



COMMISSION ON MILITARY INSTALLATIONS AND DEFENSE ACTIVITIES

2013 INITIAL REPORT

Preface: The Virginia Commission on Military Installations and Defense Activities was created by the Governor's Executive Order 60, signed on the March 1, 2013.

Virginia has reason to be proud of its historic role as home to many of our nation's most essential defense activities and military installations. Hundreds of thousands of Soldiers, Sailors, Airman, Marines and Coast Guardsmen and their families also call Virginia their home, living and training on bases and in the surrounding communities where partnerships have been established that have enriched the lives of those on both sides of the fence-lines and enhanced the local economies for decades.

The wide range of defense-related commands, installations and businesses located in the Commonwealth is a clear testament to Virginia's inherent advantages of geographic location and moderate climate, economic vitality, a dynamic and diverse population and a strong and unwavering commitment to support the men and women who serve the nation. These very positive attributes are underscored by Virginia's historic investment in and focus on the non-military requirements of her military installations, defense-related businesses, service members and their families.

Virginia continues to be a strong and singularly supportive partner of the nation's military services with a large portion of her economy devoted to both developing the technology and supporting and deploying the forces that defend our nation and safeguards its vital interests at home and abroad.

Despite the well-documented and unmatched record of Virginia's exceptional support for our nation's military services, service members and their families and the businesses that support our national security, there is no guarantee that the future relationship between the Commonwealth and our military services will be as strong, productive and mutually beneficial as it has been in the past. Sustaining and strengthening this important relationship will require extensive communication, collaboration and coordination among all the relevant stakeholders in the Commonwealth and a steady, highly focused effort to follow-through on the Commission's recommendations.

As we saw last year with the implementation of the sequestration actions mandated by the 2011 Budget Control Act, national security related and direct defense spending has begun a decline that will likely last for an extended period of time, barring an unforeseen crisis or national emergency. Given the density of defense-related industries in the Northern Virginia and Hampton Roads areas of the Commonwealth, a sustained drop in defense spending could result in the loss of over 100,000 jobs in Virginia and significantly impact the economic recovery just getting underway after the recession of 2008-2010. Pending defense budget cuts, either as a result of continued sequestration or other budget actions, will involve reductions in military and government civilian personnel, cancellation of planned weapons systems procurement and steep

declines in expenditures for operations and maintenance in all the services. Not only will Virginia's largest defense contractors be affected by these spending cuts, but a multitude of second and third level suppliers, supporting businesses and local communities will also be severely impacted.

The stresses that will be felt state-wide due to current and anticipated defense spending reductions could be significantly increased if an additional round of Base Realignment and Closure (BRAC) activity, as requested by the President in his last two budget submissions to Congress, is authorized in legislation. While the Congress has seen fit to reject the President's request thus far, it is the view of the Commission that some type of BRAC legislation will be authorized in the near future and that, given the magnitude of defense spending reductions the Commission anticipates will occur over the next ten years, even if the Congress continues to deny the President's requests for BRAC legislation, the actions taken by the services in response to the sizeable defense budget decreases will constitute a "virtual" BRAC. Thus it behooves the Commonwealth to prepare for the possibility of another BRAC since its effects will likely be felt in the state whether BRAC legislation is formally enacted by the Congress or not.

Governor McDonnell's Executive Order 60 set these preparations in motion – this Executive Order, issued in March 2013, established the Commission on Military Installations and Defense Activities and gave the Commission thirteen specific tasks. Eight of these tasks were specifically related to the possibility of the Congress authorizing an additional round of BRAC activity. The remaining five tasks focused the Commission on those actions the Commonwealth can take in the near-term to improve Virginia's support to our military, at both the installation and the individual level.

Given the Governor's direction and the current fiscal environment facing the military services, the Commission's work plan for 2013 was designed to accomplish the following:

- Identify state-level actions that can improve the military's ability to train and operate in Virginia
- Explore opportunities to assist the military in reducing the cost of their operations in Virginia
- Develop initiatives that will increase the quality of life for military service members and their families in Virginia
- Identify opportunities for cooperative agreements between Virginia's bases and their surrounding communities as authorized in the 2013 National Defense Authorization
- Explore areas of mutual interest between the Commonwealth and the military services where collaboration could yield significant mutual benefit.

