



A NATIONAL COOPERATIVE



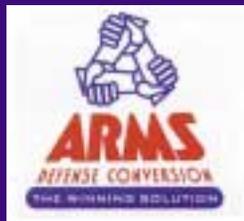
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Fall 2000

ARMS ON TRACK!

The "Iron Horse" played a paramount role in paving the way for growth and development of the western frontier during the 1880's. During the country's periods of national military conflicts during the 1900's, rail transportation was the method normally used for shipping defense products.



The second contract utilizes Building 100, a heavy maintenance work shop, for the purpose of railcar repair and also permits use of the site's rail network for railcar storage. The facility is currently storing in excess of 1,200 empty railcars and is

Just as corporate business climates have seen changes through the years, so has the role of the rail infrastructure at the ammo plants. AAP's were originally established because of their strategic location to rail. All of the AAP's that have rail now, have a rail tenant. While rail provides a means of transportation for products, the role of the rail tenant has been expanded to include services such as onsite switching, railcar repair, railcar storage, and more. The following stories tell how the switches on some tracks at a number of the AAP's have been thrown to a new route!

BAE Systems joined Kingsport Railcar Services (KRS) to form a joint venture which will store empty railcars at the Holston Army Ammunition Plant facility and created 20 new jobs. The agreement marked BAE Systems' first commercial development at the plant.

BAE Systems awarded two five-year contracts to Kingsport Railcar Services. The first is for operation and maintenance of the total rail network at Holston AAP. The contract includes routine inspection, maintenance and repair of the rail infrastructure as well as control of all railcar movements.

responding to a regional demand for rail storage capacity. These contracts and the relationship being built between BAE Systems and KRS, represent the beginning of a plan to make the Holston site a "one-stop shop" for all railcar servicing, maintenance and repair requirements in the region.

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BAE Systems Director of Strategy Tony Hewitt announces the company's first commercial venture at the ammunition facility. Tennessee Commission for Economic & Community Development, Bill Baxter (right) and Lt. Col. Gary Wallace (left) join Hewitt in making the announcement. Kingsport Railcar will be the first of many commercial developments at the site.



INCUBATING BUSINESSES..... GETTING NEW GROWTH OUT OF AAP's!

One of the purposes of the original ARMS Initiative and subsequent legislation is to provide small businesses with incentives that encourages those businesses to undertake manufacturing and other industrial processing activities that contribute to the prosperity of the United States. This contribution enriches community economic growth, and benefits the Army. One way to promote this growth is to assist with new business start-up companies and lend a hand in exploiting new technologies. One way to accomplish this objective is by setting up business development centers that house business incubators. Some centers come complete with expertise in the "how-to's" of setting up your own business!

What constitutes a business incubator? As the name indicates, a business incubator exists to nurture business growth. Planting seeds of business growth in communities is most important to generate new business buds; it could also help sustain current economic growth. Business development centers with business incubators can usually provide services that start-up companies need to become established.

AAP's offer idle site facilities to entrepreneurs and these facilities often come complete with land, buildings, equipment, utilities, communications, transportation and in some cases, skilled workers.

The Mississippi Enterprise for Technology, Inc. (MsET), located at John C. Stennis Space Center, is a



***A Small Business Incubator Was Opened July, 2000
In Building A-100 at Louisiana AAP***



***Stennis Technology Enterprise Center
Technology Incubator At Mississippi AAP***

private, non-profit organization dedicated to creating high-skill, high-wage jobs in Mississippi. MsET helps industry utilize the scientific and technical expertise, facilities and other resources of NASA, the U.S. Navy and their prime contractors, as well as federal laboratories, the Mississippi Department of Economic and Community Development, and Mississippi colleges and Universities. MsET operates a full-service, NASA - sponsored incubator program and partners with the Mississippi Space Commerce Initiative to develop remote sensor companies in an industry cluster at the Stennis Space Center.

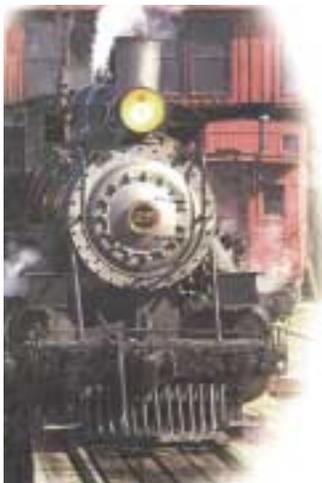
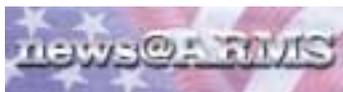
MsET is currently operating at full capacity and houses 19 tenants: 14 commercial companies and 5 government/university related initiatives. These groups employ over 90 talented professionals. During the past year, program value has exceeded \$7 million. In June, one of their-client companies, AstroVision, received \$5 million in venture capital funds.

