Even though Ultra Electronics – Undersea Sensor Systems, Inc. (USSI) has a long, successful history in Whitley County, the company has never been content with the status quo. Growth and innovation continue to define USSI, which designs, develops, and manufactures advanced underwater sensors and communication devices for military, homeland security, and commercial use.

According to Joe Peters, president of programs, “Whitley County is a great home for USSI because they have shown over and over what it takes to get—and keep—businesses and jobs in the area.”

USSI started out as a division of Magnavox, then Raytheon acquired the business in the mid ‘90s, and in 1998 USSI became a wholly-owned subsidiary of UK-based Ultra Electronics and opened up shop at a purpose-built facility in Park 30 in Whitley County.

Long known as a supplier of sonobuoys and surveillance systems for submarines, the company expanded its business in 2008 when Ultra Electronics consolidated its Cleveland-based operation and moved the design and manufacture of advanced first responder products into operation at the Whitley County plant. According to Peters, that expansion added 60 new employees, increasing the staff to 375, where it has remained fairly constant for the past few years.

In 2009 USSI introduced the HyperSpike family of acoustic products, a line of rugged, high-power, long range acoustic hailing and communication devices that can send voice messages and alert tones over 2,000 meters and can be used for crowd control, mass notifications, border/port security, law enforcement, and more.

In 2010 the company expanded yet again when USSI moved the manufacture, overhaul, and repair of high-pressure pure air generators (HiPPAG™) for aircrafts from its facility in the UK to the United States. Two Ultra Electronics sites—Rochester, New York and Columbia City, Indiana—were in the
running. Peters said that the willingness of state and local governments to offer financial incentives was one of the major deciding factors in choosing the Columbia City site as home for the air generators. Those incentives included up to $565,000 in performance-based EDGE tax credits, $150,000 in state training grants, ten-year tax abatements and Northeast Indiana Fund-Talent Initiative training dollars.

As business grew in 2011 and the need for space became more crucial, the company purchased the 250,000-square-foot Autoliv facility next door in Park 30 and gradually moved to the new plant in early 2012, never missing a day of production. “Whitley County EDC really helped make the move happen,” Peters said. “The EDC worked hard with Autoliv to get our two companies together so that USSI could buy the building and lease back 100,000 square feet of the building to Autoliv.”

In that same year, the parent company in the UK decided to move its division headquarters for the HiPPAG™ from Arlington, Virginia to Whitley County so they could be co-located with the overhaul and repair company. “Frankly,” said Peters, “not only is Northeast Indiana a great place to do business, but the cost of doing business is much cheaper than in Virginia.”

The business — now called PALS (Precision Air & Land Systems) — uses 10,000 square feet in the new building. “This is a great arrangement for all three businesses,” according to Peters. “We stayed in Whitley County because there was absolutely no reason to leave and because we had local cooperation at virtually every step of the process.”

Joe Peters, President of Ultra Electronics–USSI

Frankly, not only is Northeast Indiana a great place to do business, but the cost of doing business is much cheaper in Whitley County than in Virginia. We stayed in Whitley County because there was absolutely no reason to leave and because we had local cooperation at virtually every step of the process.”

WORKFORCE READY

Peters said that another factor in choosing Whitley County was the availability of a quality technical and manufacturing workforce. He said that all the hourly employees at USSI are from the local area and most of the salaried employees come from Northeast Indiana. “Fortunately, not only does this area have a long history of expertise in the defense and manufacturing industries, but the area is committed to training top talent,” said Peters. “In addition to a talented local workforce, we have ready access to our suppliers and pride ourselves in using lots of small, local businesses. They have quality products and the technology to support our industry,” Peters said.

In 2009 Lilly Endowment awarded $20 million to help fund the Talent Initiative in Northeast Indiana, which not only helped train workers, but also provided the money to enhance and improve college engineering and IT programs at regional colleges. To date, 15 USSI employees have taken advantage of the Talent Initiative funds for training in soldering, systems engineering, and IT technology.

