

Board of Directors Annual Meeting Minutes
Virginia National Defense Industrial Authority
901 E. Byrd Street, 20th Floor Presentation Room
Richmond, Virginia
January 16, 2008

The Hon. Joe R. Reeder, Chairman, called the meeting to order at 10:05 a.m. and welcomed the authority board members, staff, and guests in attendance.

Authority board members present:

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

Authority board members absent:

Mr. John B. Adams	Adm. Donald L. Pilling, USN (Ret.)
Mr. G. William Beale	Mr. Cord A. Sterling
Vice Adm. James D. McArthur, Jr. USN (Ret.)	Mr. Kurt H. Tripp

Chairman Reeder reported on board personnel matters. The chairman has spoken with Adm. Don Pilling regarding the admiral's health and status on the board. The admiral has agreed to remain on the board until a replacement can be found. Dr. Runte has accepted a position as president of Carlton University in Ottawa, Canada, and will be leaving the board along with her position at Old Dominion University in July. Chairman Reeder thanked Dr. Runte on behalf of the board for her service. Dr. Runte suggested Dr. Mike McGinnis, Executive Director of the Virginia Modeling, Analysis and Simulation Center, as a potential candidate to continue her seat on the VNDIA board. Retired Vice Adm. James D. McArthur has been appointed to the board by the Commonwealth's Senate Rules Committee to fulfill the term of Chief Alfred Jacocks. A 1972 Naval Academy graduate, Vice Adm. McArthur retired in 2007 after 35 years as a naval aviator, and is now the vice president of Lockheed Martin's Center for Innovation in Suffolk, Virginia.

Chairman Reeder presented the October 17, 2007 VNDIA meeting minutes for approval. Gen. Hawley moved that the minutes be approved as presented, Mr. Welch seconded the motion, and the minutes were approved by unanimous vote of authority members present.

Chairman Reeder announced that he would entertain nominations for Chair and Vice Chair of the authority. Gen. Hawley nominated Chairman Reeder to continue his position, and Rear Adm. Fountain seconded the motion, which was approved by unanimous vote of members present. Rear Adm. Hekman nominated Vice Chairman Knapp to continue his position, and Maj. Gen. Newman seconded the nomination, which was approved by unanimous vote of members present. Chairman Reeder presented proposed changes in committee assignments, reminding the board that committee participation is essential to the success of the authority. The Chair asked for a motion, Gen. Abrams moved to accept the new committee assignments, and Rear Adm. Fountain seconded the motion. The members present voted unanimously in favor of the motion.

Chairman Reeder reviewed the remaining 2008 meeting dates: April 16, July 16 and October 15. Mr. Dickson began a discussion on locations for the meetings, suggesting Gen. Abrams' office in Arlington County and the Marshall Center at VMI as possible locations. It was the sense of the board that these locations would be suitable, at the normal start time of 10 a.m. Vice Chairman Knapp will inquire at VMI regarding the dates, and Mr. Dickson will notify the board once locations have been confirmed.

Mr. Dickson reported on legislative matters and the 2008 General Assembly. Governor Kaine's proposed biennium budget includes an annual operating budget for VNDIA of \$484,500. This is five percent less than the past years, but should not adversely affect operations. VNDIA employee benefits are retained in the language of the budget bill. Although Mr. Dickson originally sought separate legislation for employee benefits, he was advised that keeping them in the budget bill would be a better option at this time. Additional funding for the grant program (Military Strategic Response Fund) is found in Central Appropriations, and includes money "earmarked" for DARPA's retention in Arlington County (\$10 million) and NAS Oceana encroachment issues in Virginia Beach (\$15 million). The board had requested additional funding for balance of state programs, and while these are not included in the budget bill, they may arise through amendments sought by members of the legislature.

House Bill 520 sponsored by Del. Terrie Suit of Virginia Beach contains language that would provide VNDIA with a FOIA exemption for meetings and certain written material. VNDIA has met with the Virginia Press Association and the Virginia Freedom of Information Council regarding the language. Staff is monitoring all legislation that may impact the authority's work, and will provide a complete report at the April quarterly board meeting. Board members can let Patrick Tremblay know if they have specific legislation that they feel should be monitored and reported on. Dr. Runte expressed concern over legislation that would waive tuition for military and/or veterans at Virginia state higher education institutions, as these bills do not include a funding source and could prove financially harmful to the institutions.

