



Tired of double-digit health benefit cost increases?

GHC-16407 4/04

[Print Story](#) | [Close Window](#)

Printed from ChicagoBusiness.com

Group seeks more defense dollars

By KATE RYAN
September 28, 2004

Illinois manufactures more goods than all but five other U.S. states, but it's lagging on the defense front, receiving only \$2.6 billion from the Department of Defense in 2003—a pittance compared to top-ranked California's \$28.7 billion.

With Boeing Co.'s headquarters and branches of defense giants Lockheed Martin Corp. and Northrop Grumman Corp. here in Illinois, it might be surprising that the state ranks 19th out of 50 for federal defense spending.

That's something the Illinois Defense Industry Assn. (IDIA) would like to change. Active since 2001, the group of 50 defense contractors and support companies has met with Illinois politicians U.S. Sen. Dick Durbin, D-Ill., Rep. Philip Crane, R-Wauconda, and Rep. Mark Kirk, R-Highland Park, to bring more defense spending to the state.

Representatives from the group have traveled to Springfield already this year and are planning a trip to Washington, D.C. Members include firms like Northrop Grumman, which has a large plant in Rolling Meadows, Vernon Hills-based Zebra Technologies Corp. and Barrington-based Recon Optical Inc.

"The goal is to create a better awareness of the manufacturing and technical capabilities of Illinois companies," says Jeff Datkuliak, IDIA president and director of business development at United Scrap Metal Inc. in Cicero. He says Illinois is typically recognized for manufacturing consumer products, not high-tech military equipment.

"Up until last year, Tootsie Roll (Industries Inc.) was the largest defense contractor in Chicago," he joked, referring to the candy the company sells to the U.S. Armed Forces.

Increased spending on homeland security means defense manufacturing has growth potential for local companies. Getting a greater share of the work would help Illinois companies that have seen telecom and consumer goods manufacturing move overseas. "We still have the technology and the experience and a strong labor pool here," says Brad Serlin, IDIA's director of membership and vice-president at United Scrap.

Illinois ranked 6th for manufacturing output among states in 2001, the most recent year available from the U.S. Bureau of Economic Analysis, and 46th for federal defense spending. After Boeing relocated its headquarters to downtown Chicago in September 2001, the state's ranking improved dramatically to 22nd. But Mr. Datkuliak says that because Boeing's manufacturing is done out of state, Illinois' real ranking for defense spending is probably lower.

IDIA aims to bring Department of Defense dollars to Illinois by connecting local companies to their legislators

in Washington. "If you're a small company and you want to pursue a piece of business with the government, you can work through your congressman or your senator. They can tell you who to talk to," Mr. Datkuliak says. Legislators can also keep their constituents informed when a defense contract is up for grabs, says Mr. Datkuliak.

The organization also works to connect local subcontractors with "prime" contractors like Boeing and Northrop Grumman. Mr. Serlin says Boeing, in particular, is looking for more Illinois-based vendors. "That's what we do at our meetings," he says. "Try to tell people how to do business with the prime contractors."

Despite the group's lobbying efforts, Illinois still has a long way to go. "Why are all those dollars going to Seattle and California and Virginia and Connecticut?" Mr. Datkuliak asks. "We need to do a better job of making contacts for the second and third-tier (Illinois) companies to pursue those dollars."
