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PNDC NEWS



COMMITTED TO IMPROVING THE DEFENSE AND HOMELAND SECURITY INDUSTRY CLIMATE ACROSS THE PACIFIC NORTHWEST

January 9, 2007

Military Use of Unmanned Aircraft Soars



WASHINGTON - The military's reliance on unmanned aircraft that can watch, hunt and sometimes kill insurgents has soared to more than 500,000 hours in the air, largely in Iraq, The Associated Press has learned. And new Defense Department figures obtained by The AP show that the Air Force more than doubled its monthly use of drones between January and October, forcing it to take pilots out of the air and shift them to remote flying duty to meet part of the demand.

The dramatic increase in the development and use of drones across the armed services reflects what will be an even more aggressive effort over the next 25 years, according to the new report.

The jump in Iraq coincided with the build up of U.S. forces this summer as the military swelled its ranks to quell the violence in Baghdad. But Pentagon officials said that even as troops begin to slowly come home this year, the use of Predators, Global Hawks, Shadows and Ravens will not likely slow.

"I think right now the demand for the capability that the unmanned system provides is only increasing," said Army Col. Bob Quackenbush, deputy director for Army Aviation. "Even as the surge ends, I suspect the deployment of the unmanned systems will not go down, particularly for larger systems."

For some Air Force pilots, that means climbing out of the cockpit and heading to places such as Nellis Air Force Base in Nevada, where they can remotely fly the Predators, one of the larger and more sophisticated unmanned aircraft.

About 120 Air Force pilots were recently transferred to staff the drones to keep pace with demands, the Air Force said. Some National Guard members were also called up to staff the flights. And more will be doing that in the coming months, as the Air Force adds bases where pilots can remotely fly the aircraft.

(Continued on Page 6)

Upcoming PNDC Events:

January 17th, 2008
5:30-7:30pm

PNDC Member Meeting and Open House

Keynote Speaker: Mr. Michael Irwin, Oregon Federal Security Director

Company Presentation: BioLogic Aqua

Location: PNDC Headquarters
2828 SW Corbett Ave, Portland, OR 97201

[Click Here for Driving Directions](#)

Come see PNDC's new headquarters and hear from the Oregon Federal Security Director on the issues facing the TSA and the Dept of Homeland Security here in Oregon.

Wine and hors d'oeuvres will be served following the presentation.

February 13th, 2008
8:00-10:00am

Defense Appropriations 101
Presented by: Garvey Schubert Barer

Location: PNDC Headquarters
2828 SW Corbett Ave, Portland, OR, 97201

[Click Here for Driving Directions](#)

Knowing the Defense and Homeland Security business starts here. The appropriations process can be complicated and frustrating for both newcomers and experienced players. Whether you need help starting out, or are just looking for a refresher, this course will offer something to every PNDC member. **Make sure you or a member of your team is there!**

RSVP to brice.barrett@pndc.us to reserve your seat!

**For more upcoming events, see page 5*

PNDC Notes in Brief

- *Does your company have an interest in **Small Business and Innovative Research (SBIR)** grants from the federal government? If so, you'll be happy to know that PNDC will be hosting a three day SBIR workshop in Portland, OR on 25-27 March, 2008. The workshop will include in-depth education on Phase I and Phase II proposal writing and preparation, as well as a full day on SBIR accounting and financial management. There will also be lunchtime panels consisting of business leaders who have met with SBIR success. PNDC members will gain entry at a discounted rate, so mark your calendars and plan to attend! For registration and more information, please visit www.oregonsbir.org.*
 - *Membership renewal season is upon us! We are a member-funded organization, so your company's contribution ensures that PNDC will be here to serve the Defense and Homeland Security contracting community in the Northwest for years to come! For more information and application information, please see the full-page story on page 3.*
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PNDC Committees Now Forming!

Our members have asked for it, and now we're ready to get PNDC committees off the ground! PNDC will be fielding four committees in 2008:

- Government Affairs
- Military Outreach
- Membership Development/Marketing
- Events and Special Programs

Committees will consist of 6-10 members, and will convene on a quarterly basis beginning 1Q 2008. If you're interested in shaping the mission and future of PNDC, now is the time! Call 503-312-3175 or email brice.barrett@pndc.us for more information or to sign up!

PNDC would like to thank our sustaining partners:



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2008 Membership Renewal and Sponsorship Opportunities

The arrival of the new year means that it is time to renew your membership in the Pacific Northwest Defense Coalition. Once again in 2008, our rates will be based on the size of the member company. Here are our basic membership rates for 2008:

Number of Employees	2008 Fees
1-25	\$425
26-50	\$850
51-100	\$1200
101-250	\$1625
251+	\$1800

This year we are asking all members to complete a renewal form. This will allow us to update our records and fill in the data gaps. The data collected from the form will be very valuable in gathering important data for economic development purposes.