The first guest speaker, Mr. Mark Canale of Fairfax County, reviewed the county's transportation and other growth issues resulting from BRAC at Fort Belvoir. The Army has identified \$626 million in transportation improvements needed in the area, while Fairfax County has identified \$1.6 billion in improvements. Funding for the work has not been fully realized, and the improvements may not be able to be completed in time for final BRAC implementation.

The presentation led to discussion regarding the transportation timing and funding problems that are evident in northern Virginia. It was the sense of the board that Chairman Reeder, Mr. Dickson and staff should seek a presentation at the April 16 quarterly meeting by a senior-level DoD or Army official to address some of these concerns, with the intent of making recommendations to the governor as necessary. Further discussion followed concerning the lack of a single point of contact at the executive-level in the state to orchestrate BRAC implementation. It was the sense of the board that Chairman Reeder and Mr. Dickson investigate the state's structure, also with the intent of making recommendations to the governor as necessary.

The next presentation was given by Mr. Jim Wahl, BRAC Coordinator of the Quantico Growth Management Committee. The committee is a joint effort of Prince William and Stafford counties. Between BRAC and other growth, Marine Corps Base Quantico will add approximately 5,000 employees by 2011. The growth is expected to increase traffic congestion, particularly at the two main entrances to the base off of Interstate 95 and U.S. 1. The two

counties have been working with VDOT and other agencies, but are experiencing the same funding and timing problems, albeit on a smaller scale, as Fairfax County.

The next presentation was given by Mr. Dennis Morris, Executive Director of the Crater Planning District Commission (PDC). Fort Lee is expected to nearly double in size through BRAC. The Crater PDC is working closely with Fort Lee officials and representatives from each of the six localities surrounding the fort to prepare for the influx of people. The Environmental Impact Statement is complete, and \$354 million in contracts have been let at Fort Lee out of the total \$1.2 billion BRAC-package. On the civilian-side, 19 transportation projects have been identified, and a majority of the projects have funding authorization.

The next presenter, Mr. Peter Cline, is the Senior Engineer for the DoD's Defense Access Roads (DAR) program, designed to mitigate the impact of defense growth and programs on public highways. DAR uses Military Construction funds, and will assist with some of Virginia's BRAC-related transportation problems. The program has strict criteria, most notably the requirement that defense programs lead to the doubling of traffic on a given road, that limits its applicability in more urban areas where roads are already congested.

The final presenter was Mr. Tom Fahrney, BRAC Coordinator for VDOT, who discussed his position as central contact for all BRAC-related transportation issues in the state, and the funding issues that are affecting VDOT as well as the local governments. Currently, all VDOT Districts have funding shortfalls, and the projects in VDOT's Six Year Interstate & Primary Six Year Program have funding shortfalls of \$480 million. Mr. Fahrney said that Secretary of Transportation Pierce Homer has met with federal DOT, Army, Fairfax County, Fort Belvoir and other northern Virginia officials and is fully briefed on the funding and timeline problems.

Gen. Abrams reported on the Strategic Planning Committee. On January 9 The committee met with consultants Public Private Solutions Group, Inc. to discuss the initial working draft of the group's BRAC-related analysis. The tentative deadline for the final draft report is February 1, and the final report will be presented to the board at the April meeting. Additional thought will also be given to strategies resulting from the analysis and the best way to make the information available to VNDIA's allies.

Next, Vice Chair Knapp reported on the Local Coordination, Communication & Support Committee. This past quarter the committee and/or staff made seven installation visits, bringing the total to 25 visits since September 2006. Vice Chair Knapp presented a summary of findings to Chairman Reeder, along with reports for each trip. A matching report was presented to Rear Adm. Fountain for his use as the new committee chair.

Mr. Welch reported that the Grant Review & Oversight Committee is enjoying a quiet period as the grant process for the first two rounds are complete. Through October 22, 2007, \$5,346,056 has been reimbursed, a majority of which went to Virginia Beach. Governor Kaine has requested a total of \$25 million in his biennium budget for the grant program. This money is earmarked for Virginia Beach and Arlington County, but other communities may lobby the General Assembly for additional funding.

Seeing no additional items of business, Rear Adm. Hekman moved to adjourn, Mr. Welch seconded, and, with unanimous vote, Chairman Reeder adjourned the meeting at 1:02 p.m.