



COMPANY HISTORY AND PRODUCTS

Lockheed Martin is the world's largest weapons contractor, a major player in the areas of nuclear weapons and ballistic missile defense. The company received over \$15 billion in contracts from the Pentagon in FY 2000, plus an additional \$2 billion for nuclear weapons design work from the Department of Energy.

Lockheed Martin is the prime contractor for the Trident II Submarine-Launched Ballistic Missile (SLBM), a multiple-warhead, long-range missile which is produced for deployment on the Trident submarine. The Trident II is the only long-range U.S. nuclear missile currently in production. The company is also involved in the design and production of nuclear warheads through its role as the prime contractor for Sandia National Laboratories, a nuclear weapons engineering and design lab funded by the U.S. Department of Energy. The company also has a major subcontract at the Nevada Test Site to carry out "subcritical testing" of new nuclear weapons designs, a form of testing that attempts to exploit possible loopholes in the Comprehensive Test Ban Treaty (which, as of this writing, the United States has failed to ratify).

Even as it profits from working on the next generation of nuclear weapons, Lockheed Martin is also heavily invested in ballistic missile defense. The company is the lead contractor for the Theater High-Altitude Area Defense (THAAD) program, a system designed to intercept medium-to-long-range ballistic missiles. Even though the THAAD system has failed in 6 out of 8 tests to date, last year the company received a contract extension worth up to \$4 billion for continuing work on the system. Lockheed Martin is also designing and building the payload launch vehicle, which is slated to be used to launch the interceptor and "kill vehicle" for the land-based version of National Missile Defense. The company is the prime contractor for the Space-Based Infrared System-High (SBIRS-High), a space-based early warning system for missile defense which has been plagued by cost overruns and technical problems. At the same time, Lockheed Martin is a major contractor for the Space-Based Laser (SBL) program, a favorite of Star Wars boosters which is currently scheduled for its first test in 2012, but may be accelerated under the Bush/Rumsfeld missile defense plan. And plays a

central role in "Team ABL", a partnership which involves Boeing, TRW, and Lockheed Martin in the design and production of the Airborne Laser (ABL), which is meant to place lasers on 747 aircraft for use in attacking medium-range ballistic missiles in their boost or ascent phases.

Last but not least, Lockheed Martin stands to profit handsomely from any move towards emphasizing sea-based approaches to missile defense, since many of the proposed approaches for sea-based interceptors are based on the idea of utilizing and expanding upon the capabilities of the Aegis air defense system, which is produced by Lockheed Martin at its Moorestown, New Jersey facility.



INFLUENCE PEDDLING: LOCKHEED MARTIN'S POLITICAL CONNECTIONS

Lockheed Martin is the "leader of the PACs" -- Political Action Committees -- among U.S. weapons manufacturing firms. According to data assembled by the Center for Responsive Politics, the company made over \$10.6 million in campaign contributions to candidates and party committees from 1990 to 2000, including \$3.4 million in donations in the run-up to the year 2000 elections.

The company's contributions are targeted towards the politicians that are in the position to do it the most good. For example, Lockheed Martin served as one of a select group of corporate sponsors that pitched in \$60,000 each to support the "Lott Hop," a dance party fundraiser that was held in honor of then Senate Majority Leader Trent Lott during the Republican convention in Philadelphia in the summer of 2000.

Lockheed Martin was the top corporate contributor to members of the House Armed Services Committee during 1999/2000, and among the top ten contributors to the powerful House Appropriations Committee. The company has strong ties to both major parties. Lockheed Martin Vice-President Bruce Jackson was a top fundraiser for the Dole for President campaign in 1996, and he was the chief drafter of the foreign policy platform of the Republican party for the year 2000 elections. Meanwhile, former Lockheed Martin board member and major shareholder Bernard Schwartz, the CEO of Loral Space, was a top soft money donor to the Democratic Party during the 1996 and 2000



presidential elections, contributing \$601,000 and \$1.1 million to Democratic committees during those election cycles, respectively.

CIVILIAN CONTRACTS

Although Lockheed Martin relies heavily on government military contracts for its business base, the company does have numerous civilian government contracts. As part of an effort to diversify its business base, the company has been aggressively seeking data processing and other service contracts at the federal, state, and local levels. Among the government agencies, which have contracted with Lockheed Martin's Information Management Systems (IMS) division, are the Internal Revenue Service, the U.S. Census Bureau, and a number of state and city governments.

Lockheed Martin's civilian contracts cover a wide range of services, from tracking down "deadbeat dads," to processing foster care payments, to training job recipients under "welfare-to-work" programs, to collecting parking fees in major municipalities. Activists in Texas and California have targeted Lockheed Martin's role as a major weapons contractor to protest its involvement in human services projects: the company's failed bid to take over the Texas welfare system was foiled in part by a series of radio ads produced by the Texas State Employees Union which used the punch line "do you want the company that gave us the \$3,000 toilet seat to run public services in the state of Texas," with the sound of a toilet flushing in the background.

GLOBAL PRESENCE

Lockheed Martin's most significant global presence stems from its role as the world's largest arms exporting company. Its most lucrative export item is the F-16 combat aircraft. The company has sold over 3,000 F-16s to overseas customers since the mid-1970s, and the client list for the plane includes Israel, Turkey, Pakistan, Indonesia, Taiwan, South Korea, Thailand, Egypt, and Venezuela. Lockheed Martin F-16s are co-produced in 10 countries, including Turkey, where an F-16 assembly line in Ankara employs 2,000 workers.

In late 2001, the company won what has been touted as "the largest defense contract in history," a \$19 billion development contract for the \$200 billion Joint Strike Fighter program. Plans call for producing

variants of the JSF for the U.S. Air Force, Navy, and Marines, as well as for the Navy and Air Force of the United Kingdom. Other countries that have been discussed as potential customers for this "world aircraft" are Germany, Turkey, and Israel.

Former company CEO Norman Augustine was a major lobbyist on behalf of the more than \$7 billion per year in grants and subsidized loans that the U.S. government provides to U.S. arms exporters each year to help them hawk their products around the world. Both Augustine and company Vice President Bruce Jackson have also been major supporters of the expansion of the North Atlantic Treaty Organization (NATO), in hopes of selling combat aircraft and other weapons systems to new NATO member states.

SOURCES:

- ◆ Company website, www.lmco.com
- ◆ Global Network Against Weapons and Nuclear Power in Space, www.space4peace.org