To Renew: Simply follow the link at right to the renewal form. Fill out the form and return it to PNDC via email or US Mail. **Please make sure to check the appropriate box if you require an invoice to remit payment!**

If your firm is interested in supporting PNDC as an organizational sponsor, we believe you will find substantial value for your sponsorship dollar. Our sponsorships for 2008 are available at three levels:

Corporate Sponsor: \$4,000
Corporate Patron: \$6,000
Sustaining Partner: \$10,000+

Your sponsorship includes the opportunity to increase your visibility across the organization, and provides a higher level of exposure for your organization. Follow the link below to find out more about our sponsorship levels. If you are interested, contact PNDC to apply for sponsorship.

PNDC is a member-funded organization. We appreciate your continued support of our mission.

Your contribution ensures that the Defense and Homeland Security Industry in the Pacific Northwest has a voice!

Membership Application/Renewal Form:

<http://www.pndc.us/2008membershipapp.doc>

Sponsorship Information:

<http://www.pndc.us/08sponsor.doc>

Do you do business with a potential PNDC Sponsor?

Do you have a trusted vendor that may be interested in supporting our nearly 100 member companies? PNDC's sponsorship program could be the perfect way for a service provider to become more involved with Defense and Homeland Security contractors from across our region. If you do business with someone that would be a good fit, have them contact us today!

January Member Spotlight: Cipher Systems



Each month, PNDC will feature one of its members in our new "Member Spotlight" series. For January 2008, Cipher Systems, a relatively new member is featured.

For more information on Cipher Systems, visit their website at www.cipher.com

Based on recent design wins and encouragement from key defense contractors, Cipher Systems launches the formation of a new Government and Defense business Unit. The new business unit will leverage over twenty years of successful embedded engineering, wireless design and product development supporting the commercial and industrial market place.

Brian Bishop, President and CEO of Cipher Systems, Inc. states, "From the feedback we have received, the need exists in this market for a company with our combined embedded engineering and wireless design capabilities. Cipher Systems is pleased to integrate this new government and defense business unit into the Cipher Systems family of services." "Cipher will utilize the existing company infrastructure and staff to kick-start this new effort and we expect immediate growth from this addition to the company. We are already working on several exciting new engineering projects in this market segment and are well poised to start immediately on many additional projects."

Cipher Systems plans on focusing the new government and defense business unit in the areas of soldier level communications, asset tracking and protection systems,

intelligent sensor systems and information collection and distribution systems. Cipher Systems will also work directly with prime contractors to embark upon custom design projects. Cipher's team will manage everything from technology research and engineering development to complete manufacturing of the product for its customers. Cipher Systems will provide complete manufacturing packages to its customers as required.

In a move to successfully manage this effort, Cipher Systems has appointed Mr. Benjamin A. Culver as Vice President – Business Development to head up the new Government and Defense business unit. Mr. Culver has eight years of military experience focusing on advanced communications / electronics and naval fire control systems. Mr. Culver has over seventeen years of experience in RF / wireless product engineering, project management and business development. Most recently, Mr. Culver was Vice President of Sales and Business Development for Radiall, Inc. Prior to that, Mr. Culver has worked in engineering and project management roles for Advantest Corporation, Cadence Design Systems and M/A-COM.

Cipher Systems' other business units will continue working with a variety of companies developing products in the following areas: consumer, commercial, medical, industrial, RV and automotive. These products consist of stand-alone plug and play products as well as embedded systems designed to add intelligence to a customer's existing system. These products include advanced high-speed digital computing systems, GPS solutions, data logging and distribution systems, user-friendly command and control modules and wireless communications hardware.

Cipher Systems is an ISO-9001:2000 registered Oregon Corporation that specializes in complete product design solutions for their customers. Cipher's senior level team consists of software, hardware, RF and mechanical engineers available to tackle even the most complex product designs. Cipher has incorporated complex design tools into their process to ensure quality and reliability at every level. These tools consist of hardware design and development software, embedded software development suites, electro-magnetic simulation software, circuit simulation tools and sophisticated product data management tools.

Special Thanks to the PNDC Board of Directors:

- **Chair: Barry Hendrix, OECO**
- **Vice-Chair: Chandra Brown, Oregon Iron Works**
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- **Martha Schrader, Clackamas County Commissioner**
- **John Rakowitz, Oregon Economic and Community Development Department**
- **BGEN Mike Caldwell, Oregon National Guard**

PNDC Calendar of Events (cont'd)

