

**Bryan Buckland, Vice President of Finance for ATK's (Alliant Techsystems)
Tactical Propulsion and Controls Division
Comments to the Subcommittee of the Maryland Business Tax Reform Commission**

Good afternoon Chairman Wacks and Subcommittee members. I've been asked to share with you my company's experience with Maryland tax incentives, more specifically, the "One Maryland" Tax Credit program. I have worked for ATK over 27 years and have seen many challenges during this timeframe. Despite many mergers, acquisitions, and divestures in the aerospace industry, ATK Elkton Operations has maintained its presence in Maryland for over 60 years. I believe it's due to the talent and skills of our workforce and the countless amenities that attract these workers to our state. Equally important, I believe our State leaders are committed to maintaining Maryland's current business base and supporting new business initiatives, growth and development. The availability of the "One Maryland Program" is an example of this commitment, and has been a key element to ATK's increased presence in Maryland.

From its beginnings in 1947, the Elkton Operations has achieved a number of "firsts" in the history of providing solid rocket motors for U.S. space programs. Our technologies and products have put hundreds of satellites into orbit (dating back to Pioneer and Voyager). In 2004, Elkton's management recognized the need to expand into other capabilities outside of a declining rocket motor market and avoid potential internal plant consolidations which were prevalent at that time. With the help of Maryland's DBED, a plan was initiated to help Elkton acquire the needed capabilities/resources for continued growth, which included tax benefits from the "One Maryland" program.

Elkton's plan involved capital investments in excess of \$5M which provided casting facilities, equipment, and resources to pursue avionics, controllers, and larger booster manufacturing capabilities. These items were instrumental in ATK's ability to win two major programs, the Kinetic Energy Interceptor (KEI) and the Attitude Control Motor (ACM) program which is part of NASA's Launch Abort System on the new Orion Crew Capsule. From the inception of the "One Maryland" Program to present, Elkton's employee base has grown from 425 to 635 people and increased payroll from \$25M to \$44M. It has generated millions of dollars to the state in the form of income and property taxes.

More recently in 2007, ATK was in search of a new location to house the Missions Systems Group headquarters. New office spaces throughout the U.S. were considered. Due to the success of the "One Maryland Program" with the Elkton expansion, DBED was contacted to determine if any tax incentives could be applied to weigh into this decision process. Based on various factors which included a second "One Maryland" Tax Credit project, the First Mariner building in Canton was selected to house our group headquarters.

ATK invested over \$5M for office furniture and equipment, conference rooms, infrastructure, and other facility requirements. This new office currently employs approximately 80 people with an annual payroll of \$15M.

I want to thank Chairman Wacks and the subcommittee members for allowing me the opportunity to speak regarding the benefits the "One Maryland" Program have provided ATK and the State of Maryland.