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**North Carolina Announces \$2 Million Grant to Help Businesses
Impacted by Defense Cuts**

FOR IMMEDIATE RELEASE

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Raleigh: North Carolina has won a grant worth nearly \$2 million from the U.S. Department of Defense to help North Carolina businesses and communities impacted by reductions in defense spending, Military and Veterans Affairs Secretary Larry Hall announced today.

In commenting on the grant, Governor Roy Cooper said “We’re proud to be the most military-friendly state in the nation and recognize that the businesses and people supporting our men and women in uniform are an economic engine across North Carolina. Therefore, it is crucial that we take steps to create jobs and encourage businesses to grow throughout our military communities.”

“North Carolina is proud to be the home to so many businesses and people who work to support our military,” Secretary Larry Hall said. “The defense sector is the second largest driver for North Carolina’s economy, and this grant can help these businesses find new ways to thrive in our state.”

North Carolina will use the grant from the U.S. Department of Defense (DOD) to devise a plan to help lessen the impacts of defense cuts resulting from the 2011 Budget Control Act. Data on defense spending collected by the DOD Office of Economic Adjustment for Fiscal Year 2015 show that prime defense contracting activity in North Carolina has decreased by \$1 billion since 2011.

NC State University’s Industry Expansion Solutions and the North Carolina Department of Military and Veterans Affairs will team up to use the grant to help defense related businesses that want to diversify or expand into new markets.

The grant will fund a supply chain study to analyze the economic challenges and opportunities for North Carolina's defense sector, with the goal of identifying products that are currently imported into the state but have the potential to be procured locally in North Carolina.

The grant will also fund a pilot project led by NC State to deliver direct services to small and medium sized businesses in the defense sector to help them thrive.

In addition, the grant will be used to catalog existing resources and programs available so defense sector businesses in North Carolina can be matched with services they need to reduce their dependence on the defense budget.

North Carolina's project will culminate in a plan to promote growth for small to medium sized defense-sector businesses and reduce vulnerabilities facing the defense supply chain in North Carolina.