25,324,750	7.5%
1991	922,035	3.5%	804,404	-8.9%	125,526	8.7%	598	-51.5%	1,852,563	-2.0%	27,152,500	6.8%
1992	852,772	-7.5%	614,286	-23.6%	134,844	7.4%	8,431	1309.9%	1,610,333	-13.1%	29,032,500	5.5%
1993	847,053	-0.7%	532,269	-13.4%	146,743	8.8%	5,932	-29.6%	1,531,997	-4.9%	31,230,250	4.9%
1994	763,608	-9.9%	524,001	-1.6%	152,426	3.9%	4,514	-23.9%	1,444,549	-5.7%	33,697,750	4.3%
1995	794,333	4.0%	495,771	-5.4%	161,964	6.3%	2,845	-37.0%	1,454,913	0.7%	36,542,750	4.0%
1996	760,514	-4.3%	393,157	-20.7%	171,978	6.2%	2,849	0.1%	1,328,498	-8.7%	39,639,500	3.4%
1997	642,492	-15.5%	433,428	10.2%	180,862	5.2%	1,212	-57.5%	1,257,994	-5.3%	42,863,000	2.9%
1998	620,622	-3.4%	464,739	7.2%	189,130	4.6%	171	-85.9%	1,274,662	1.3%	46,141,500	2.8%
1999	678,173	9.3%	548,103	17.9%	193,157	2.1%	5,445	3084.2%	1,424,878	11.8%	48,747,500	2.9%
2000	762,281	12.4%	948,877	73.1%	200,412	3.8%	155	-97.2%	1,911,725	34.2%	52,619,000	3.6%
2001	867,407	13.8%	1,275,131	34.4%	210,903	5.2%	120	-22.6%	2,353,561	23.1%	55,880,750	4.2%
2002	957,041	10.3%	1,297,489	1.8%	216,120	2.5%	18	-85.0%	2,470,668	5.0%	57,845,750	4.3%
2003	992,538	3.7%	1,871,074	44.2%	217,129	0.5%	0	-100.0%	3,080,741	24.7%	59,583,250	5.2%
2004	1,100,540	10.9%	1,877,903	0.4%	281,202	29.5%	0		3,259,645	5.8%	63,400,559	5.1%
2005e	1,195,098	8.6%	2,180,600	16.1%	300,419	6.8%	0		3,676,117	12.8%	67,906,174	5.4%

Notes:

1. Wages and Salaries do not include fringe benefits.
2. Totals may not match the defense spending by county in Utah table because of differences in accounting methods and data sources.
3. Personal Income figure are based on U.S. fiscal years (i.e. October 1-September 30).
4. Numbers in the "State/Local Grants" column are taken from the Census Bureau's Federal Aid to States for FY 2004.
5. The *Federal Aid to States for FY 2005* will be released by the U.S. Census Bureau near the end of December 2005.

e = estimate

Sources: *Federal Aid to States for FY 2004* and *Consolidated Federal Funds Report FY 2004*; U.S. Census Bureau Personal Income, Bureau of Economic Analysis. Estimates for federal defense-related spending FY 2005 by the Governor's Office of Planning and Budget.

Table 86
Federal Defense-Related Spending: All States and Territories (Thousands of Dollars)

