

Marines, Pelatron close to new deal

Contractor could add as much as 22,000 sq. ft. of warehouse space

BY MARK ABRAMSON
PACIFIC BUSINESS NEWS

Pelatron wants to add as much as 22,000 square feet of warehouse space — almost double the size of its current facilities near Honolulu International Airport — and continue to hire in anticipation of getting a new contract from the Marine Corps.

The fast-growing Honolulu-based defense contractor is negotiating to supply more of its mobile Network on the Move, or NOTM, units that the Marines use to monitor battlefields, communicate and do other essential functions. The equipment can be transferred to different vehicles, and it offers mobile capabilities that the service didn't have before.

Three of the units have been used in



Lehua Hutchinson, right, a quality control technician for Pelatron, inspects cables at the company's airport facility as Quality Control Officer Eric Kim looks on. The company makes battlefield-monitoring equipment.

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PELATRON: Company eyes broader sales opportunities

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Afghanistan for the past three years, and the Marines say not only are they impressed with the technology, but more units are needed. A new contract is expected to be awarded by Oct. 19, said Basil Moncrief, Marine Corps Systems Command's project manager. He could not say how many more units the Marines will buy in addition to the 32 it already has purchased, nor would he say how much the contract might be worth.

Moncrief is in Hawaii this week to work with Pelatron on the contract.

"I would say based on Pelatron's proven performance, they are front-runners in the technology," he said. "From a business standpoint, we are very happy with our business relationship with Pelatron. They are a small, agile company that has been in this technology for years."

In 2011, Pelatron was ranked as the No. 1 fastest-growing small business in Hawaii, according to PBN's annual Fastest 50 awards program. Last year,

Pelatron

Defense contractor

Top Executives: Chairman and CEO Thomas Aimoku McClellan; President and Chief Operating Officer Harvey Kim

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the privately held company reported sales of \$12 million, an increase of 392 percent from 2008.

The company is continuing to add employees, with plans to grow its headcount from 125 to 200 at the peak of the Marine Corps work, Senior Vice President Bronson Aken said. This is the largest project Pelatron is involved in.

The company also wants to add the space as close to its current location as possible to keep the business in one place, and it believes that is possible, he said.

The company believes that its work with the Marines will lead to other op-

portunities.

"Where this has taken us, it has put us on the map in Hawaii," Chairman and CEO Thomas Aimoku McClellan said.

The Native Hawaiian-owned business got the initial contracts for NOTM by working with the Office of Naval Research to develop the technology at a cost of about \$15 million.

Because of the Marines' tight timeframe to deploy this mobile battlefield technology, officials have been able to get the Navy to approve going forward without a traditional bid process for the next contract, Moncrief said.

Pelatron officials said they believe the Marines could be in the market for as many as 50 units or as few as 16. The company and Marines recently finished a contract to provide 16 units at a cost of \$32 million.

Pelatron also is hoping to grow its business for this military technology, and is inviting other branches of the military to observe the testing of its technology, Aken said.

In addition to the possibility of sales to

other military branches, U.S. allies could be interested in the technology as well.

The other services have shown interest, but there haven't been any formal agreements signed between the Marines and those branches for Pelatron's technology, Moncrief said.

"We anticipate that there will be some interest in the future," he said.

Dan Goure, vice president of the Lexington Institute, a military think tank in Arlington, Va., told PBN in April that he sees a market for "thousands of these" systems, especially when sales to foreign countries are factored in.

"I definitely think there is a market for it," Aken said about foreign sales.

But he said he doesn't know what countries would be in the market.

The project also has led to some opportunities for Pelatron to do contract manufacturing for other companies, McClellan said. For example, a company in Taiwan is interested in having Pelatron assemble solar panels.