

Defense *advocate*

December 2011

Chairman's Message

It is with great anticipation that I begin my service as Chairman of the Virginia National Defense Industrial Authority (VNDIA). I am honored to have been elected to this post by my fellow board members. Having served on the board since the organization was created by the 2005 Session of the Virginia General Assembly, I have seen the mission expand from guiding the Commonwealth through the 2005 BRAC actions to becoming a competitive necessity for Virginia as we face significant federal budget cuts, future base realignment and closure rounds, and intense state competition for shrinking defense dollars. Over the past six years, VNDIA has worked diligently to build strong relationships with installation commanders, defense community leaders and our congressional delegation. U.S. Department of Defense expenditures now exceed \$57 billion annually in the Commonwealth and remains Virginia's largest employer. Accounting for over one-seventh (13.9%) of Virginia's gross state product, this industry sector is vital to the continuing health of our economy and the employment of thousands of Virginians.



RADM Robert R. Fountain, USN (Ret.)

The Commonwealth realized a number of gains during the 2005 BRAC round, much at the expense of competing states. This fact was not lost, and we now see competition intensifying among states that covet Virginia-based missions and commands. Florida, for example, which in the past has competed aggressively for Oceana Naval Station and one or more of our Norfolk-based carriers, has now committed \$5 million and established a task force modeled after VNDIA in preparation for the fallout from coming federal budget reductions. Facing new uncertainties, VNDIA's 18-member board of military and community leaders and our experienced staff, will continue efforts to support Virginia's position as the top state for defense investment. In the coming months, we will maintain our vigorous schedule of on-site visits to installations (77 visits to date), collect and analyze data to support competitive arguments for bringing and keeping defense work in the Commonwealth, and diligently administer the remaining Military Strategic Response Fund grants dedicated to community projects. We welcome your comments and suggestions as we serve the Commonwealth.

VNDIA Committee Briefed by Current Command at Naval Weapons Station Yorktown



On the 21st of November, VNDIA Local Coordination, Support & Communication Committee (LCSC) members Rear Admiral Robert R. Fountain, U.S. Navy (Ret.), The Honorable Craig W. Duehring, and Mr. Jeffrey Wassmer travelled to Naval Weapons Station Yorktown (WPNSTA Yorktown) for a meeting with the installation and tenant commanders and tour of WPNSTA Yorktown and Cheatham Annex, an adjacent installation operated by WPNSTA Yorktown. Along with VNDIA staff, they were joined in the meetings by Mr. Keith Boswell, Managing Director of Federal Strategies for the Virginia Economic Development Partnership.

Occupying 13,894 total acres, WPNSTA Yorktown is the fourth largest naval installation in the United States and spans three counties: James City County, York County, and New Kent County. Forty percent of the installation is in York County and over 60% of the historical land in York Co. is located within the gates of WPNSTA Yorktown. Because no mechanized farming was ever performed on these grounds, much of the land has been preserved over the years and has become a valued resource for historians and archeologists seeking to uncover artifacts from

America's early history. WPNSTA Yorktown provides over 90,000 tons of ordnance to warfighters annually via Navy Munitions Command (NMC) and is home to 33 tenants including Naval Expeditionary Combat Command (NECC), Naval Expeditionary Medical Support Command (NEMSCOM), Naval Ophthalmic Support Training Activity (NOSTRA), Military Sealift Command (MSC), Radiological Affairs Support Office (RASO), Submarine Torpedo Facility (SUBTORPFAC), and Marine Corps Security Forces. WPNSTA Yorktown's direct economic impact on the Commonwealth of Virginia is \$326 million annually.

During the briefings, discussion included several encroachment issues involving WPNSTA Yorktown, Colonial Parkway, and the National Park Service as well as an exclusive waterway usage dispute over two waterways which run through restricted areas of the installation. WPNSTA Yorktown, The National Parks Service and the VNDIA board believe it is essential that the installation gain exclusive waterway usage of the streams running through the installation not only to preserve the safety of both people and indigenous wildlife but to maintain the security of the installation as these waterways would provide access to secret areas of the installation. If the installation is not granted exclusive usage of these waterways, it will be forced to construct fencing and surveillance along the waterways which would increase base operational costs and endanger the natural habitat. VNDIA will be working with other state entities to ensure that measures are taken to ensure that WPNSTA Yorktown is protected. The installation is clearly a vital economic driver for the state and performs many missions essential to the defense of our nation.