<p>March 25-27, 2008 8:00am – 5pm</p>	<p>Oregon SBIR Summit Sponsored by: The Oregon Economic and Community Development Dept Clark-Nuber CPA Portland State University Business Accelerator Oregon GCAP</p> <p>PNDC is proud to take the lead in bringing a 3-day comprehensive SBIR workshop to the Portland metro area! For more information on SBIR and the Summit, please visit www.oregonsbir.com.</p> <p>Cost: PNDC Members: \$75/day or \$150 for 3-day Non-Members: \$150/day or \$300 for 3-day</p>
<p>April 16th, 2008 8:00-10:00am</p>	<p>Workshop: Practical Approaches to FAR Flowdowns Presented by Garvey Schubert Barer</p> <p>Location: PNDC Headquarters 2828 SW Corbett Ave, Portland, OR 97201 Click Here for Driving Directions</p> <p>Cost: Members - \$25 Non-Members - \$75</p> <p>RSVP to brice.barrett@pndc.us</p>
<p>August 13th, 2008 8:00-10:00am</p>	<p>International Traffic in Arms Regulation (ITAR) Presented by: Garvey Schubert Barer</p> <p>Location: PNDC Headquarters</p>

For more upcoming events, please visit our website at www.pndc.us!

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hirevetsfirst.gov

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Locations include North Dakota, Texas, Arizona and California, and some are already operating.

One key reason for the increase is that U.S. forces in Iraq grew from 15 combat brigades to 20 over the spring and early summer, boosting troop totals from roughly 135,000 to more than 165,000. Slowly over the next six months, five brigades are being pulled out of Iraq that will not be replaced, as part of a drawdown announced by the administration, which began in December.

The increased military operations all across Iraq last summer triggered greater use of the drones and an escalating call for more of the systems — from the Pentagon's key hunter-killer, the Predator, to the surveillance Global Hawks and the smaller, cheaper Ravens.

In one recent example of what they can do, a Predator caught sight of three militants firing mortars at U.S. forces in November in Balad, Iraq. The drone fired an air-to-ground missile, killing the three, according to video footage the Air Force released.

Air Force officials said that Predator flights steadily increased last year, from about 2,000 hours in January to more than 4,300 hours in October. They are expected to continue to escalate when hours are calculated for November and December, because the number of combat air patrols had increased from about 14 per day to 18.

"The demand far exceeds all of the Defense Department's ability to provide (these) assets," said Air Force Lt. Col. Larry

Gurgainous, deputy director of the Air Force's unmanned aircraft task force. "And as we buy and field more systems, you will see it continue to go up."

Use of the high-tech surveillance and reconnaissance Global Hawk has also jumped, as the Air Force moved from two to three systems on the battlefield.

"I think it has to do with the type of warfare we're engaged in — it's heavy into intelligence, surveillance and reconnaissance," Gurgainous said. "This war requires a lot of hunting high-value targets."



The bulk of the unmanned flight hours belong to the Army's workhorse drone, the Raven, which weighs just four pounds and is used by smaller units, such as companies and battalions, in Iraq and Afghanistan.

The Ravens, which soldiers fling into the air and use for surveillance, will rack up about 300,000 hours this year — double the time they were used last year, said Quackenbush.

The Army has a total of 361 unmanned aircraft in Iraq alone — including Shadows, Hunters and Ravens. And in the first 10 months of 2007, they flew more than 300,000 hours.

Army officials have fought to maintain control of their unmanned vehicle usage, saying their unit commanders can quickly launch the smaller systems, and respond to the immediate needs of soldiers who may be pursuing insurgents or trying to avoid roadside bombs.

When the Raven's massive numbers are not included, UAV usage across all the military

services jumped from nearly 165,000 flight hours in the 2006 fiscal year, to more than 258,000 for the fiscal year that ended Sept. 30, 2007.

Those figures, compiled by the Pentagon, include some training flights, but the overwhelming majority was on the warfront. A majority of the flights are in Iraq, which has seen the biggest increase. But they are also used extensively in Afghanistan.

There, for example, the Air Force has hovered around 3,000-3,500 flight hours for the Predator each month.

Officials said they could not immediately provide a figure for how many hours of manned aircraft were flown in the wars this past year and said it was difficult to compare the two at any rate because one flight for a drone can routinely be 16 to 20 hours. In contrast, manned aircraft like the F-16, for instance, might spend about five hours on one sortie, said Air Force Capt. Uriah L. Orland, a spokesman for service in the Central Command area.

According to a new Pentagon report, the Defense Department plans to develop an "increasingly sophisticated force of unmanned systems" over the next 25 years. The effort will confront some current shortfalls, including plans to improve how well the drones can quickly and precisely identify and locate targets.

That would also involve increasing the precision of the guided weapons that are on some of the unmanned aircraft. Those efforts are considered critical because it enables the military to hunt down and kill militants without putting troops at risk.

In addition, the Pentagon said it wants to improve the drones' reconnaissance and surveillance abilities, which are the top priorities of commanders in the field.

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Pictured on this page: PNDC Member Insitu produces the Insight (left) and Scan Eagle (above) UAV's capable of satisfying a wide variety of unmanned requirements