As result of this work plan, which is still in progress, the Commission has developed a number of recommendations that should be taken up for action as soon as practicable. These actions are designed to yield two collective effects – first, provide immediate benefits to the state, local communities and the existing bases and installations in the face of ongoing budget actions affecting the military services and second, strengthen the Commonwealth's ability to withstand the close scrutiny of a BRAC Commission and ensure Virginia remains the state of choice for our military services, our service members and their families.

Several themes run through the recommendations and provide the appropriate focus for follow-on efforts:

- The Commonwealth faces a long-term situation that goes far beyond the possibility of another round of BRAC activity. Current and projected reductions in defense spending, if in proportion to 2010 defense procurement levels could result in the loss of over 100,000 jobs, approximately \$7 billion in associated wages and salaries and a reduction in the Gross State Product of over \$10 billion. This problem is not going away any time soon; it must be confronted now.
- Although the above economic impacts are severe, in every crisis there is also opportunity. Within the Commonwealth there is support for the military that runs both wide and deep throughout the state. This strong and enduring support, an essential part of Virginia's culture, provides the basis for effective actions that can leverage existing state resources to improve integration with the individual services' and larger DoD initiatives to achieve greater efficiencies in operations.
- Leadership engagement on these issues at all levels in the state – in the Office of the Governor, in the legislature and in the community - is essential; this engagement must be routine, not episodic, focused and cooperative.
- Significant progress has been made throughout the Commonwealth since 2005 in rolling back the threats to the viability of bases and installations due to encroachment. Joint land use studies were in progress at every installation visited; while these studies are difficult and have the potential to be quite contentious; all involved on both sides of the fence-line have recognized what was at stake and are proceeding accordingly.
- The work of the Commission needs to continue beyond the March 2014 expiration date established by the Executive Order. Further funding should be provided to ensure every major base and installation in the Commonwealth is visited and examined in detail.

The following are the twenty (20) specific recommendations of the Commission for near-term action:

RECOMMENDATIONS FROM THE COMMISSION:

1. Embrace Base Realignment and Closure Act (BRAC):

Proactively advocate for another BRAC. The Commission is of the opinion that Virginia is in a position to gain more DoD activities as a result of BRAC consolidations to existing installations and activities within the Commonwealth. A BRAC will provide DoD the opportunity to achieve a number of efficiencies by consolidating existing activities located outside the Commonwealth with existing installations and activities already in the Commonwealth. Without a BRAC, it is the view of the Commission that the Department will continue to reduce or close commands without public comment and without providing notice of its actions. The elimination of the U.S. Joint Forces Command is an example of the type of "back-door" BRAC that the Commonwealth can expect without another BRAC.

2. Encourage Unity Of Action Of The Virginia Congressional Delegation (CODEL):

The Virginia CODEL should be encouraged and assisted in developing and executing a unified plan of action to retain and expand the existing Department of Defense structure within Virginia. A recent example of unified action by the CODEL is the announcement that Senators Warner and Kaine are advocating for the relocation of the U.S. African Command to Norfolk. Without a coordinated, unified execution of a plan to protect

existing Department assets in Virginia and attract other Department assets to Virginia, the Department will be subject to the influence of the senior members of Congress from other states having Department assets within the borders of their respective states.

3. Encourage Creation Of A General Assembly Caucus:

The Virginia General Assembly must also be encouraged to develop and execute a unified legislative plan of action to retain and expand the existing Department structure within Virginia. The Veterans and Military Caucus, as it currently exists, is rightfully focused on the issues pertaining to the veteran community. There should be a similar singular focus in a separate caucus to retain and attract Department related activities for the economic health and vitality of the Commonwealth. The regional coalitions of elected representatives in the General Assembly should also be encouraged to advocate not only for the Department activities within their respective regions, but also on behalf of the Commonwealth as a whole. The unified plan of action of the Virginia General Assembly should complement the message of the Virginia CODEL. In addition, a legislative caucus on military installations and defense activities should also serve as the liaison to the local military advisory councils which have direct contact with the installations and defense activities within their respective regions of Virginia.

