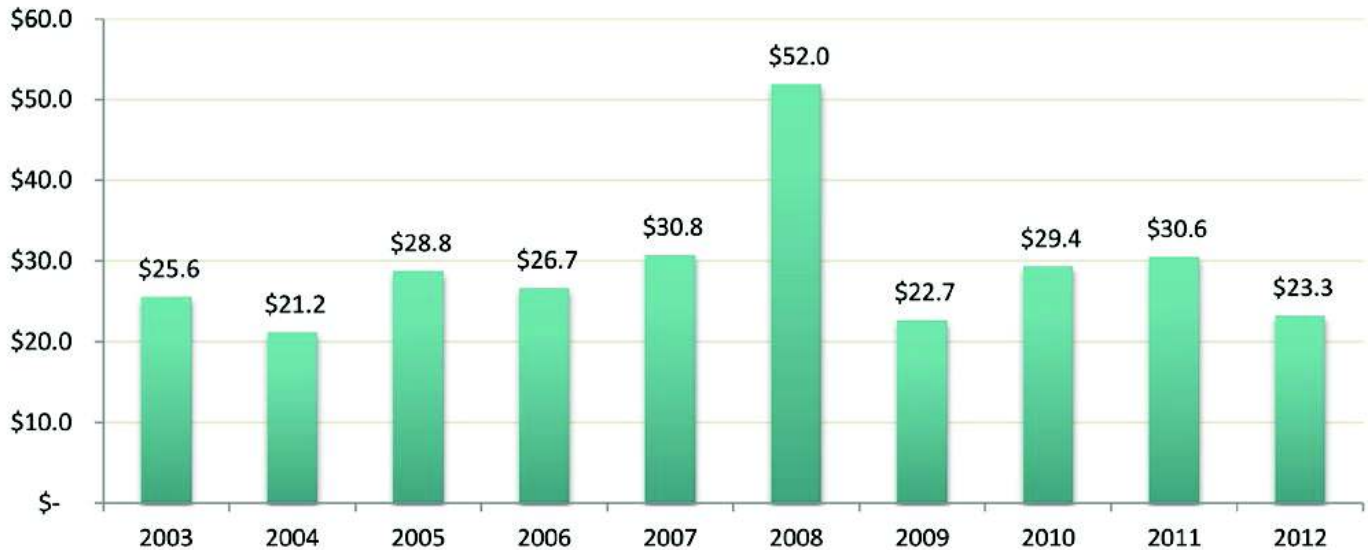


DEFENSE INDUSTRIES IN TEXAS

Since 2000, more than \$352 billion worth of defense contracts have been awarded to Texas contractors. The state has more than 15,500 diverse defense contractors, including large corporations such as Lockheed Martin and Bell Helicopter, small businesses, and educational institutions.

DoD Texas Contract Expenditures Trend (in billions)



Source: USASpending.gov
<http://actuary.defense.gov/statbook09.pdf>

Bell Helicopter, which broke ground in Fort Worth on their refurbished global headquarters in October 2012, received a five-year procurement contract for FY13–17 to produce nearly 460 V-22 Ospreys. The aircraft produced will be used by all divisions of the military for airborne assault, combat search, and special operations missions.

BAE Systems, located in Austin, recently received a \$97 million contract to rebuild and restore 146 Bradley Fighting Vehicles. The contract, awarded by U.S. Army TACOM Life Cycle Management command, is scheduled to be completed by 2014. The Red River Army Depot, located in Texarkana, will spearhead dismantling, rebuilding, and testing of the armed vehicles.

