

\$82M contract to add jobs at L-3 in Victor

By **ANDREA DECKERT**

L-3 Global Communications Solutions Inc. recently gained a multimillion-dollar contract, and leaders at the Victor-based firm expect to add nearly 20 positions as a result of the deal.

Late last month, the firm—part of L-3 Communications Holdings Inc.—said it had been awarded an \$81.8 million contract from Raytheon Australia to supply the Australian Defence Force with satellite communications equipment, additional support equipment and training.

The contract is for the firm's Hawkeye and Panther terminals and includes the option to purchase additional terminals and equipment, the company said.

"We're very excited," said Robert Jacobson, president of L-3 GCS and L-3's Tactical Satcom sector.

The contract is a follow-on order to one the local firm received a few years ago, and it will not be the last one. Jacobson expects another, though smaller, order from the Australian agency later this year.

The current order is for L-3 GCS's entire product line, with a range of terminal sizes. All are designed and manufactured at the Ontario County site, he said.

The firm started making the products immediately after the contract was awarded. It expects to start deliveries this month and continue throughout the year, Jacobson said.

It also will lead to more local jobs at L-3 GCS, which employs 166 workers in Victor.

L-3 GCS already has hired some engineers and expects to fill additional engineering positions this year. Jacobson ex-



Photo courtesy of L-3 GCS

Robert Jacobson

pects the job additions to be in the high teens. It also will add several assembly positions this year as the order production ramps up, he said.

Jacobson said the Australian military chose the firm for a number of reasons, including its reputation with the U.S. Department of Defense for quality, performance and reliability.

L-3 GCS supplies deployable satellite communications products, systems and air-time for governments, broadcast media, insurers and other commercial customers. The products are used by the Department of Defense and Department of Homeland Security, as well as other federal agencies.

Frank York founded the company in 1995 as Global Communications Solutions Inc. after working for 18 years at Harris Corp.'s RF Communications division in

Rochester as a design engineer, director of product management and director of U.S. government sales.

In 2007, GCS was acquired by New York City-based L-3 Communications Holdings Inc. (NYSE: LLL).

The local arm of L-3 is part of the L-3's Communication Systems' segment, which logged sales of nearly \$1.98 billion in 2014, making up 16 percent of L-3's overall annual sales. L-3 logged \$12.1 billion in net sales in 2014.

The results were down 9 percent from sales of \$2.18 billion in 2013, largely because of decreased spending from the Defense Department.

Zack's Investment Research said in a recent report that despite the shrinking Pentagon funding over the past few years, L-3 shows promise given its diversification and emphasis on shareholder value.

Jacobson said the shrinking Defense Department budget has been one of the firm's biggest challenges, but its efforts over the past four years to expand international sales have helped offset that loss.

International business makes up some 20 percent of business for L-3 GCS, and that number is expected to increase, Jacobson said. In addition to Australia, the firm is seeing growth in the Middle East.

He also expects domestic business to tick up as the need for newer equipment in the United States rises after declining for the past few years. To meet those needs, L-3 GCS continues to develop new products that are faster, lighter and more efficient than previous offerings, he said.

"There are many opportunities for growth," Jacobson said.

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