4. Enhance Engagement With Senior DoD Leadership:

The Governor and/or Lieutenant Governor should develop a closer relationship with DoD leadership and maintain a constructive dialogue through periodic meetings with the Department. These contacts and relationships should be over and above the existing National Governors Association Council of Governors relationship with the Department, which has largely been focused on National Guard issues. The Presidential appointment to the Council of Governors will expire with the end of this administration and not be available to establish the recommended relationships.

5. Establish Quarterly Meetings With Senior Military Leadership:

The Governor and/or Lieutenant Governor should meet on a regular basis with the senior military leaders and the installation commanders in the Commonwealth. These meetings should include Local Military Advisory Council membership to insure that local and regional perspectives are represented at each meeting. With key stakeholders present, these meetings can facilitate problem solving. Issues discussed can include: road and transportation improvements; waiving licensing fees for military members and dependents; military-community relations; reducing unemployment for veterans; and the impact of encroachment on military training areas in the Commonwealth. Attendance by either or both the Governor and Lieutenant Governor, and key cabinet members when appropriate, will demonstrate the Commonwealth's commitment to the support of Virginia's military installations and surrounding communities.

6. State Military Reserve, Camp Pendleton:

The State Military Reserve (SMR), commonly referred to as Camp Pendleton, is an important state asset. This installation and its accompanying property represent a significant asset of the Virginia National Guard and it is prominently part of the Guard's strategic plan. It serves several critical functions for the Guard, including training and operational readiness. It is home for the nationally acclaimed Red Horse Squadron, the Commonwealth Challenge Program, and several other Guard Units. The SMR also serves as a Collective Training Center for National Guard Bureau. Additionally, there are approximately 2,000 National Guard personnel within 50 miles of that facility who depend on using the facility to sustain readiness and conduct their training.

As part of cooperative agreements, one of the Navy commands at the Dam Neck Annex, along with other federal military units, currently use portions of SMR for various reasons, including training. The Navy creates beneficial economic impact to the Tidewater area. One of the Navy Commands at the Dam Neck Annex that currently uses portions of the property at SMR is interested in acquiring additional acreage to increase its local training facilities, capacity and ranges. That unit has identified the SMR facility, which is adjacent to the Dam Neck Annex on the northern side of the base, as a potential solution. The Navy has engaged in preliminary outreach expressing an interest in acquiring SMR/Camp Pendleton. Due to the nature of the mission of the Navy Unit involved, little is known regarding the interplay and role that Oceana NAS plays in supporting Dam Neck. The dynamics regarding SMR require additional exploration to fully understand what role that facility plays in the overall picture regarding federal military installations and defense activities in Virginia. Consequently, it is recommended that moving forward the Commonwealth consider SMR's future use, after full and complete discussions, and input, from the Virginia National Guard, the United States Navy, and other relevant stakeholders and experts.

It is important to note that a concern was voiced that the Spectrum Group representatives did not meet with Virginia National Guard leadership prior to formulating Spectrum's recommendations regarding the future status of Camp Pendleton. The concern is certainly a valid one, but, by way of explanation, the Executive Order creating the Commission did not contemplate study of the Virginia National Guard facilities or meeting with the Adjutant General because Virginia National Guard facilities are state facilities and are not DoD military or federal facilities as specified in the Order. In addition, the Spectrum contract did not require speaking with state officials about state facilities. Spectrum performed the services requested by the Commonwealth in the contract solicitation.

7. Transportation Planning Impact On Military Installations & Defense Activities:

The ability of military personnel to transit the highways and roads of the Commonwealth to report to assigned duty stations in a timely manner, without hindrance or delay, is mission essential to the military throughout the Commonwealth and ultimately to the national defense requirements. As the Commonwealth Transportation Board develops and updates the Statewide Transportation Plan under the provisions of § 33.1-23.03, and the Six-Year Improvement Program, the Board must specifically recognize and address the requirements and needs of Virginia's military installations and activities.

8. Protect Off-Shore Training Ranges:

Off-Shore Training Ranges in the Atlantic Ocean are critically important to the on-going training requirements and viability of the Navy and Air Force installations, and must be protected as discussions/decisions regarding off-shore drilling and off-shore wind turbine farms progress. The location of both the wind turbines in the Atlantic Ocean and the location of the cable transmission lines from the wind turbines onto shore are critical to insure that such do not encroach on the military installations located along the coastline of Virginia.

