



Study reveals NATO Air Base's positive financial influence on region and world



An Economic Impact Study, compiled by the E-3A Component, NATO Air Base, Geilenkirchen, Germany, documented the installation's financial effect on neighbouring communities as 262.4 million euro within a 200-kilometre radius, containing a populace of 450,000, and 417.8 million euro overall throughout Europe and North America in 2006.

The total monetary figure consists of the installation's contribution to its neighbours (€ 262.4 million) and another € 155.4 million obligated elsewhere. Last year's data revealed an increase of € 17.5 million and € 20.7 million respectively from 2005.

"From major construction projects to more personnel, it is not surprising that we saw our local economic impact increase by € 17.5 million. It was a very busy year for us in 2006," said Brig. Gen. Stephen D. Schmidt, NAEW&CF E-3A Component commander. "We also experienced key improve-

ments in our environmental efforts as the Component significantly reduced the number of air movements (take offs/landings/touch and go's) around Geilenkirchen to the lowest level since NATO stood up the organization in the 1980s."

The second-year report analyzed several factors such as the number of personnel working at the installation, associated payroll costs and operational expenses such as construction, service contracts, as well as equipment and supplies. In 2006, the Component employed 3,150 plus military and

civilian members, with a direct payroll of € 140.7 million. More importantly, the Component generated an estimated 1,774 indirect jobs valued at more than € 50.2 million, which is 101 more than in 2005 and equates to a € 2.8 million increase.

Focused on capturing all air base expenditures, the study also included the financial influence of U.S. military pay and allowances on surrounding locales, which amounted to approximately € 2.1 million in 2006.

"We are still on relatively new ground with the Economic Impact Study," said Maj. Gary Gualano, deputy financial controller, NAEW&CF E-3A Component. "As with the first, this study accurately reflects the air base's significant economic effect on the Tri-Border Region."

ALSO INSIDE

- Modernizing the E-3A fleet
- Local and global impact
- 2006 Economic Impact Study by the numbers

NATO Mid-Term: modernizing the E-3A fleet

What began as an idea 10 years ago to dramatically change the operating systems in NATO's AWACS has become a reality.

With the arrival in Geilenkirchen of the first retrofitted E-3A, N-1, in August 2005, the conversion of the Component's 17-aircraft fleet from Legacy to NATO Mid-Term (NMT) had been initiated. During the same timeframe, the first aircrew participated in training on the new hardware at The Boeing Company, Seattle, Washington. Almost two years later, and after completing many hours of testing, the Component's inaugural NMT trainees organized a curriculum to teach qualified Legacy aircrews how to utilize the enhanced computer system, which involves human-machine interface.

In February 2007, conversion training officially kicked off. After completing about one month of NMT academics, the initial aircrew trained on the system at Geilenkirchen then participated in the flying portion of the syllabus. Since technicians had to learn a new operating system, their training required an additional two weeks and recertification after completing their course. On the other hand, after completing approximately five mission flights, the other aircrew members become NMT qualified.

Employment of NMT, however, reduces the E-3A aircrew count from 17 to 16, as well as enables aircrews to fly with personnel because there are additional consoles.

Starting this summer, all crewmembers arriving at Geilenkirchen will receive only NMT training. Because of the conversion process, the Component



will decrease its operational and flying hours accordingly to accommodate new training.

Similar to Microsoft Windows®, NMT features a user-friendly, drop down menu format, and unlike its predecessor, a standard keyboard. Due to the expansion of consoles from nine to 14, as well as the ease in operating the system, this new technology also provides E-3A crews with the means to accomplish more tasks with fewer personnel.

By September 2007, the Component plans to achieve NMT initial operational capability with five converted aircraft and nine combat-ready aircrews, maintaining adequate spares, documentation and support equipment.

In addition, NMT-trained and equipped crewmembers will be able to operate,

maintain, as well as assist the NATO Response Force, comprised of a rapidly deployable air, land and sea elements, designed to respond within days to meet a full spectrum of NATO missions when required. The Component plans to achieve full NMT operational status by the end of 2008.