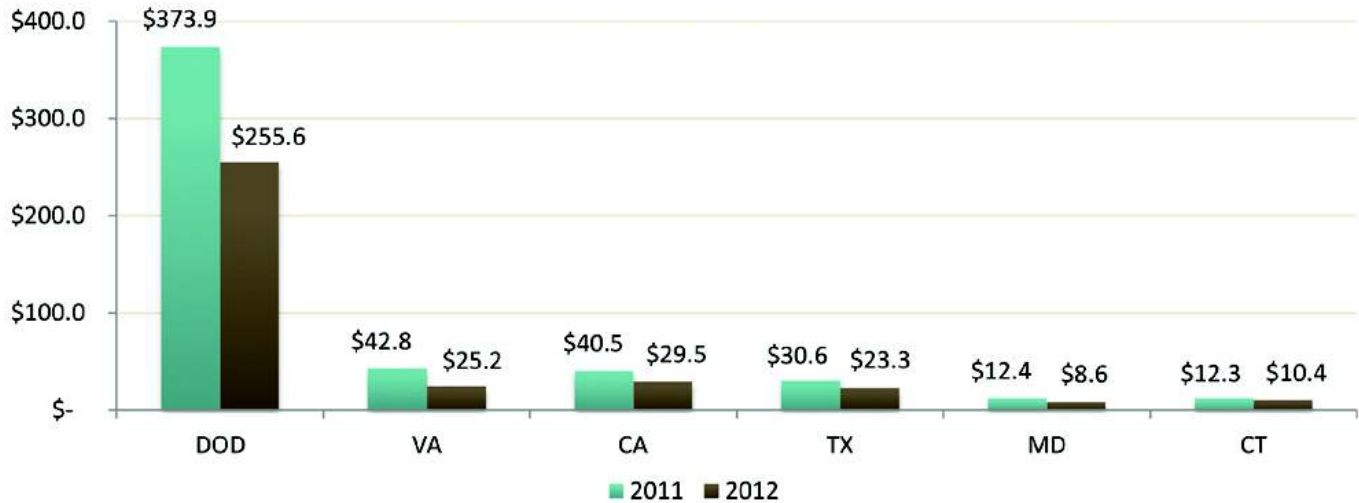
Top Defense Contractors in Texas

Contractors in Texas	Total Amount
Lockheed Martin Corporation	\$ 11,262,816,000
L-3 Communications Holding, Inc.	3,008,799,000
Bell Boeing Joint Project Office	2,278,350,000
Vertias Capital Fund II, L.P.	2,247,541,000

Total DoD Contract Spending

In FY11, Texas contractors received nearly 28,000 defense contracts totaling \$30.6 billion. Texas contracts accounted for 8.1 percent of the overall DoD expenditures for the fiscal year and ranked third in prime award recipients. In FY12, again ranked third in prime awards with \$23.3 billion, or 9 percent of all DoD contract spending awards.

2011 & 2012 DoD Total Contract Spending (in billions)



Source: USASpending.gov

DoD Activities in Texas FY 2011 (dollars in thousands)

DoD Personnel	Total	Army	Navy & Marine Corps	Air Force	Other Defense
I. DoD Personnel Total	323,746	182,359	15,589	112,386	13,412
Active Duty Military	208,569	115,659	4,050	82,013	6,847
Civilian	58,435	30,476	2,514	21,636	3,809
State & National Guard	24,986	19,576	-	3,070	2,340 (TXSG)
Reserve	31,756	16,648	5,726 (N) / 3,299 (M)	5,667	416 (CG)
II. Expenditures Total	\$ 42,150,603,903	\$ 15,410,013,434	\$ 11,622,704,898	\$ 10,678,555,946	\$ 4,199,544,625
A. Payroll Total	\$ 9,610,174,157	\$ 6,068,819,075	\$ 262,275,309	\$ 2,853,230,560	\$ 425,849,213
Active Duty Military	6,612,629,951	4,362,608,955	166,215,349	1,843,148,183	240,657,464
DoD Civilian	2,951,694,625	1,675,223,148	91,711,549	999,785,349	184,974,579
State & National Guard	21,358,789	1,314,357	-	3,668,489	-
Reserve	24,490,792	13,296,672	3,237,023 (N) 1,111,388 (M)	6,628,539	217,170 (CG)
B. Inactive Military Total	\$ 2,334,585,000	\$ 2,280,052,000	\$ 40,363,000	\$ 14,170,000	\$ -
C. Contracts Total	\$ 29,965,736,000	\$ 7,060,960,000	\$ 11,320,051,000	\$ 7,811,043,000	\$ 3,773,682,000
R&D	2,781,551,000	99,988,000	1,680,835,000	974,046,000	26,682,000
Construction	1,097,235,000	1,038,165,000	41,405,000	16,478,000	1,187,000
Other	26,086,950,000	5,922,807,000	9,597,811,000	6,820,519,000	3,745,813,000
D. Grants Total	\$ 239,785,000	\$ -	\$ -	\$ -	\$ -