The newly-formed Eagle Tech Academy in Columbia City will continue to provide a new crop of STEM students who excel in science, technology, engineering and math. According to Peters, USSI is committed to working with Eagle Tech and provides speakers for the students during the school year and extern experiences at the site for teachers during the summer months. “The best way to keep good people in Northeast Indiana is to let them know that there are good jobs here,” Peters said.
LOW COST OF LIVING

Peters said that rarely does his company have to recruit from outside the area, but once people relocate to the area, they usually want to stay. “The low cost of housing in the area is certainly a factor,” Peters said, “but primarily people like it here because of the quality of life.” USSI works to improve the lives of its employees by promoting wellness programs, weight loss support, and smoking cessation programs, and every fall employees participate in an athletic challenge with several local companies. Peters said that he also appreciates the sports venues available in the Fort Wayne area, including IPFW basketball, TinCaps baseball and Komet hockey, plus several professional baseball, basketball, hockey and football teams within a three-hour drive.

Not only does USSI appreciate all that Whitley County has to offer, but Whitley County returns the praise. As part of the Whitley County EDC’s 20th anniversary celebration, EDC President Alan Tio recognized five local businesses for their contributions to the county’s economic development efforts. USSI received the prestigious Whitley County Architect award. “With this award we are turning the spotlight on industry pillars that have made substantial contributions to our economic success,” Tio said.

USSI is not content to rest on its laurels, though. Peters said that they have extra space and are looking to expand. “We want to find complementary business to sustain and grow our business and have full support of the parent company.”

KEY PLAYERS & PARTNERS:

Whitley County Economic Development Corporation
Indiana Economic Development Corporation (IEDC)
WorkOne Northeast

PHOTO: Work cells on the USSI lean manufacturing production floor.
Regional Defense Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITT Corp.</td>
<td>1,203</td>
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<tr>
<td>B.A.E. Systems Platform Solutions</td>
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<td>Raytheon Systems Co.</td>
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<tr>
<td>C&amp;A Tool Engineering Inc.</td>
<td>463</td>
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<tr>
<td>Ultra Electronics – USSI</td>
<td>374</td>
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<td>Riverside Manufacturing</td>
<td>300</td>
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<tr>
<td>Reelcraft Industries</td>
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<td>Stuart Manufacturing</td>
<td>138</td>
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<tr>
<td>Nu-Tech Coatings</td>
<td>127</td>
</tr>
<tr>
<td>Huntington Electric, Inc.</td>
<td>102</td>
</tr>
</tbody>
</table>

Whitley County companies are bolded.

Incentives

- **Indiana Economic Development Corporation**
  - EDGE and HBI tax credits
  - 21st Century Research and Technology Fund
  - Small Business Innovation Research Initiative
  - Venture Capital Investment Tax Credit

- **Whitley County**
  - CEDIT
  - TIF

- **Cities and Towns**
  - Tax abatements for new construction or equipment

Future Growth in Defense

Lilly Endowment Inc. provided $20 million to an affiliate of the Community Foundation of Greater Fort Wayne and the Northeast Indiana Regional Partnership to accelerate the development of Northeast Indiana’s workforce and talent resources. The program, entitled Talent Initiative, supports the development of education, training and talent initiatives in science, technology, engineering and mathematics. The Initiative—an unprecedented collaboration in Northeast Indiana—better prepares the region’s workforce to capture the high-quality job opportunities available in the near term and those of the future.

Components of Talent Initiative include support for the following critical elements:

- Retrain more than 3,300 adult workers in Northeast Indiana
- Enhance the Advanced Manufacturing program at Ivy Tech - Northeast
- Expand the systems engineering and wireless technology programs at Indiana University - Purdue University Fort Wayne (IPFW)
- Create 6 New Tech High Schools within school corporations in Northeast Indiana, with an emphasis on science, technology, engineering and mathematics (STEM) courses
- Support professional development in PBL to 1,300 regional educators beyond New Tech High Schools

The Talent Initiative includes significant and targeted educational and workforce programs for the aerospace and defense industries. The programs also will be relevant to the workforce development needs of other advanced manufacturing sectors in Northeast Indiana. Northeast Indiana is home to over 160 defense/aerospace prime contractors and suppliers. During 2005 and 2006 the six largest firms in this sector received a total of $2 billion in prime contracts from the Defense Department.