Finally, further modernization of the organization's fleet involves the installation of the Large Aircraft Infra-red Countermeasures (LAIRCM) system by May 2008. It consists of several onboard sensors and a laser system to detect and destroy inbound missiles.





Component impacts locally and globally

2007 marks the 25th anniversary of the E-3A Component's establishment at Geilenkirchen, Germany, and during the past quarter century, NATO's only operational unit has accomplished many milestones including providing airborne surveillance along the Turkish-Iraqi border during the initial Gulf War in the early 1990s, assisting in the defense of the United States for eight months following the terrorist attacks on 11 September 2001, supporting security efforts at the 2004 Summer Olympic Games in Greece, transporting a combined 185 tons of relief supplies to victims of Hurricane Katrina and the earthquake in Pakistan in 2005, helping to keep the sky over our host country safe during the 2006 World Cup football contests and monitoring from above the NATO Summit in Latvia also last year.



Our contributions to global peace-keeping have resulted in increased commitments and enhanced credibility for the unique multinational team comprising this organization. On the other hand, the Component's influence has also touched the neighbouring communities within the Tri-Border Region surrounding the air base. For the past two years, we have conducted an Economic Impact Study to determine the installation's monetary value to locales within a 200-kilometre radius and to our partners throughout Europe and North America.

As discussed within this document, the Component's financial effect on the area and the outside economy grew significantly from 2005 to 2006, but would like to specifically address three key elements, which contributed to the economic expansion.

First, the approximately 3,154 military, civilian and contract members serving at the base generated a total annual payroll of € 140,653,107, an increase of € 5 million from 2005. Second, in an effort to reduce engine noise in the surrounding areas, the Component

significantly decreased air movements at Geilenkirchen by 539 from the previous year. Of this total, approximately 351 less take offs, landings, as well as touch and goes over the Netherlands occurred.

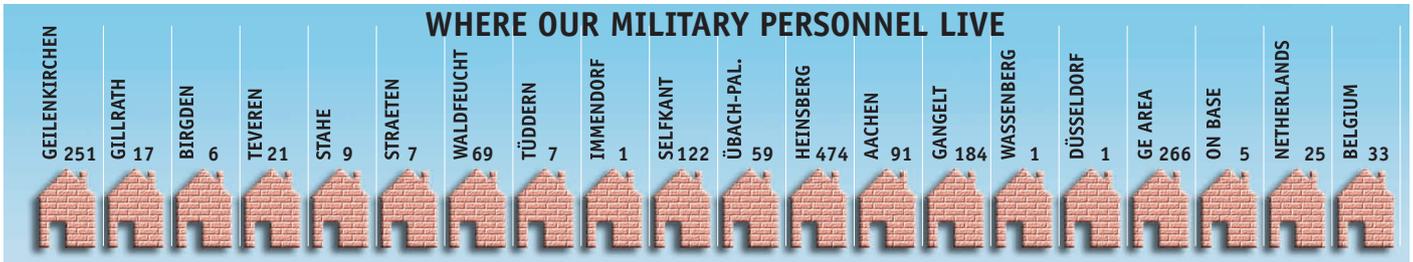
Finally, to enhance base facilities and to support the people working in them, the Component invested a total of € 71,553,157 for construction projects, services contracts, materials, equipment and supplies, a significant € 9.7 million boost from 2005.

We have also been positively impacted by the assistance and encouragement offered by our neighbours and other interested parties on a daily basis. For the past 25 years, the Component has achieved many successes, which could not have occurred without the dedicated support from the people calling the Tri-Border Region home. As evidenced in the Economic Impact Study, this thriving partnership between the Component, surrounding locales, and our team around the world continues to thrive. May it continue to do so in 2007 and in the future.



