

Board of Directors Quarterly Meeting Minutes
Virginia National Defense Industrial Authority

Defense Supply Center Richmond
Building #34, Conference Room One
Richmond, Virginia
October 17, 2007

The Hon. Joe R. Reeder, Chairman, called the meeting to order at 10:10 a.m. and welcomed the authority board members, staff, and guests in attendance.

Other authority board members present:

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| Gen. John N. Abrams, USA (Ret.) | Rear Adm. John G. Hekman, USN (Ret.) |
| Mr. John B. Adams | The Hon. John W. Knapp, Sr. |
| Mr. G. William Beale | Maj. Gen. Robert B. Newman, Jr., VaNG |
| Mr. Mark D. Betts | Dr. Roseann O'Reilly Runte |
| Rear Adm. Robert R. Fountain, Jr. USN (Ret.) | Mr. Kurt H. Tripp |
| Gen. Richard E. Hawley, USAF (Ret.) | Mr. William L. Welch |

Board members absent:

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| Adm. Donald L. Pilling, USN (Ret.) | Mr. Cord A. Sterling |
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Chairman Reeder introduced Col. Gary Wiest, Deputy Commander for Operations at the Defense Supply Center Richmond. Col. Wiest welcomed the board to the DSCR, and Chairman Reeder thanked him for the use of the meeting space and the assistance of the DSCR staff.

Ms. Reta Busher resigned from the authority in September, leaving a vacancy in the vice chair position. Dr. Runte nominated the Hon. John Knapp for the position, and Gen. Abrams seconded the nomination. Mayor Knapp was elected vice chair by a unanimous vote of authority members present. Ms. Busher's departure also left the Grants Review & Oversight Committee chair vacant. Mr. Tripp nominated Mr. Welch for the position. Mr. Beale seconded the nomination, and Mr. Welch was elected by unanimous vote of authority members present.

Chairman Reeder presented the July 18, 2007 VNDIA meeting minutes for approval. There being no changes or additions noted, Gen. Hawley moved that the minutes be approved, Mr. Adams seconded the motion, and the minutes were approved by unanimous vote of authority members present. Mr. David Dickson, VNDIA Executive Director, introduced Mr. Stan Scott. Mr. Scott joined the VNDIA staff as the Military Projects Manager on July 26. He is retired from the Army and now working on his doctoral thesis in international policy from George Washington University.

The first guest speaker, Mr. Alfonso Lopez, Director of the Virginia Liaison Office, reviewed his office's responsibilities in Washington, D.C., and spoke about how the Liaison Office and VNDIA can work together. Mr. Lopez said that he is currently looking for "priority requests" for congress, and would welcome input from VNDIA regarding the needs of Virginia's military installations. Gen. Abrams noted that the state has made significant contributions to education

and technology, which have great value to the intelligence and defense communities. Often these contributions are not adequately publicized or conveyed, and therefore the list of Virginia's current contributions to the military reads as more legacy than forward thinking. Dr. Runte added that the Virginia Modeling, Analysis and Simulation Center (VMASC) is located near JFCOM and several defense contractors by design, and therefore must remain supported by the state in order to help retain the federal investment represented by the command. Discussion followed on Sen. John Warner and his leadership on military issues, and on the need for other members of the Virginia delegation to fill the void that will be created by his January 2009 retirement.

The next presentation was given by Col. Gwen Bingham, Garrison Commander at Fort Lee. Based on orders from 2005 BRAC, Fort Lee's will essentially double in size, with building space increasing from the current 7.5 million square feet to 15 million square feet in 2013, and daily population going from the current 16,000 to more than 32,000 in 2011. The installation is ahead of others in submitting requests for funding, and has therefore been one of the first to receive construction money. Col. Bingham is confident that construction will be completed in time for the additional personnel, as long as the flow of money continues.