9. Advocate For Private Sector Renewable Energy:

As the largest single consumer of energy in the world, the *DoD* is one of the most important drivers for the cleantech market today. The *DoD* has developed a comprehensive strategy to reduce energy consumption, improve battlefield effectiveness, increase energy security and reduce costs. The Army, Navy, Air Force and Marine Corps

are each implementing detailed plans to achieve ambitious renewable energy and energy efficiency before 2025. Through innovative funding models, such as power purchase agreements (PPAs) and enhanced use leases, military installations are striving to be able to pay the same amount or less for renewable sources of electricity as they do for retail power from the grid, depending on the technology and specific location. State and local entities need to partner with DoD in these plans and share in their benefits.

10. Create Metrics Demonstrating Regional Strengths:

The strengths, assets and infrastructure improvements of each region containing a military installation or defense activity should be placed up against each of the BRAC criteria used in the last several rounds of BRAC to assist in the development of a metric or measurement tool that clearly demonstrates the increased military value of the installations by regional and local initiatives, or to refute application of any negative BRAC criteria to the installation.

11. Assist Local Military Advisory Council (LMAC) Efforts Supporting Local Installations:

Identify and collect the best practices of each of the Local Military Advisory Councils in each region, and share those best practices with all other Local Military Advisory Councils in the Commonwealth. Continue to have, at least, quarterly meetings with all of the Local Military Advisory Councils to continue open discussions about enhancing military value of installations.

12. Joint Land Use Studies:

Encourage Joint Land Use Studies (JLUS) for each locality adjacent to military installations or defense facilities as soon as possible. JLUS are funded by the Office of Economic Adjustment within the DoD.

13. Mitigate Effects of Encroachment:

Encroachment—a term used by DoD to refer to incompatible uses of land, air, water and other resources—is “the cumulative impact of urban and rural development that can hamper the military’s ability to carry out its testing and training mission.” Certain types of land use near military installations can interfere with military operations by obstructing air routes and communications by cellular towers, power lines and other similar structures; competing for or interfering with data and communications frequencies; depleting ground or surface water supplies, water treatment capacity and other resources; using extra air emissions in areas that may have emission thresholds; and requesting changes in testing because of residents’ noise concerns. New development can also drive wildlife onto a military installation, limiting its operations.

Encroachment by commercial development on military installations is an ongoing issue nationwide. Due to the abundance of military installations in the Commonwealth, issues in regards to encroachment involve urban development in close proximity to training and weapons ranges, air maneuver areas and air landing fields, among others. The recommendation approaches the issue in complementary ways which can be incorporated into existing legislation. The Commission recommends that current statutory provisions in Title 10.1 concerning land conservation easements and protected areas be modified to allow those programs to be used to combat encroachment on military installations.

Some specific recommendations that may require action by the General Assembly include:

- Require local planning commissions with military installations or national security facilities within their purview to designate “overlay districts” (i.e. Accident Zones, Clear Zones, and Noise Zones) and establish land use restrictions within these zones.
- Authorize the governor to designate areas as “critical” to the Commonwealth’s interests and restrict incompatible development within those areas.
- The Commonwealth has several land conservation programs; however the programs do not specifically allow for the purchase of land adjacent to military installations. It is recommended that the language of existing land conservation programs like the Virginia Land Conservation Fund (VLCF), be amended to allow the purchase of land surrounding military installations in order to prevent incompatible development.
- Virginia does not have any ability to monitor military base encroachment. It is recommended that a taskforce be created within the Virginia Military Advisory Council which will study encroachment issues related to all Virginia military installations. Recommendations can be made on executive or legislative actions taken to sustain military installations as well as deter or prevent base encroachment.
 - States with similar commissions assemble military officials from involved military installations and representatives from localities with military installations or defense activities within their jurisdiction.
 - Taskforce could work within the current council structure with no additional funding or personnel.
- Ensure formal DoD/military input into development approval process that could be construed as encroachment. This could come in the form of an impact statement of acknowledgement in which the base commander assesses the impact of the proposed development.