STEPHEN D. SCHMIDT
BRIG GEN, USAAF
Commander NAEW&CF E-3A Component

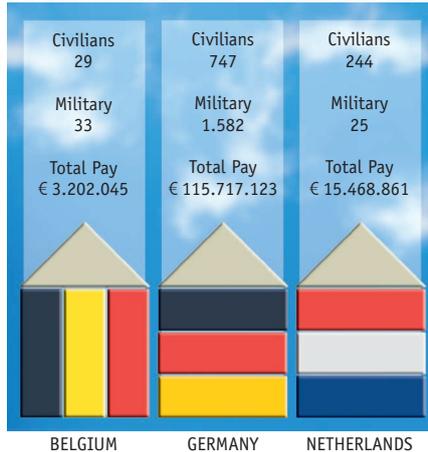
2006 Economic Impact Study by the numbers:



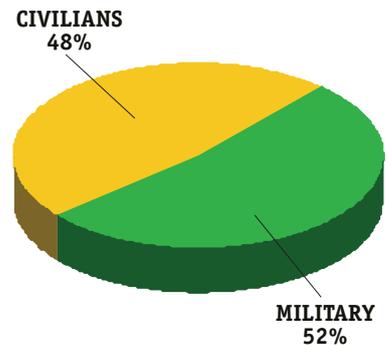
- 3,154 military, civilian and contract personnel serve at the NATO Air Base Geilenkirchen
- 2006 annual payroll of € 140.6 million
- NATO Air Base Geilenkirchen created 1,774 indirect jobs in the local community, generating approximately € 50.2 million in salaries
- 2006 expenditures of € 71.6 million
- Total 2006 economic impact within 200 kilometres radius = € 262.4 million
- Total 2006 Overall Economic Impact = € 417.8 million

- NATO Air Base Geilenkirchen invested € 71.6 million for construction projects, services contracts, materials, equipment and supplies, a major € 9.7 million increase from 2005

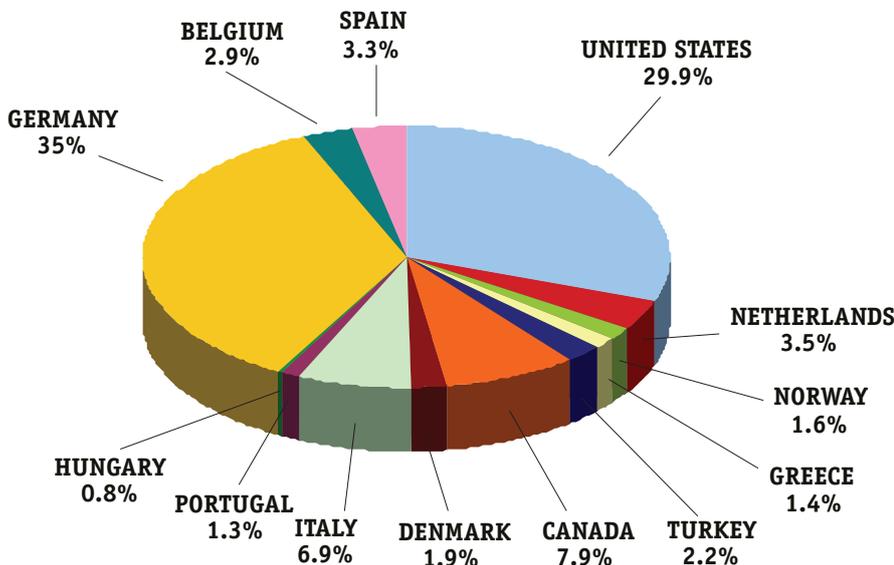
NATIONS WHERE COMPONENT PERSONNEL RESIDE



COMPONENT MEMBERS



MILITARY PERSONNEL



Keeping our partners informed

Thank you for your interest concerning this second edition of the *AWACS Review*. For the latest information on the NATO E-3A Component, visit the organizational website at www.e3a.nato.int or contact our Public Information Office via e-mail at pio@e3a.nato.int or by telephone at +49 (0)2451-63-2480/2483.

In addition, please feel to contact us at:
 NATO Airborne Early Warning and Control Force E-3A Component
 Public Information Office
 P.O. Box 433007
 52511 Geilenkirchen

Phone:
 +49(0)2451-63-2480
 +49(0)2451-63-2483