

Board of Directors Quarterly Meeting Minutes
Virginia National Defense Industrial Authority
Virginia Modeling, Analysis & Simulation Center
Suffolk, Virginia
July 20, 2011

Acting Chairman G. William Beale called the meeting to order at 10:05 a.m., welcoming authority board members, staff and guests, and led the group in the Pledge of Allegiance. Dr. John Sokolowski, Executive Director of the Virginia Modeling, Analysis and Simulation Center (VMASC), also welcomed VNDIA board members to Suffolk.

Authority board members present:

Mr. G. William Beale	Maj. Gen. Daniel E. Long, Jr. (by phone)
The Hon. Mark A. Caruso	Maj. Gen. John P. McLaren
Rear Adm. Robert R. Fountain, Jr., USN (Ret.)	Col. William H. Parrish, USMC (Ret.)
Rear Adm. John G. Hekman, USN (Ret.)	Mr. Jeffrey D. Wassmer

Authority board members absent:

Gen. John N. Abrams, USA (Ret.)	Vice Adm. James D. McArthur, Jr., USN (Ret.)
Mr. John B. Adams, Jr.	The Hon. Cord A. Sterling
The Hon. James S. Cheng	Mr. Kurt H. Tripp
The Hon. Craig W. Duehring	Capt. Leonard P. Wales, USN (Ret.)
Mr. W. Taylor Franklin	Mr. William L. Welch

Acting Chairman Beale introduced new board members in attendance. Maj. Gen. John P. McLaren and The Honorable Mark A. Caruso were appointed by Governor McDonnell to serve through June 2017. Mr. W. Taylor Franklin, also appointed as of July 1, 2011, was unable to attend. Stan Scott, Executive Director, introduced Tom Waterworth, who will be joining the VNDIA staff on August 1, 2011. Tom joins VNDIA after having served as Military Student Services Coordinator at Virginia Commonwealth University. A discussion was held regarding the formal election of a Chairman with the expiration of Gen. Magnus' term. Mr. Beale suggested that a nominating committee be formed to include him and the three committee chairs. The committee would then contact board members to discuss their interest in serving as chairman. The results would be discussed at the October meeting and a formal election held at that time. In accordance with VNDIA Bylaws, Mr. Beale will continue to serve as chairman until such time. Mr. Beale asked members to consider the meeting schedule for 2012 and communicate preferences in an effort to avoid conflicts with other boards and standing commitments they may have. These scheduling issues will be considered as dates are set to maximize attendance at future meetings.

Chairman Beale then introduced Rear Adm. Walter Carter E. Carter, Jr. USN for a discussion of the impact of the disestablishment of the U. S. Joint Forces Command in Virginia. Rear Adm. Carter introduced his staff members present: Chuck Bradbury, Chief, Plans and Programs Division, Kathleen Jabs, Chief of Media Operations, and Brigadier Gen. John M. Murray who is taking the lead for training. Rear Adm. Carter announced that as of 30 June 2011, the Joint

enabling Capabilities Command is reassigned from U.S. Joint Forces Command to U.S. Transportation Command under his leadership. The JECC headquarters will remain in Hampton Roads.

Rear Adm. Carter discussed the rapid timeline the disestablishment process has been on since the announcement by Secretary of Defense Robert Gates in August of 2010. The scheduled completion date of August 31, 2011 includes both planning and implementation phases and required an intensive planning and coordination effort by the team assigned to the task. The command has focused on ensuring a smooth transition of the core joint missions which remain. Key functions, such as joint force provider, joint trainer and joint integrator are being realigned and reorganized under the Joint Staff. The 'endstate' will include a reduction in total personnel from 5,700 to approximately 3,200. In Hampton Roads more than 50 percent of the roughly 3,900 personnel will remain as well as 29 foreign liaison officers and several interagency personnel. The remaining organizations will occupy significantly less real estate, four building as opposed to twenty-one. All vacated office space has been leased, however, and six flag officers will remain. The Joint Staff Deputy Director for Joint and Coalition Warfighting will continue partnerships with industry and the modeling and simulation community. The process that has taken place within USJFCOM can be expected to be repeated as the Department of Defense (DoD) continues budget reduction and efficiency efforts. Transparency has been a priority during the process with great effort being made to give state and congressional leaders a voice. Rear Adm. Carter stressed the importance of the joint training component which will continue to be a fundamental element and critical to future capabilities.

Mr. Beale then introduced Ms. Julie Gifford, Regional Military Liaison to the Governor, for a discussion of the Virginia Regional Center for USJFCOM Workforce Transition and Business Development. Ms. Gifford discussed the Governor's response to the disestablishment of USJFCOM of which the Transition Center was an integral part. At the direction of the Governor, Secretary of Veterans Affairs and Homeland Security Terrie Suit's office quickly organized a coalition of support and submitted a request for grant funding to the Office of Economic Adjustment for the establishment of the Workforce Transition Center. Other partners include the City of Suffolk, Opportunity Inc. the Virginia Employment Commission, the Small Business Development Center, along with Tidewater and Paul D. Camp Community Colleges. Since opening, the center has served 600 dislocated workers. These numbers will grow as they continue to reach out to the total 1,900 workers being impacted. Efforts are being made to find ways to diversify the local economy and reduce dependence on defense activities. Efforts will include workers being displaced Dahlgren. Services to the Dahlgren workforce will be supported by the Fredericksburg Chamber of Commerce, University of Mary Washington, Rappahannock Community College and Spotsylvania County.

