

**Board of Directors Annual Meeting Minutes**  
**Virginia National Defense Industrial Authority**  
**Virginia Economic Development Partnership Board Room**  
**Richmond, VA**  
**January 21, 2009**

The Hon. Joe R. Reeder, Chairman, called the meeting to order at 11:08 a.m. Chairman Reeder welcomed the authority board members, staff, and guests in attendance, and thanked the Hon. Patrick O. Gottschalk, Secretary of Commerce & Trade for the Commonwealth of Virginia, for attending.

Authority board members present:

Gen. John N. Abrams, USA (Ret.)	Dr. Eddie N. Moore, Jr.
Mr. John B. Adams, Jr.	Maj. Gen. Robert B. Newman, Jr.
Mr. G. William Beale	The Hon. Joe R. Reeder
Rear Adm. Robert R. Fountain, Jr. USN (Ret.)	Mr. Kurt H. Tripp
Rear Adm. John G. Hekman, USN (Ret.)	Capt. Leonard P. Wales, USN (Ret.)
The Hon. John W. Knapp, Sr.	Mr. William L. Welch
Vice Adm. James D. McArthur, Jr. USN (Ret.)	

Authority board members absent:

Mr. Jeff B. Franzen	Gen. Robert Magnus, USMC (Ret.)
Gen. Richard E. Hawley, USAF (Ret.)	Mr. Cord A. Sterling

Chairman Reeder recognized two members of the Virginia House of Delegates who were present to speak with the VNDIA board on defense-related issues.

Delegate L. Scott Lingamfelter has represented the 31<sup>st</sup> District, including parts of Fauquier and Prince William Counties, since 2002. He serves on the Finance; Education; and Military, Police and Public Safety Committees. Del. Lingamfelter has corresponded with U.S. Sen. Jim Webb on proposals for a federal economic stimulus package, and has encouraged Sen. Webb to look at military growth projects for Virginia. Del. Lingamfelter is a strong supporter of VNDIA, and sponsored the bill creating the authority in 2005.

Delegate Joseph F. Bouchard represents the 83<sup>rd</sup> District, which includes part of the City of Virginia Beach. Del. Bouchard joined the House in 2008 following a career in the Navy that included a tour as commander of Naval Station Norfolk. He offered some comments on VNDIA's role in protecting Virginia's defense assets, and encouraged the authority to continue its work with local and regional organizations and in educating members of the General Assembly on the importance of the Department of Defense to the state.

Chairman Reeder announced that retired Marine Corps Gen. Robert Magnus was recently appointed to the board by Gov. Kaine. Gen. Magnus retired as the Assistant Commandant of the Marine Corps after nearly 40 years of service. Gen. Magnus was unable to make the meeting, as he was attending the commissioning of the Navy's USS Green Bay, a *San Antonio*-class amphibious transport docking ship. His wife is the ship's sponsor.

As this was VNDIA's annual meeting, Chairman Reeder asked Maj. Gen. Newman to oversee the nominating and voting process for the authority. Maj. Gen. Newman entertained nominations for chairman. Gen. Abrams nominated Chairman Reeder for continued service in the position. Mr. Welch seconded the nomination. Mr. Adams moved that nominations be closed, and Rear Adm. Fountain seconded the motion. Chairman Reeder was reelected by unanimous vote of authority members present. Chairman Reeder entertained nominations for vice-chairman. Mr. Beale nominated Vice-Chairman Knapp for continued service in the position. Rear Adm. Hekman seconded the nomination. Dr. Moore moved that nominations be closed, and Rear Adm. Fountain seconded the motion. Vice-Chairman Knapp was reelected by unanimous vote of authority members present.

Chairman Reeder presented the October 15, 2008 VNDIA meeting minutes for approval. VMr. Adams moved that the minutes be approved as presented, Mr. Tripp seconded the motion, and the minutes were approved by unanimous vote of authority members present.