U.S. Fiscal Year	Wages and Salaries ¹		Procurement Contract Awards		Military Retirement		State/Local Grants		Total		U.S. Personal Income ²	Defense Spending as a % of Personal Income
	Value	Percent Change	Value	Percent Change	Value	Percent Change	Value	Percent Change	Value	Percent Change		
1987	\$65,097,948		\$147,616,385		\$18,732,723		\$127,430		231,574,486		\$3,864,062,000	6.0%
1988	67,270,619	3.3%	142,175,108	-3.7%	18,640,881	-0.5%	113,637	-10.8%	228,200,245	-1.5%	4,161,818,750	5.5%
1989	72,771,040	8.2%	132,259,473	-7.0%	20,669,532	10.9%	172,125	51.5%	225,872,170	-1.0%	4,495,059,500	5.0%
1990	69,103,253	-5.0%	135,259,039	2.3%	21,235,041	2.7%	175,978	2.2%	225,773,311	0.0%	4,794,144,000	4.7%
1991	75,254,721	8.9%	139,570,721	3.2%	22,669,073	6.8%	111,454	-36.7%	237,605,969	5.2%	4,984,574,500	4.8%
1992	73,851,077	-1.9%	129,124,509	-7.5%	24,024,591	6.0%	223,899	100.9%	227,224,076	-4.4%	5,256,185,000	4.3%
1993	73,947,670	0.1%	130,228,557	0.9%	25,752,104	7.2%	241,816	8.0%	230,170,147	1.3%	5,501,527,500	4.2%
1994	73,470,136	-0.6%	126,352,532	-3.0%	26,478,356	2.8%	212,466	-12.1%	226,513,490	-1.6%	5,757,381,000	3.9%
1995	71,192,209	-3.1%	126,799,470	0.4%	27,695,928	4.6%	244,824	15.2%	225,932,431	-0.3%	6,083,017,250	3.7%
1996	72,955,074	2.5%	128,495,652	1.3%	27,922,897	0.8%	247,408	1.1%	229,621,031	1.6%	6,409,796,750	3.6%
1997	66,719,191	-8.5%	121,979,960	-5.1%	29,595,559	6.0%	191,715	-22.5%	218,486,425	-4.8%	6,799,954,750	3.2%
1998	67,178,127	0.7%	124,820,849	2.3%	30,457,015	2.9%	171,324	-10.6%	222,627,315	1.9%	7,290,735,000	3.1%
1999	70,412,959	4.8%	130,769,078	4.8%	31,078,737	2.0%	159,370	-7.0%	232,420,144	4.4%	7,691,867,500	3.0%
2000	70,009,814	-0.6%	139,297,304	6.5%	32,110,614	3.3%	114,372	-28.2%	241,532,104	3.9%	8,281,701,750	2.9%
2001	70,273,656	0.4%	155,435,133	11.6%	33,321,020	3.8%	163,250	42.7%	259,193,059	7.3%	8,668,883,500	3.0%
2002	76,100,377	8.3%	172,335,745	10.9%	33,803,849	1.4%	224,076	37.3%	282,464,047	9.0%	8,829,827,750	3.2%
2003	81,690,144	7.3%	201,229,510	16.8%	33,428,532	-1.1%	281,448	25.6%	316,629,634	12.1%	9,056,971,750	3.5%
2004	88,982,389	8.9%	211,538,185	5.1%	42,631,303	27.5%	327,738	16.4%	343,479,615	8.5%	9,717,173,000	3.5%
2005e	89,956,962	1.1%	246,482,251	16.5%	45,088,815	5.8%	357,472	9.1%	381,885,500	11.2%	10,224,761,000	3.7%

Notes:

1. Wages and Salaries do not include fringe benefits.
2. Personal Income figure are based on U.S. fiscal years (i.e. October 1-September 30).
3. The *Federal Aid to States for FY 2004* will be released by the U.S. Census Bureau near the end of December 2005.
4. Numbers in the "State/Local Grants" column are taken from the Census Bureau's Federal Aid to States for FY 2003.

e = estimate

Sources: *Federal Aid to States for FY 2004* and *Consolidated Federal Funds Report FY 2004*; U.S. Census Bureau Personal Income, Bureau of Economic Analysis. Estimates for federal defense-related spending FY 2005 by the Governor's Office of Planning and Budget.

Table 87

Federal Defense-Related Spending in Utah by County (Thousands of Dollars)

County	2004				Percent of State	2003	Change in Total Spending from 2003 to 2004	
	Wages ¹	Procurement	Other	Total ²		Total ²	Absolute	Percent
Beaver	\$712	\$0	\$526	\$1,238	0.0%	\$1,099	\$139	12.7%
Box Elder	6,237	104,672	4,838	115,747	3.5%	36,351	79,396	218.4%
Cache	4,086	38,746	11,594	54,426	1.6%	51,302	3,123	6.1%
Carbon	1,127	0	1,394	2,521	0.1%	1,435	1,086	75.7%
Daggett	0	0	106	106	0.0%	74	32	43.2%
Davis	752,880	1,059,081	73,909	1,885,870	57.0%	1,891,548	-5,678	-0.3%
Duchesne	0	0	828	828	0.0%	993	-165	-16.6%
Emery	0	0	481	481	0.0%	429	52	12.1%
Garfield	0	0	335	335	0.0%	257	78	30.3%
Grand	0	0	449	449	0.0%	348	101	29.0%
Iron	1,366	13,602	3,743	18,711	0.6%	5,094	13,617	267.3%
Juab	0	8,960	395	9,355	0.3%	2,793	6,562	235.0%
Kane	0	-95	1,006	911	0.0%	1,004	-93	-9.3%
Millard	500	151	816	1,467	0.0%	3,287	-1,820	-55.4%
Morgan	0	52	1,901	1,953	0.1%	1,406	547	38.9%
Piute	0	0	163	163	0.0%	153	10	6.7%
Rich	0	0	243	243	0.0%	226	17	7.5%
Salt Lake	166,219	350,251	111,644	628,114	19.0%	703,103	-74,989	-10.7%
San Juan	1,447	1	449	1,897	0.1%	721	1,176	163.1%
Sanpete	2,367	14	1,726	4,107	0.1%	3,013	1,094	36.3%
Sevier	904	0	1,746	2,650	0.1%	2,545	105	4.1%
Summit	4,593	7,574	4,675	16,842	0.5%	19,532	-2,689	-13.8%
Tooele	56,892	212,143	5,089	274,124	8.3%	166,964	107,160	64.2%
Uintah	1,511	0	1,357	2,868	0.1%	1,634	1,234	75.6%
Utah	25,697	29,423	32,549	87,670	2.7%	74,358	13,312	17.9%
Wasatch	0	550	889	1,439	0.0%	1,135	304	26.8%
Washington	57,258	135	16,965	74,358	2.2%	40,221	34,137	84.9%
Wayne	712	0	526	1,238	0.0%	207	1,031	498.1%
Weber	16,744	52,644	46,817	116,205	3.5%	90,758	25,447	28.0%
Undistributed	0	0	0	0	0.0%	0	0	0.0%
State Total	\$1,101,252	\$1,877,903	\$327,159	\$3,306,314	100.0%	\$3,101,988	\$204,326	6.6%