Additional discussion focused on the surrounding communities (Prince George, Dinwiddie and Chesterfield counties and the cities of Petersburg, Hopewell and Colonial Heights) and their ability to prepare for the growth. Fort Lee is working very closely with the entire region, through organizations such as the Crater Planning District Commission (PDC) to ensure that all stakeholders have a clear understanding of what needs to be done. Mr. Dennis Morris, Director of the Crater PDC, added that a municipal planning organization (MPO) of regional communities has invested \$5 million to prepare for the growth, as they are confident that increased construction, population and tax base will allow them to recoup this investment. Fort Lee is also working closely with the Prince George County school system to identify necessary improvements. Fort Lee resident students all go to Prince George County schools, and while a location has been reserved on post for possible school construction, Col. Bingham anticipates that this will not be necessary.

The final presentation was given by board member and Adjutant General of Virginia Maj. Gen. Robert Newman. Maj. Gen. Newman reviewed the state and federal missions of the state's reserve component military. The Virginia National Guard has 48 locations state-wide, with nearly 9,000 personnel assigned. Currently, over 2,200 are deployed, including more than 1,600 in support of Operation Iraqi Freedom. A recent move by the 192nd Fighter Wing from Sandston, Va. to Langley AFB was completed with minimal issues. Both the state's Air and Army National Guard met or exceeded their recruitment goals this past year.

Gen. Abrams reported on the Strategic Planning Committee. Prior to the board meeting, the committee met with Mr. Bill Harvey of Public Private Solutions Group, Inc. to discuss the progress of BRAC-related analysis work. The current data that the Authority is using is from 2005 and therefore dated, and this work will help update information and develop a more accurate big picture of the state's installation strength and vulnerabilities. This basic research document will serve as a springboard for the committee to develop a strategic plan moving forward. Mr. Betts then commented on his efforts to serve as a catalyst in Northern Virginia to create a regional military affairs council.

Next, Vice Chair Knapp reported on the Local Coordination, Communication & Support Committee. This past quarter the committee made three installation visits – to Fort Myer, Naval Support Facility Dahlgren and Fort A.P. Hill. Summaries of the visits have been provided to the board. The next scheduled visit is to Marine Corps Base Quantico on October 24. Five additional visits will be scheduled for the remainder of the year, completing the 24-visit goal of the board.

Mr. Welch then reported on the Grant Review & Oversight Committee. The entire \$25 million Military Strategic Response Fund has been allocated. The money will leverage an additional \$50 million in local match, funding programs totaling more than \$75 million. Staff has surveyed relevant localities, and the committee has determined that a need still exists for approximately \$5 million in discretionary funding for each year of the biennium, in addition to continued support of Virginia Beach's efforts to retain NAS Oceana and a need in Arlington County to assist with the retention of DARPA. VNDIA has been working with the Secretary of Finance and other key individuals to address the continuance of the grant program.

Mr. Dickson presented the Executive Director's report. Work to secure a Freedom of Information Act (FOIA) exemption is progressing. VNDIA has met with the executive directors of the Virginia Press Council and the Virginia Freedom of Information Advisory Council, and final language is being developed. Efforts to incorporate staff benefits into the authority's enabling legislation have proven difficult. In support of continuing the efforts, Mr. Welch moved the following:

Be it resolved by the Virginia National Defense Industrial Authority that the Executive Director continue to seek out options for providing retirement and health benefits for the employees of the authority. And, if necessary, to find sponsorship from a member of the state legislature to codify the current employee benefit practices now found in the current Budget Bill regarding authority employees.

Rear Adm. Fountain seconded the motion, which passed by unanimous vote of those present.

Along with all other state agencies and authorities, VNDIA reduced its budget by 5% to help address the state's budget shortfalls. This did not affect recently awarded grants. The first meeting with the Virginia Congressional Staff was held on October 10 to discuss VNDIA's role and issues specific to several installations. Finally, staff will follow up with board members in this fall to determine 2008 quarterly meeting dates.

Seeing no additional items of business, Gen. Hawley moved to adjourn, Rear Adm. Hekman seconded, and, with unanimous vote, Chairman Reeder adjourned the meeting at 1:03 p.m.