

Northrop Grumman choosing Va. for headquarters

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RICHMOND, Va. -- Defense contractor [Northrop Grumman Corp.](#) will move its headquarters cross country to the Virginia suburbs of Washington, D.C., to be closer to its key customers in the U.S. government, officials said Monday.

Maryland Gov. Martin O'Malley congratulated northern Virginia for winning an intense sweepstakes between the two states for the corporate control center. Virginia Gov. Bob McDonnell planned to announce the relocation on Tuesday in Arlington.

The company announced in January that it wanted to move from Los Angeles to the Washington area by 2011. A spokesman did not immediately return calls and an e-mail Monday seeking comment on the company's choice.

Northrop Grumman CEO Wesley G. Bush told O'Malley on Monday that the company decided to move to one of two sites in Virginia, O'Malley spokesman Rick Abbruzzese said.

The site will be either in western Fairfax County, near Washington Dulles International Airport, or in the Crystal City area of Arlington, which is almost within walking distance of the Pentagon, a company official said on condition of anonymity because the person didn't want to upstage McDonnell's announcement.

The move will send about 300 of Northrop Grumman's senior employees to the Washington metropolitan region. The company, which provides aerospace, electronics, information systems, shipbuilding and technical services, has about 120,000 employees worldwide.

"My understanding is that it came down to a real estate decision, but that they were impressed with the package and the incentives that Maryland put on the table," Abbruzzese said.

Christian Johansson, the Maryland Department of Business and Economic Development secretary, said the company found buildings it preferred in Virginia that were close to the Pentagon, compared to Montgomery County in Maryland.

Montgomery County Council President Nancy Floreen, a Democrat, said she said she knows O'Malley worked hard to win the headquarters, but conceded that "there's no arguing with the fact that Virginia has the Pentagon."

The Fortune 100 company's choice could become fodder for former GOP Gov. Robert Ehrlich of Maryland, who is challenging O'Malley. Ehrlich issued a statement Monday evening on the decision, saying Maryland's taxes make it unwelcoming to businesses.

In his press statement, O'Malley said Northrop Grumman's decision is "a win for the entire greater Washington region."

"With today's announcement, the region will not only gain new corporate-level jobs, but a number of the company's key subcontractors and suppliers," the statement said.

The Washington area is home to other defense contractors, including Bethesda, Md.-based [Lockheed Martin Corp.](#)

Northrop Grumman's stock closed Monday at \$68.93, down 6 cents.

The company will release its first-quarter earnings Wednesday.

Jack Northrop founded Northrop Aircraft Inc. in California in 1939. The company built jet fighters for the U.S. and other militaries, then expanded to make guided missiles, the B-2 stealth bomber and other defense systems. Northrop also provides electronics, shipbuilding and technical services to government customers and other companies. Northrop acquired Grumman Corp., another military aircraft maker, in 1994.

Witte reported from Annapolis, Md.

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On the Net:

Northrop Grumman Corp.:<http://www.northropgrumman.com>