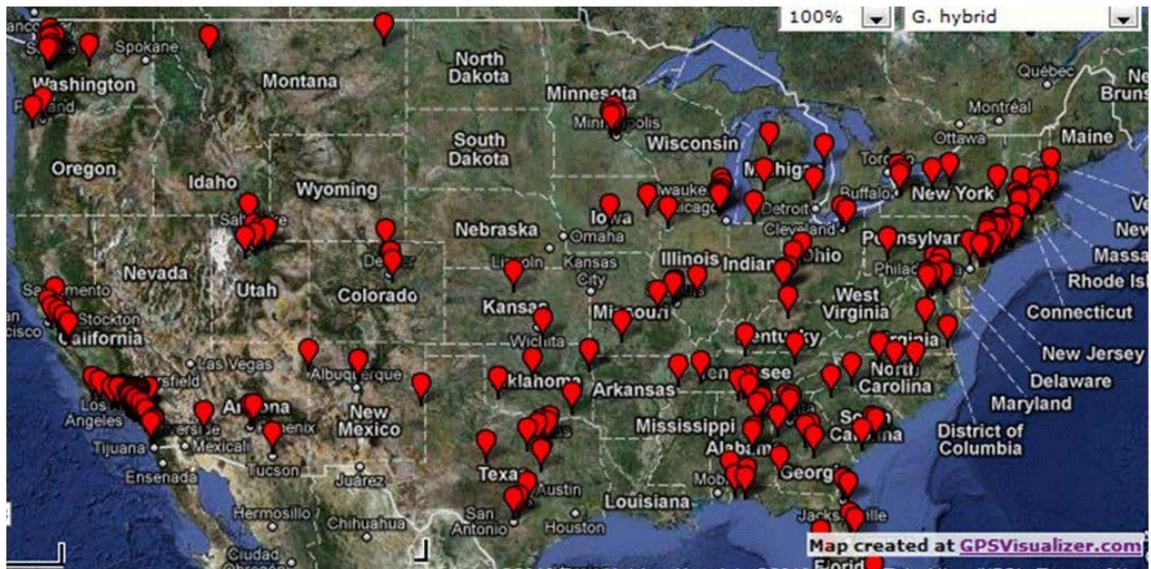




New Tools for Defense Community Transition

As of 2010, this is where the C-17 military transport plane was being built:



[Budget Insight, Stimson Center]

By 2015, most of these pins will disappear. The C-17 program is ending. Boeing announced in September that it would eliminate 3,000 C-17-related jobs in California, Georgia, Missouri and Arizona. In explaining this decision the company cited “shrinking defense spending around the world and the U.S. budget sequestration.”

These same forces will leave **many more communities**, beyond those flagged here, in need of an economic Plan B: a new source of jobs and economic activity to replace those lost in the defense downsizing.

New Federal “Plan B” money available

The Office of Economic Adjustment in the Pentagon (oea.gov) has one mission: to help communities affected by defense downsizings, either from base closings or defense industry contract losses, with transition planning grants and technical assistance (see program guidelines at [1](#) and [2](#) and below).

The Obama administration is ramping up and fast tracking this assistance.

Who is eligible?

Defense-dependent communities, regions and states. Dependency has a low threshold—only about 2-3% of a community’s workforce need be employed in the defense industry to qualify.

How does the process work?

Public officials take the lead in securing these funds and then involving economic development professionals and community, worker and business stakeholders in planning an economic transition.

Whereas before OEA couldn't offer assistance until a contract cancellation had been announced, those rules have changed. **Now OEA supports advance planning—before the job losses hit.**

In addition to supporting transition planning—financially and with hands-on technical assistance—OEA will help connect communities to support from other federal agencies to implement the economic transition plans they construct using OEA planning funds.

State grants

In addition to supporting transition planning at the local and regional levels, OEA will work with defense-dependent states to assist in their diversification planning.

For example, Connecticut and Virginia are currently mapping their defense industry supply chains using OEA funding.

States may be able to use OEA planning funds to underwrite the work of Commissions such as [Connecticut's](#) to develop a strategy for diversifying states' defense-dependent economies.

Capitalizing on this challenge and opportunity

Adjusting to the defense downsizing will be a challenge for communities across the country. State and community leaders need to seize the chance to turn this challenge into the proverbial opportunity: to help their communities chart a path to new economic activity not dependent on excessive levels of military spending.

Public officials can contact OEA directly to open a dialogue on getting the process started, at 703-697-2130. I am also available to answer questions and offer suggestions. Contact me at Miriam@ips-dc.org or 202-787-5214.

OEA Defense Industry Adjustment program guidelines at:

<https://www.cfda.gov/?s=program&mode=form&tab=step1&id=d789a8ba0a42a998d6bb68193b7f978>.

<https://www.cfda.gov/?s=program&mode=form&tab=step1&id=905e9d27307ef8c49ec2f3b9df7df7d3b41>.

Connecticut's "Act Concerning Connecticut's Future" at

<http://www.cga.ct.gov/2013/act/pa/2013PA-00019-R00SB-00619-PA.htm>.