Notes:

1. Wages do not include fringe benefits.
2. Totals do not match the previous tables because of differences in accounting methods and data sources.
3. The *Consolidated Federal Funds Report for FY 2005* will be released by the U.S. Census Bureau near the end of December 2006.

Source: *Consolidated Federal Funds Report for Fiscal Year 2004*: U.S. Census Bureau

Table 88
Federal Defense-Related Spending in Utah

UTAH - TOTAL (Dollars in Thousands)						
U.S. Fiscal Year 2005						
PERSONNEL/EXPENDITURES	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities	
I. Personnel - Total	34,554	11,572	1,502	20,736	744	
Active Duty Military	5,304	296	157	4,851	0	
Civilian	15,132	2,439	26	11,923	744	
Reserve and National Guard	14,118	8,837	1,319	3,962	0	
II. Expenditures - Total	3,889,992	886,791	152,833	2,558,037	292,330	
A. Payroll Outlays - Total	1,681,041	447,059	51,416	1,127,184	55,382	
Active Duty Military Pay	236,592	12,136	6,239	218,217	0	
Civilian Pay	974,361	143,715	1,954	773,310	55,382	
Reserve and National Guard Pay	233,156	226,709	3,443	3,004	0	
Retired Military Pay	236,932	64,499	39,780	132,653	0	
B. Contracts - Total	2,180,600	416,690	96,803	1,430,159	236,948	
Supply and Equipment Contracts	578,481	169,080	64,288	150,064	195,049	
RDT&E Contracts	107,297	34,193	15,978	50,650	6,476	
Service Contracts	1,441,199	168,712	13,591	1,223,473	35,423	
Construction Contracts	45,070	36,152	2,946	5,972	0	
Civil Function Contracts	8,553	8,553	0	0	0	
C. Grants	28,351	23,042	4,614	694	0	

EXPENDITURES				MILITARY & CIVILIAN PERSONNEL			
Major Locations	Total	Payroll Outlays	Grants/Contracts	Major Locations	Total	Active Duty Military	Civilian
Hill AFB	\$1,331,867	\$994,468	\$337,399	Hill AFB	16,792	4,784	12,008
Clearfield	858,900	16,496	842,404	Salt Lake City	860	294	566
Salt Lake City	539,515	94,761	444,754	Dugway	597	0	597
Ogden	151,958	42,190	109,768	Tooele Army Depot	522	27	495
Tooele	143,107	35,509	107,598	Tooele	506	0	506
North Salt Lake	84,922	980	83,942	Draper	310	6	304
Draper	63,463	41,065	22,398	Ogden	168	9	159
Washington	62,031	61,935	96	West Jordan	136	6	130
Dugway Proving Grd	56,715	3,405	53,310	Brigham City	102	2	100
Tooele Army Depot	47,993	34,373	13,620	Park City	75	71	4

PRIME CONTRACT AWARDS					
Prior 7 U.S. Fiscal Years	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
2004	\$1,877,903	\$355,051	\$126,337	\$1,306,938	\$89,577
2003	1,898,541	271,990	177,539	1,270,367	178,645
2002	1,509,355	158,032	126,908	1,112,107	112,308
2001	1,250,523	171,938	81,979	836,374	160,231
2000	949,993	122,195	143,204	592,796	91,798
1999	532,907	104,705	80,850	284,789	62,563
1998	470,140	117,115	84,675	203,773	64,576

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in Utah	Total Amount
Northrop Grumman Corporation	\$872,063
L-3 Communications Holding, IN	306,211
URS Corporation	143,633
Wasatch Energy, LLC	70,444
Aerospace Engineering Spectrum	66,553
Chevron Corporation	61,765
Alcoa Extrusions, Inc	42,962
CH2M HILL Companies, LTD	22,342
Creative Times Day School Inc	20,250
Golden Gate Petroleum Co	19,450

Note: Accounting conventions used by DIOR differ from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports, U.S. Department of Defense.



