

## Maryland out of the running for Northrop HQ site

Posted: 6:46 pm Mon, April 26, 2010

By **Nicholas Sohr**

Daily Record Business Writer

Northrop Grumman Corp. will move to Northern Virginia, ending a months-long competition in the capital region to land the jobs and cachet that will come with the headquarters of the defense giant.

The company, which is still considering two sites in Virginia, is expected to announce the decision at a news conference Tuesday.

Northrop, which has long been based outside of Los Angeles, had considered up to four locations in Prince George's and Montgomery counties.

Gov. Martin O'Malley, who had personally made the state's pitch to Northrop's top executives a little more than a month ago, called the decision "a win for the entire Greater Washington region."

"Maryland has one the most highly-skilled workforces in the country, and already employs more than 20,000 skilled Northrop Grumman and Lockheed Martin employees," O'Malley said in a statement late Monday. "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."

A Northrop Grumman spokesman contacted earlier in the day would not comment on the decision.

"Northrop Grumman has not completed its site selection process and therefore has no comment at this time," company spokesman Brandon R. "Randy" Belote III wrote in an e-mail.

Northrop CEO Wes Bush delivered the news to O'Malley in a phone call Monday evening, according to Rick Abbruzzese, the governor's spokesman.

"Mr. Bush did express to the governor that they were making what amounts to a real estate decision," Abbruzzese said, adding that Bush said Northrop was impressed by the package of economic incentives offered by Maryland.

The headquarters is expected to bring with it about 300 jobs.

Northrop announced Jan. 4 that it would move to the Washington, D.C., area, citing a desire to be closer to the decision makers in Congress and the military. Almost immediately, Maryland was labeled a long shot to land the headquarters.

Virginia is home to more Northrop divisions than Maryland — including its governmental affairs office — and the Pentagon.

The governor's office and state economic development officials put together a package of economic incentives that they thought was competitive with those being offered in other jurisdictions.

Gov. Martin O'Malley, House Speaker Michael E. Busch and Senate President Thomas V. Mike Miller Jr. met with Northrop officials in the State House in February to express their commitment to the effort.

Members of the state's congressional delegation, which includes high-ranking lawmakers and several serving on key spending and defense committees lent some muscle to the effort as well.

And Maryland also enlisted the help of a dozen current and former executives to lobby Northrop. The group included Constellation Energy Group CEO Mayo A. Shattuck III, T. Rowe Price Group Chairman Brian C. Rogers, and Tom McDonald, a former ambassador to Zimbabwe.

The executive group was lead by Norman Augustine, the former CEO of Lockheed Martin Corp, who took the reins of the defense conglomerate – Northrop’s chief competitor -- in 1995 after the merger of Lockheed Corp. and Martin Marietta Corp. brought the company to Bethesda.

Augustine and his group made calls to executives and board members to discuss the state’s quality of life, highly ranked education system and other selling points.

Northrop already has a significant presence in the region, with one-third of its 120,000 employees in Maryland, Virginia and the district.

Maryland is home to about 11,000 Northrop employees and the headquarters of its electronic systems division is in Linthicum.

Virginia, too, is familiar territory for the company, with sector headquarters in Herndon, Newport News and Reston, and its governmental relations office in Arlington.