

# The Day

January 11, 2018

THE DAY EDITORIALS

## Osten right about preparing for EB growth

Osten is passionate in her belief that Connecticut's readiness to feed the growing jobs at EB in Groton will determine whether the region realizes the full benefit of the expansion there.

State Sen. Cathy Osten's instincts are right. Electric Boat is undertaking a massive increase in hiring, the result of expedited submarine construction. Connecticut should do what it reasonably can to make sure there is a skilled workforce available for not only filling those jobs, but also for the jobs at the 450 subcontractors that feed into EB's production pipeline.

The state also has to be open to potential infrastructure investments that would support the rapid job growth.

But Connecticut, itself cash-strapped, has to make sure any money invested is done so wisely. That is why we can endorse the broad goals of Osten's "Submarine Jobs and Opportunities Building Success Act," while withholding judgment on the details — \$100 million in funds over five years for supporting infrastructure projects at EB, \$50 million over 10 years in workforce development programs.

A Democrat from Sprague, where she serves as first selectwoman, Osten is passionate in her belief that Connecticut's readiness to feed the growing jobs at EB in Groton will determine whether

the region realizes the full benefit of the expansion there.

With the uptick in construction of attack submarines, and plans to build a new generation of ballistic missile submarines, EB expects to hire between 15,000 and 20,000 new employees by 2030. That could be a game changer for the region's economy.

Osten says she has based her suggested \$50 million investment in job training at state technical high schools and community colleges based on meetings with the EB leadership and assessments made by the Eastern Connecticut Workforce Investment Board.

Whether \$50 million is the right number, and details about how the state's investment could best be utilized, should be worked out in the legislative hearing process and by working with the Malloy administration on economic development. The legislature goes back into regular session next month.

Without question, Connecticut needs to play a role in providing training and retraining opportunities to feed the employment growth. Expanded job training would also benefit defense contractors

Sikorsky Aircraft in Stratford and Pratt & Whitney in East Hartford, as well as the subcontractors who feed these industries.

But investment in job training is one thing, while corporate welfare is another. Osten's call for Connecticut to help EB with \$100 million in infrastructure work has to make state taxpayers wince, particularly at a time when the state is not meeting its own infrastructure needs. On Wednesday, Gov. Malloy announced his administration had postponed work on projects totaling \$4.3 billion because there is not sufficient funding in the Special Transportation Fund.

EB is making major investments in upgrading its infrastructure, including construction of a massive assembly building on the southern end of its Groton facility. Yet the need for this investment was certainly built into the bid packages it submitted to the Navy.

Fiscally, EB's parent company, General Dynamics, is doing much better than Connecticut. In the third-quarter of 2017 it showed net earnings from continuing operations up 4.5 percent to \$764 million, or \$2.52 per share, up

from \$731 million or \$2.36 per share a year ago.

While a direct investment by Connecticut in EB's facilities is questionable, it may be appropriate to invest state money in infrastructure needs that support the company's growth.

In New London, that might include construction of a parking garage near EB's offices, with revenues from parking and perhaps the rental of first-floor retail outlets providing a return on the investment. It could mean road improvements to facilitate increased traffic. Or the state may have to be a partner in providing supporting infrastructure for the housing development necessary to house an expanding workforce.

No one would expect Sen. Osten to have all the details worked out at this point. She is beginning an important dialogue. We fully expect other members of the southeastern Connecticut delegation in Hartford, regardless of party affiliation, to lend support and their own ideas to this effort.

When it comes to the economy, this region and the state could use some good news. The EB expansion provides it.