Board Member Profile



The Honorable Mark A. Caruso

VNDIA welcomes The Honorable Mark A. Caruso to its board of directors, an elected local official and representative of Southwest Virginia. A native of Norton, Virginia, Mark graduated from J.I. Burton High School. He was designated a Distinguished Military Graduate and commissioned as a 2nd Lieutenant of Infantry in the Regular Army in 1985. He is a Cum Laude graduate of East Tennessee State University with a degree in History. Mr. Caruso holds a Masters Degree in International Relations from Troy State University and a Masters in Military Operational Art and Science from the United States Air Force, Air University. His many honors and decorations include the Bronze Star, the Meritorious service Medal with oak leaf cluster, and the Joint Service Commendation Medal. Over the course of his military career, he served in Panama, Honduras, Peru, Alaska, England, Bosnia, Saudi Arabia, Iraq, and Korea. He retired from active military service in 2005. He previously chaired the Military Science Department at Louisiana State University. Mr. Caruso is now the owner of Pathfinders Outdoor Adventures, LLC, an outdoor recreation facilitator. Pathfinders provides individuals, youth, or groups with Basic Firearms Instruction, training in personal protection, map reading & land navigation, wilderness survival skills, and guided hikes along scenic trails in Southwest Virginia. He serves as a City Councilman for the City of Norton and as an instructor for the Thomas Walker High School Army ROTC program.

"Mr. Caruso brings the voice and solid understanding of Southwest Virginia's resources to VNDIA. This greatly enhances our ability to find new opportunities for Defense Department activity beyond the I-95/I-64 corridor. We will be working hard to bring new jobs and opportunities to the region,"
Stan Scott, VNDIA Executive Director.

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Seeking Opportunities for Defense Investment in SW Virginia

According to a Bloomberg Government report issued in November 2011, the Department of Defense now spends almost \$60 billion dollars in the Commonwealth of Virginia, with more than half of the total on contracts for goods and services. While this accounts for nearly 14% of Virginia's Gross State Product, most goes to communities along a crescent of military activity stretching from Northern Virginia along Interstates 95 and 64 to Hampton Roads. This is understandable given Virginia's natural advantages: proximity to the National Capital Region and the location of a deep water port in Norfolk. This, however, does not mean that assets in other parts of the Commonwealth cannot contribute to the defense industrial base in Virginia.

To begin collecting data on ways to expand defense investment outside this "Defense Crescent," Authority Board Member Mark Caruso and VNDIA Executive Director Stan Scott conducted a fact-finding visit to the LENOWISCO Planning District Commission in October and met with Commission Executive Director Glen "Skip" Skinner and economic development officials from Lee and Wise Counties, the City of Norton, and the Virginia Coalfield Economic Development Authority. Senator Jim Webb and Congressman Morgan Griffith were also represented in the meeting.



Stan Scott meets with Skip Skinner

The Southwest region of Virginia boasts a wide variety of natural assets and industry with potential value to the Department of Defense. Officials briefed the group on the broad range of businesses poised to seek defense contracts, including private data centers and manufacturers ranging from heavy machinery to surgical and other medical supplies, as well as biofuel processing and lumber. The group also explored the possibilities of bringing noise-intensive defense work, such as jet engine testing, to a region that can offer remote and sparsely populated property.

Assets unique to the region include airports with runways of 5,000 to 5,400 feet surrounded by developable land and mountainous terrain for unmanned vehicle testing of all kinds. The region's advanced broadband communications infrastructure sets the conditions for construction of defense data centers, and an available depleted limestone mine has potential as a hardened site. The University of Virginia's College at Wise offers educational opportunities for defense workers and their families, as well as state-of-the-art workforce training to support an expanded defense industrial base in Southwest Virginia.

Our visit to the area shows that the Commonwealth can support a robust defense industrial base outside the I-95/I-64 corridor. Southwest Virginia offers both hard assets and a trained and enthusiastic work force to support the national security mission. The Virginia National Defense Industrial Authority Board will continue exploring the assets available to the defense industry in all regions of the Commonwealth and working with local and regional officials to find new opportunities to leverage these assets. VNDIA is committed to maintaining Virginia's place as the "Top State for Defense Business."

VNDIA Staff

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VIRGINIA National Defense
Industrial Authority

Next Scheduled Meeting:

January 11, 2012 at 10:00 a.m.

Virginia Economic Development Partnership

901 E. Byrd Street., 19th Floor

Richmond, VA 23219