Table 89

Federal Defense-Related Spending in the United States

UNITED STATES - TOTAL (Dollars in Thousands)					
U.S. Fiscal Year 2005					
PERSONNEL/EXPENDITURES	Total	Army	Navy & Marine Corps	Air Force	Activities
I. Personnel - Total	2,847,783	1,248,961	841,892	674,960	81,970
Active Duty Military	1,143,303	404,788	446,191	292,324	0
Civilian	639,253	229,874	171,480	155,929	81,970
Reserve and National Guard	1,065,227	614,299	224,221	226,707	0
II. Expenditures - Total	381,289,950	129,240,767	107,845,604	90,286,153	53,917,420
A. Payroll Outlays - Total	141,018,119	52,390,931	44,497,967	38,463,043	5,666,178
Active Duty Military Pay	50,482,242	16,464,756	19,123,054	14,894,432	0
Civilian Pay	43,797,511	14,738,266	13,457,836	9,935,231	5,666,178
Reserve and National Guard Pay	11,087,066	10,033,700	483,263	570,103	0
Retired Military Pay	35,651,300	11,154,209	11,433,814	13,063,277	0
B. Contracts - Total	236,986,557	74,432,900	62,774,823	51,670,853	48,107,981
Supply and Equipment Contracts	112,056,192	33,728,223	27,919,094	22,212,747	28,196,128
RDT&E Contracts	36,468,976	8,352,974	13,411,830	10,481,323	4,222,849
Service Contracts	77,507,987	23,459,522	19,935,508	18,590,225	15,522,732
Construction Contracts	6,568,865	4,507,644	1,508,391	386,558	166,272
Civil Function Contracts	4,384,537	4,384,537	0	0	0
C. Grants	3,285,274	2,416,936	572,814	152,257	143,261

EXPENDITURES			MILITARY & CIVILIAN PERSONNEL				
Major Locations	Total	Payroll Outlays	Grants/Contracts	Major Locations	Total	Active Duty Military	Civilian
San Diego, CA	7,874,477	3,537,765	4,336,712	San Diego, CA	57,657	45,899	11,758
Fort Worth, TX	6,762,558	257,140	6,505,418	Norfolk, VA	55,210	46,757	8,453
St. Louis, MO	5,342,892	197,110	5,145,782	Fort Bragg, NC	48,473	42,562	5,911
Washington, DC	5,146,266	1,620,754	3,525,512	Fort Hood, TX	47,948	43,150	4,798
Huntsville, AL	4,892,281	283,842	4,608,439	Camp Pendleton, CA	39,794	37,609	2,185
Arlington, VA	4,693,320	2,330,309	2,363,011	Camp Lejeune, NC	34,231	31,532	2,699
Long Beach, CA	4,364,908	57,625	4,307,283	Fort Campbell, KY	31,957	29,432	2,525
Norfolk, VA	4,350,652	2,957,657	1,392,995	Virginia Beach, VA	27,210	20,097	7,113
Sunnyvale, CA	3,542,428	48,981	3,493,447	Fort Lewis, WA	26,662	24,008	2,654
Tucson, AZ	3,239,447	326,921	2,912,526	Fort Benning, GA	25,573	22,216	3,357

PRIME CONTRACT AWARDS						
Prior 7 U.S. Fiscal Years	Total	Army	Navy & Marine Corps	Air Force	Other Defense	Activities
2004	203,388,706	59,249,012	57,658,816	51,533,525	34,947,353	
2003	191,221,483	51,633,384	54,147,119	53,286,321	32,154,660	
2002	158,737,107	42,326,057	45,610,812	44,572,156	26,228,083	
2001	135,224,752	36,515,221	40,497,012	38,023,684	20,188,835	
2000	123,294,978	32,614,979	38,963,003	35,368,606	16,348,400	
1999	114,875,127	30,049,383	37,451,740	32,438,343	14,935,661	
1998	109,385,850	28,471,955	36,652,133	30,138,618	14,123,145	

Top 10 Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in the US Only	Total Amount
Lockheed Martin Corporation	19,365,344
The Boeing Company	18,280,795
Northrop Grumman Corporation	13,469,888
General Dynamics Corporation	10,307,739
Raytheon Company	8,505,218
BAE Systems PLC	5,296,774
United Technologies Corp	5,015,146
L-3 Communications Holding	4,393,837
Science Applications Intl.	2,776,413
Computer Sciences Corporation	2,600,127

Note: Accounting conventions used by DIOR differ from those used by the Census Bureau and therefore numbers may not match.

Source: "Atlas/Data Abstract for the US and Selected Areas," by the Statistical Information Analysis Division of the Directorate of Information Operations and Reports, U.S. Department of Defense.