14. Military Use Of Local Quality of Life Infrastructure:

Civilian community infrastructure issues will be directly and adversely affected by the reduction to the DoD budget. For example, pressures on the budget for DODEA could increase school demand in adjacent communities. The Commonwealth should develop a list of infrastructure projects addressing these and other quality of life issues for military members and dependants that are being adversely affected by federal budget reductions. These could include::

- Schools
- Swimming pools;
- Fitness facilities;
- Day Care Centers;
- Public-Public type partnerships to provide infrastructure requirements such as fire, rescue, refuse pick-up, water, sewer, renewable energy; and
- Reduced costs for aesthetic maintenance of buildings and grounds on the installations, such as cutting grass, painting buildings and similar actions.

15. Interstate Compact Agreements:

Several localities in the Commonwealth have military installations or defense related activities located within them that are adversely affected by the actions of neighboring states and/or localities in neighboring states. The Commonwealth should develop mechanisms that will enable localities with military installations and defense activities in

their region that border on neighboring states to directly engage with those states and/or localities to address encroachment issues that adversely affect the military value of the installations in the Commonwealth. This approach may require interstate compact type agreements with bordering states to permit Virginia localities to address, with assistance from the Commonwealth, adverse governmental actions taken by bordering states and/or localities.

16. Develop Mechanism for Continuous Feed-Back From Military Members and Dependents:

Develop an on-line type survey for use by the military members and dependents to determine what is needed to make the community surrounding each installation as military friendly as possible.

17. Continue State Funding Grants to Localities:

The Federal Action Contingency Trust Fund is an important source of funding that assists localities and regions of the Commonwealth to develop plans and implement strategies to limit the adverse economic impacts of closure, relocation, or realignment of federal military security installations or defense activities. These grant funds can help localities develop an infrastructure plan designed to improve the military value of an installation, perform traffic planning and safety studies/analysis and implement improvement projects with assistance from federal funds through programs like the Defense Access Roads (DAR). Florida and Texas, states with significant military installations and defense activities, have created funding for defense communities for economic development and infrastructure improvements, and are far ahead of the Commonwealth in providing funding to localities to addresses needed infrastructure improvements that will increase the military value of the installations and activities.

18. Actively Promote Public-Public Partnerships:

Since its inclusion in the National Defense Authorization Act signed into law in January 2013, there has been strong and growing interest among defense communities in the new Section 331 (10 U.S.C. § 2336) authority allowing shared services agreements between defense communities, the military and the private sector. The Air Force has moved forward quickly, setting up a program and beginning partnership development in dozens of communities. The Army is gearing up its own efforts. Community-driven collaborations must be encouraged. The Navy has not embraced the new concept for sharing infrastructure service agreements with the local government around naval installations.

Pursuant to this new authority, the Service Secretary may now enter into an intergovernmental support agreements with the local government where an installation is location, if the Secretary determines the agreement will serve the best interests of that Service Department. Installations may accept payment for services – “credited to the appropriation or account charged with providing installation support”.

Intergovernmental Support Agreements may:

- Be entered into on a sole source basis

- Be for a term not to exceed five years

- Use wage grades normal for state or local government providing the service (Davis-Bacon)

- Only be used when provider already provides such services for its own use

Public-Public Partnerships characteristics include:

- Ability to sole-source with public entities

- May use wage grades normally paid by State or local governments
- Enhancing mission effectiveness
- Creating efficiencies and economies of scale by reducing costs
- Service or municipality must already provide the service
- Excludes security guard or fire-fighting functions

19. Toll Relief For Military Medical Facility Personnel and Patients:

The military is looking for increased regionalization of its medical services. This presents a unique challenge in the Hampton Roads region where the implementation of highway tolls across the Hampton Roads market presents a significant barrier to military personnel and dependents driving across town to work or receive medical services.

Recommend that the Commonwealth examine courses of action to mitigate the burden that is being created. Options include

- Exemption from tolls for all medical services staff below E-5 and GS-5 and reduced rate for all other staff
- Voucher system for later reimbursement to patients

A tiered toll system will assist in mitigating the financial impact for medical facility staff, and a voucher system could be such that a patient would be issued a voucher each clinic visit to be mailed in as payment – the voucher would cover toll and administrative expenses.

20. Extend The Charter Of The Commission

The Members of the Commission believe it is of the utmost importance to Virginia and her citizens that the work of the Commission continue beyond the current end-date authorized by Executive Order 60, and that the subject matter experts be retained and funded to conduct additional installation/activity studies and reports on all installations not covered by this initial report.



**COMMISSION ON MILITARY INSTALLATIONS
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