

struction spending by \$25 million. Further, employment gains on the civilian side will be reduced by somewhere between 81 and 238 civilian personnel and contractors. On the military side, the potential associated personnel reductions range between 682 personnel and 774 personnel. According to the models that we develop in the report, that translates into a cumulative negative economic impact that, in terms of Gross Regional Product, ranges from \$481 million to \$613 million for the period from 2010 through 2016. Potential population impacts would range between roughly 1,900 individuals and 2,250 individuals while employment impact totals would fall by at least 1,900 and could be down by over 2,500 individuals. Perhaps most critically, at the estimated 2016 steady-state, gross regional product would be down by between \$200 and \$250 million *annually*. These negative impacts would therefore persist through 2017 and beyond.

We note that these figures assume that there are no negative impacts that are associated with the arrival of the remaining 48 JSF aircraft. There is, however, some concern that the arrival of a full contingent of 107 aircraft could lead to airspace conflicts with current Air Force missions. If the arrival of the remaining 48 aircraft results in a substantial decline in these other operations, that potential negative impact could outweigh the potential positive impacts associated with the arrival of the aircraft. After the final decisions regarding the remaining 48 aircraft are taken and the broader effects known, revisiting this study would allow for a more accurate determination of the final positive and/or negative benefits.

Photo Credit: We wish to thank Cheryl Limrick (A CTR OUSD (AT&L) JSF) for assisting with the cover photo that were graciously made public by Lockheed Martin.

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Assessing the Economic Impact of the Joint Strike Fighter on the Okaloosa County Economy



According to previous Haas Center Studies, military realignment activities are forecast to add slightly over \$1 billion to Okaloosa County's gross regional product in the year 2016—the assumed “steady-state” year. Additionally, the associated realignment activities are forecast to have generated over 10,000 jobs by 2016 and added nearly 11,000 to Okaloosa County's population. Activities currently underway at other regional bases appear to have net negative impacts and as a result have a slight dampening effect on the realignment activities in Okaloosa County. Despite this, the positive economic effects of military realignment activities for Okaloosa County remain substantial.

A major component of the realignment activities underway at Eglin AFB involves the arrival of the Joint Strike Fighter. If all 107 aircraft arrive on the schedule associated with the Eglin Environmental Impact Statement (EIS), steady state will be achieved in 2016 with the addition of 2,326 associated personnel. The cumulative economic impact of the arrival of 107 JSF aircraft will total \$2.1 billion for the 2010-2016 period. However, the economic impact of the JSF in 2016 (assuming 107 aircraft) is forecast to top \$591 million. Therefore, as estimates show, at steady state, the JSF will have the largest net impact of any of the major Eglin realignment activities assuming that 107 aircraft arrive and that the deployment mirrors the estimates included in the EIS.

However, there is some potential that the deployment totals associated with the JSF may actually be higher than those envisioned in the EIS. This would result in an additional impact. Further, this would also magnify the impacts associated with a

reduction in the JSF build-out from 107 aircraft to 59 aircraft.

It is critical to note that we choose to speak of the reduction of 48 JSF aircraft, rather than the arrival of an additional 48 aircraft on top of the 59 “guaranteed” by the Record of Decision (ROD). The Final EIS envisioned the arrival of 107 aircraft. We model a deviation from that base-line of 107 aircraft as a reduction (loss) because it is, es-

Estimated Economic Impact of the Reduction of 48 Joint Strike Fighter Aircraft from the Eglin Air Force Base Complement			
	Total Impact of Arrival of 107 Aircraft	Reduction Scenario 1 (EIS Based)	Reduction Scenario 2 (Adjusted Figures)
Cumulative Impact (2010 – 2016)			
Gross Regional Product (Millions \$)	\$2,150.1	-\$481.2	-\$613.0
Population	6,323	-1,891	-2,259
Employment	6,091	-1,987	-2,532
2016 Impact			
Gross Regional Product (Millions \$)	\$593.7	-\$194.3	-\$247.6
Population (2016-2015)	370	-145	-203
Employment (2016-2015)	46	-35	-46

entially, a negative deviation from a previously established baseline.

According to the military's website the JSF Program is “the Department of Defense's focal point for defining affordable next generation strike aircraft weapon systems for the Navy, Air Force, Marines and our allies. The F-35 is the next generation strike fighter bringing cutting-edge technologies to the battlespace of the future...” Much of the training associated with this high-tech fighter was initially designated to occur at

Eglin AFB. This included maintenance training as well as flight training.

However, the ROD implementing the BRAC 2005 decision to bring the JSF to Eglin and construct the Initial Joint Training Site has specified that, as of now, only 59 aircraft will be based at Eglin. Naturally, as the process moves forward, Eglin may well be designated to receive the additional 48 JSF airplanes envisioned in the EIS.

However, that probability, at this time, is unknown.

The ROD indicates that regardless of whether 59 aircraft or 107 aircraft are deployed to Eglin, maintenance training will go forward as scheduled. Data recently released by Eglin indicates, however, that the impacts on the pilot training side may be less than initially believed. We therefore estimate that most of the impacts of the reduction of the 48 aircraft, if the reduction occurs, will be felt on the aircraft maintenance side as well as the accompanying civilian side.

Moreover, multiple sources indicate that the EIS may well have been conservative in its estimate of accompanying maintenance and civilian contractor personnel. These sources, deemed credible, have caused us to include two estimates of the potential loss impacts—one associated directly with the EIS and the other using adjusted figures outlined in the report. We feel that these two scenarios allow us to bracket the most likely impacts associated with basing the 48 aircraft outside Okaloosa County.

If our sources and assumptions prove correct, cutting 48 JSF aircraft from the total BRAC-envisioned 107 will result in the reduction of con-