The final presentation of the morning was given by Dr. Sokolowski, Executive Director of VMASC. The university-level research center was founded in 1997. The center currently employs 20 researchers, 22 engineering service experts, 7 administrative staff members and two technical support professionals. Research is currently being sponsored by DoD, the Commonwealth of Virginia and private industry. Research expenditures are now exceeding \$7.0 million annually. VMASC has the following components; research, economic development and modeling and simulation education and workforce development. VMASC is a recognized leader in the modeling and simulation field and its multidisciplinary approach to M&S research, education and application. A solid working relationship has been built with military commands in the Hampton

Roads area which is expected to grow and strengthen in the future despite the changes at USJFCOM.

Rear Adm. Fountain, chair of the Local Coordination, Support & Communications Committee, reported on the July 12, 2011 visit to Naval Support Facility (NSF) Dahlgren. He was joined by Rear Adm. John Hekman, Mr. Kurt Tripp, Mr. Stan Scott and Ms. Cindy Arrington. The group was led on a tour of the new Mary Washington Research and Education Center by Dr. Mark Safferstone, Executive Director. This graduate-level scientific and technical curriculum will serve Dahlgren's on-base engineering population and contractor base. The center represents an academic partnership including Virginia Tech, UVA, ODU, George Mason, VCU and Naval Postgraduate School, with Mary Washington serving as the lead administrator. Construction is expected to be completed by October, with final interior/systems completed and operational by January. A ribbon-cutting scheduled for February 2012. The Center clearly represents a significant academic advancement in support of the highly educated workforce now required by Dahlgren.

Following the Mary Washington Center tour, the group was briefed by Mr. Scott Perry, Aegis Ballistic Missile Defense Program Technical Director. Mr. Perry described the highly successful extension of the capabilities of the current fleet Aegis Combat System. The Aegis Air Defense System continues to be supported in the Fleet by Dahlgren and a robust Aegis Training Facility offers initial and refresher training for officers, enlisted personnel and ally navy personnel.

Capt. Michael Smith presented a command overview of NSWCDD which was then followed by a tour of the Potomac River Test Range. Mr. Matt McQuage provided an update on the Directed Energy program. The visit concluded with a briefing on the changes underway related to the Joint Warfare Analysis Center by Col. Michael Orr, USMC. Rear Adm. Fountain announced that the next visits will be being scheduled at Yorktown and Northwest Annex.

Mr. Scott presented the Grant Review & Oversight Committee report in Mr. Welch's absence. During the quarter, staff worked with the Office of Planning and Budget to finalize the Memorandum of Agreement for the 2011 Virginia Beach encroachment grant. Work has begun on the review of the FY 2012 grant application from Virginia Beach for its sixth round of funding. Fairfax County filed a Final Report for all four of its infrastructure improvement grants. The final reimbursement is in process. Once final reimbursements are made to Fairfax County, the Military Strategic response Fund will have five remaining active grants. A total of \$43,041,134 (74% of the \$59,500,000 in appropriated funds) has been reimbursed and \$2,687 in unspent grant funding was returned by one grantee upon project completion.

Mr. Scott, on behalf of Strategic Planning Committee Chairman Sterling, discussed the draft 2012 Strategic Plan. The committee met in May to discuss the plan for the coming fiscal year. The draft being considered is the culmination of the committee work. The full board was asked to consider the draft, circulate any comments and/or suggested revisions in preparation for a vote on the final document the October quarterly board meeting.

Mr. Scott then presented the Executive Director's report. An update was provided on the Governor's Commission on Military Bases and National Security Facilities. VNDIA staff will continue to support the work of the Commission as requested. The Commission is scheduled to meet July 20, 2011 at 4:00 pm. The VNDIA board will be apprised of any changes subsequent to this meeting.

\$7.5 million funding for the 2012 grant to Virginia Beach is expected to be available since revenue collections have exceeded appropriations. Staff is working with Secretary of Finance Ric Brown on the release of funds. Mr. Scott also discussed the end of Office of Economic Adjustment funding for BRAC programs statewide. This will be watched closely to see where increased effort and activity will need to be directed. Mr. Scott continues to work with the Virginia Chamber of Commerce as a member of the Economic Development Committee and served as a speaker at their recent conference. The FY 2012 operating budget was discussed along with staffing changes. Tom Waterworth has been hired as Defense Research Manager and Cindy Arrington will move to a 32-hour per week schedule in September. As directed in the April meeting, contract proposals have been received from two firms to update previous research including an Economic Impact Study and an update of the VNDIA Strategic Document.

Mr. Beale announced that the next quarterly meeting will be held at the Jepson Alumni Executive Center at University of Mary Washington on October 19, 2011. The Fredericksburg Regional Alliance will be hosting a reception to welcome VNDIA board members to the area on the preceding evening. There being no further business, the meeting was adjourned at 1:05 pm.