RONA (Royal Ordnance of North America) will be establishing the Holston Business Development Center at Holston AAP. This will be a community partnership effort between the City of Kingsport and Hawkins County. The facility will have a 13,500 square foot incubator that will accommodate up to 24 new business start-ups. The facility is currently under construction with completion scheduled in the third quarter of 2001.

Both Milan and Iowa AAP's are planning to have active business development centers. Centers were established at both the Indiana and Volunteer AAP's.

AAP facilities are making a business difference!!

-ARMS On Track... continued from Page 1



Sierra Railway Company

The Riverbank AAP (Riverbank Industrial Complex) located in Riverbank, California, signed a rail contract in April 2000, with their on-site tenant rail company, Sierra Railway Company of California.

The Sierra Railway Company has been incorporated in the state of California since 1897; it leases four and a half miles of Class I tracks in the Riverbank facility. The company is responsible for track maintenance within the site and will be providing switching services to existing tenants and Norris Industries from the Riverbank yard. Future rail plans include using the site as a transloading facility, a rail storage facility as well as other rail options that are being aggressively explored.

American Ordnance LLC (AO) is facility manager at both Iowa and Milan Army Ammunition Plants. The Iowa AAP has 203 miles of on-site track and can provide for bulk reloading and transfer of products. The Milan AAP has 86 miles of on-site track along with one switching yard, and has railcar storage capacity for approximately 3,000 cars. Milan provides support to munitions and explosives components production lines and to the rest of the facility. Rail storage at Milan is currently contracted with East Camden and

Highland Railroad. Rail and railcar maintenance facilities are also located at both sites.

The exciting possibility of a Shot, Blast and Paint facility at Holston in 2001 is currently being explored.

Rail facility use contracts have also been signed at Indiana, Volunteer, Kansas and Sunflower, and one is being negotiated at Radford AAP in Radford, Virginia. Successful rail businesses at AAP's include railcar repair, maintenance, dismantling, re-selling components and metal scrap.



U.S. Army's "Iron Horse"

It's a new millennium and yet, the "Iron Horse" continues to play a major role in the growth and re-development of the AAP's through the ARMS Program.



www.openterprise.com -
See The New Look!

Operation Enterprise, the national advertising program for ten U.S. Army Ammunition Plants, includes a world-wide website.....

www.openterprise.com

All sites were recently asked to submit updated material to make www.openterprise.com current. From the submitted information, the website presentation was improved to be current, informative, and easier to navigate.

Contributions in updating information, submitting story material, such as new tenant stories, or suggestions for improvement for format are always welcome.

Please feel free to submit material at any time to **1-800-797-7483** or email to:

govops@openterprise.com

Let the website work for you. Openterprise.com is a tool of Operation Enterprise that allows prospective clients to learn of the ARMS Program and visit the ten individual sites via cyberspace.

"News@ARMS" is a publication of Operation Enterprise that shares ARMS Program AAP site news. This newsletter is available in both printed copy and through the website. To obtain printed hard copies, please contact Mr. Doug Borgeson at the OSC office, phone 309-782-6115, email: BorgesonD@osc.army.mil.

OPERATION ENTERPRISE: Taking The Show On The Road...



Operation Enterprise was a recent participant in Milan, Tennessee's 'No-Till Field Day'

One marketing tool used to introduce Operation Enterprise to target markets is participation in trade shows and exhibits.

Recent participation included:

- The 2000 Midwest Job Shop Show held in Louisville, KY. Over 3000 people attended this exhibition dedicated to contract manufacturing. Rock Island Arsenal representatives assisted Operation Enterprise personnel at this national event.
- The University of Tennessee sponsored its national 20th No-till Field Day on July 27, 2000 in Milan, Tennessee. Operation Enterprise **planted** its booth and explained the business benefits of locating at AAP sites. Over 5,000 representatives of the agricultural community attended this event.

RIVERBANK INDUSTRIAL COMPLEX GETS NEW TENANT!



California Highway Technology, a subsidiary of Dayton Superior Corporation of Miamisburg, Ohio, recently opened a manufacturing plant at the Riverbank, California facility. Dayton Superior is the nation's largest maker of products used in concrete construction. The production line is located in a 54,100 sq. ft. facility at Riverbank Industrial. Approximately 50 employees shall produce steel products for use as load transfer devices, including encased baskets to strengthen roads, bridges, and overpasses.

California Highway Technology doesn't build bridges or roads - it just makes them stronger and safer!!



*Operations Support Command
The ARMS Team
Rock Island Arsenal
Rock Island, Illinois 61299-6000*

POSTAGE

**News@ARMS is On The Worldwide Web!!!
www.openterprise.com**

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