Sources: DoD Defense Manpower Data Center, Texas Military Forces and National Guard Bureau

Note: Total Number of Personnel includes dependents

Economic Impact Analysis Summary

Economic Impact Locations	Economic Impact (in billions)			DoD Personnel			
	Output	GDP	Disposable Income	Military	Civilian	Contractor	Total
Joint Base San Antonio	\$ 46.39	\$ 26.04	\$ 15.88	50,043	23,720	9,363	83,126
Fort Hood	44.49	25.26	18.58	46,764	7,470	13,965	68,199
Fort Bliss	25.48	14.24	8.53	28,700	8,109	3,153	39,962
NAS Fort Worth*	9.26	5.16	4.63	1,986	1,597	14,979	18,562
Sheppard AFB	5.61	3.16	1.97	6,423	1,931	1,661	10,015
Goodfellow AFB	4.35	2.41	1.35	5,807	1,102	411	7,320
Dyess AFB	3.22	1.79	1.03	4,325	713	66	5,104
Red Rive Army Depot	1.92	1.09	0.74	156	4,458	1,402	6,016
Laughlin AFB	1.65	0.09	0.51	1,935	916	250	3,101
NAS Kingsville	0.82	0.47	0.30	597	278	790	1,665
NAS Corpus Christi**	-	-	-	1,529	5,265	--	6,794
Corpus Christi Army Depot**	-	-	-	6	5,900	--	5,906
Total	\$ 143.19	\$ 79.71	\$ 53.52	148,271	61,495	46,040	255,770

*Includes co-located facilities

** Economic impacts have not yet been conducted

Sources: Study conducted in conjunction with Texas State Comptroller's Office; input data provided by military installations

Number and Payment of Military Retirees in Texas (As of September 30,2011)

Service	Number Retired	Paid by DoD	Monthly Payment
Army	77,727	\$ 72,141	\$ 147,894
Navy	28,488	27,081	51,340
Marines	8,080	7,027	15,070
Air Force	78,350	75,818	174,185
Texas Total	192,192	\$ 182,067	\$ 388,489
Nationwide Total	2,051,939	\$ 50,647,676	\$ 3,932,164

Source: DoD Office of the Actuary. Statistical Report on the Military Retirement System (as of 30 September, 2009), May 2010.

Top DoD Agencies Purchasing from Contractors in Texas

The Navy led all DoD sub-agencies in contract expenditures for both FY11 and FY12. Texas contracts awarded in FY11 totaled \$12.1 billion, while total Navy expenditures in FY12 decreased to \$9.3 billion.

In FY12, the Air Force awarded Texas \$6 billion worth of contracts, followed by the Army with \$4.3 billion, and the Defense Logistics Agency with \$3.4 billion.

Military Construction in Texas FY 2011 and 2012 (in millions)

Army	FY 2011	FY 2012
Fort Bliss	\$ 150.0	\$ 125.5
Fort Hood	145.1	132.0
Fort Sam Houston	22.2	10.4
Red River Army Depot	-	44.0
Total	\$ 317.3	\$ 311.9

Army Reserve	FY 2011	FY 2012
Fort Hood	\$ 15.5	-
Dallas	12.6	
Rio Grande	6.1	
San Marcos	8.5	
Total	\$ 42.7	\$ 0.0

Air Force	FY 2011	FY 2012
Lackland AFB	\$ 127.3	\$ 64.0
Dyess AFB	4.1	-
Goodfellow AFB		
Fort Sam Houston		46.0
Randolph AFB	13.0	
Ellington Field	7.0	
Total	\$ 151.4	\$ 110.0

Army National Guard	FY 2011	FY 2012
Camp Maxey	\$ 2.5	\$ -
Camp Swift	2.6	-
Army National Guard Total	\$ 5.1	\$ -

Military Construction in Texas Total (in millions)	\$ 869.9	\$ 2,373.0
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FY11 Source: Military Construction & VA & Related Agencies Appropriation Bill, 2011 <<http://gpo.gov/fdsys/pkg/CRPT-111srpt226/pdf/CRPT-111srpt226.pdf>>
 FY12 Source: Military Construction & VA & Related Agencies Appropriation Bill, 2012 <<http://gpo.gov/fdsys/pkg/CRPT-112hrpt331/pdf/CRPT-112hrpt331.pdf>>