Chairman Reeder presented the meeting dates for calendar year 2009. The April 15 meeting will be held at Chairman Reeder's office in Washington, D.C. The July 15 meeting will be held at Virginia State University in Ettrick, Va. and the October 21 meeting will be held in Hampton Roads.

Mr. Stan Scott, VNDIA's Military Projects Manager, presented information on defense contracting in the Commonwealth. His presentation addressed questions posed by the board at previous meetings, including measurable impact of defense contracting in the state, who the primary contractors are, what they produce and their customers. After discussion, it was the general sense of the board that room exists for greater interaction between universities and the Defense Department. Secretary Gottschalk said that Gov. Kaine supports more interaction between the universities in research areas with an eye toward turning the research into jobs for the Commonwealth.

Sec. Gottschalk gave an overview of the Virginia Research and Technology Commission (VRTAC) which advises the governor on appropriate research and technology strategies.

Rear Adm. Fountain reported for the Local Coordination, Support & Communications Committee. The committee visited the Radford Army Ammunition Plant in December, and staff visited the Naval Support Facility Dahlgren and Fort Pickett in November. In addition, VNDIA hosted its third statewide "Community Round Table" meeting in November, bringing together local and regional BRAC coordinators in Richmond.

Maj. Gen. Newman commented that Fort Pickett, a federal facility run by the Virginia National Guard, has capacity for additional active duty training.

Gen. Abrams reported for the Strategic Planning Committee. The committee met earlier in the day to hear from representatives from the Weldon Cooper Center at UVA and the Office of Economic Development at Virginia Tech. Both groups offered thoughts on conducting a statewide economic impact study on the effects of Defense Department spending on Virginia's economy. The committee will make a study recommendation to the full board pending further deliberation.

In addition, the committee has worked with staff to prepare 11 issue papers for reference of the board, elected leadership and others as appropriate. A Strategic Plan “scorecard” was presented tracking action items included in the plan adopted by the board last year.

Maj. Gen. Newman advocated restructuring the Virginia Military Affairs Council (VMAC) to allow more interaction with VNDIA, as both organizations combined address most military issues in the state.

Mr. Welch reported for the Grants Review & Oversight Committee. One grant project was completed this past quarter, as the Hampton Roads Military & Federal Facilities Alliance completed its second year of operations. To date, five of the 20 projects have been completed, and 37.66% of grant funds have been reimbursed. A committee report (available through the VNDIA staff) was provided to the board with details of project statuses and grant reimbursements.

Mr. David Dickson, VNDIA Executive Director, presented his report. The Navy has released a Record of Decision for Naval Station Mayport that will lead to the homeporting of an aircraft carrier at the Florida base. Gov. Kaine has voiced his concerns about the decision to President Obama and to Secretary of the Navy Donald Winter, and Sen. Jim Webb has released a report questioning the fiscal responsibility of the potential \$1 billion cost of the move.

The audit for fiscal year 2008 is reporting no findings. A final audit report is expected by the end of January.

Staff has been monitoring the General Assembly session, and is tracking defense and other related bills. Of particular note for VNDIA is House Bill 2529, which if passed will place the Secretary of Commerce & Trade on the VNDIA board. The bill is sponsored by Delegate Mark Sickles. House Bill 1727, Interstate Compact on Educational Opportunities for Military Children, led to some discussion by the board. The bill seeks Virginia’s entrance into a compact first introduced by the Department of Defense that would affect the way elementary and high school students transfer between schools based on a guardian’s military moves. Chairman Reeder and Maj. Gen. Newman will inquire with state and federal officials regarding the costs and benefits of Virginia entering into the compact, and Mr. Dickson will speak with the Secretary of Education’s office to gage concerns. The board will make a recommendation to Gov. Kaine if warranted by the findings.

Chairman Reeder thanked the staff for their continued work on behalf of the Commonwealth and in supporting the board.

Seeing no additional items of business, Mr. Welch moved to adjourn, Mr. Beale seconded, and, with unanimous vote of authority members present, Chairman Reeder adjourned the meeting at 1:21 p.m.