



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

Minutes of the 4th Quarter October 19, 2021, Economic Development Committee meeting
Microsoft Teams/Conference Call #: 984-204-1487, Conference ID: 403 266 766#

MEMBERS IN ATTENDANCE:

Rodney Anderson, Chairman
David Hayden
David "Crockett" Long

MEMBERS ABSENT:

Will Lewis
Arnold Gordon-Bray

OTHER COMMISSION MEMBERS:

Representative George Cleveland

ADDITIONAL ATTENDEES:

Denny Lewis
Will Best, Department of Commerce
Scott Dorney, NCMBC
Michele Lewis, NC4ME
Jamie Norment, Allies for Cherry Point's T
Mike Scalise, Camp Lejeune
William Herrold, DANC
Tammy Everett, DANC
Debra Bryant, City of Fayetteville
Gregory McElveen, FSU
Gregory DeLone, FSU
Timothy McClain
Kate, Howell, DMVA
Ariel Aponte, Assistant Secretary, DMVA
Kelly Jackson, Executive Director NCMAC

WELCOME/INTRODUCTORY REMARKS: CHAIRMAN RODNEY ANDERSON

Chairman Rodney Anderson called the meeting to order at 10:02 am. He welcomed everyone to the meeting and said that he appreciated all the hard work by this committee on behalf of the State. He has talked to most of the members of this committee and wants everyone to have the opportunity to present those thoughts. He said that if he can be half as efficient as David Hayden was in managing this Committee, he will be doing a great thing. He will need everyone's help to do that. Today he hopes to move through the updates and good order and at the end have time to have some good discussions. Chairman Anderson did a roll call of attendees to the committee meeting and had a quorum.

AGENDA

10:00 Welcome/introductory remarks	Chairman Rodney Anderson
10:03 Ethics Statement	
10:05 Approve July 20, 2021 draft minutes	Chairman Rodney Anderson
10:10 Old Business	Chairman Rodney Anderson
10:15 Strategic Communications Working Group	Chairman Rodney Anderson
10:25 Community Grant Fayetteville State University	Gregory McElveen
10:35 Marine Corps Air Station (MCAS) Cherry Point/ Fleet Readiness Center – East (FRC-East)	James Norment

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10:40 Fort Bragg	A. Gordon-Bray/R. Anderson
10:45 NC Military Business Center (NCMBC)	Scott Dorney
10:55 Department of Commerce	Will Best
11:00 Association of the United States Army (ASUA) Update	Chairman Rodney Anderson
11:05 Economic Development Report	Ariel Aponte
11:10 Defense Alliance of NC (DANC) project update	Tammy Everett, DANC
11:20 Economic Development Partnership of NC (EDPNC)	Denny Lewis
11:30 Military Affairs Division	Ariel Aponte
11:25 Open Discussion	All
12:00 Adjourn	Chairman Rodney Anderson

ETHICS STATEMENT:

If any Economic Development Committee member has a conflict or potential conflict of interest with any business coming before this meeting today, please make the committee members aware of that conflict or potential conflict of interest. Also, during the meeting if you feel that you have a conflict or potential conflict of interest bring that forward to the committee members. He asked if anyone had any questions about the Ethics Statement? There were no questions or comments.

CONSENT AGENDA

Chairman Anderson said that the committee had a quorum and would approve the 3rd Quarter draft Economic Development Committee minutes from July 20, 2021, from the voting members. David Hayden made a motion to approve the minutes, which was seconded by Crockett Long and passed by a unanimous vote with no discussion.

OLD BUSINESS: CHAIRMAN RODNEY ANDERSON

Chairman Anderson asked if there was any old business for the committee? There was no old business.

NCMAC Vision: North Carolina is the most military and veteran friendly state in the United States.

NCMAC Purpose: Sustaining and enhancing the current military posture in the state while pursuing opportunities to expand the military missions and economic impact on North Carolina.

NCMAC Purpose:

To provide advice, counsel and recommendations to the Governor, the NC General Assembly, the Secretary of Commerce and other State agencies on initiatives, programs and legislation that will continue and increase the role that NC's military installations, the National Guard and Reserves play in America's defense strategy and the economic health and vitality of the State.

The Commission will recommend actions to protect the existing military infrastructure in North Carolina, maintain a high quality of life for military members and their families and to promote new military missions and economic opportunities for the State and its citizens.

The Commission is authorized to:

1. Coordinate and provide recommendations to the Governor, General Assembly, and State agencies
2. Cooperate with military installations to facilitate the military mission, training, and continued presence in the state

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3. Identify and support ways to provide a sound infrastructure, adequate housing and education, and transition support
4. Lead the State's initiative to prepare for the next round of Base Realignment and Closure (BRAC)
5. Identify and support economic development organizations and initiatives that focus on leveraging the military
6. Assist military installations located within the State by coordinating with commanders, communities, and State
7. Support the long-term goal of a viable and prosperous military presence in the State
8. Support the Army's Compatible Use Buffer Program, the Working Lands Group, and related initiatives.
9. Adopt processes to ensure that all planning, coordination, and actions are conducted with timely consideration
10. Share information and coordinate efforts with the North Carolina congressional delegation and other federal agencies
11. Any other issue or matter that the Commission deems essential to fulfilling its purpose

NCMAC 2020 Strategic Plan (October 15, 2020)

I – PLAN SUMMARY

a. Audience: NC Legislature; NCMAC

Plan Due Every 4 Years (Senate Bill 63)

b. Theme: **“Our major military installations are the cornerstone of the second largest economic sector in North Carolina”**

c. Plan Concept: Provides Goals, Priorities and Recommendations

d. Date: Plan Signed 15 Oct 2020 (Chair Martin)

II – 2020 PLAN WORKGROUP

Chuck Allen

Larry Hall

Frank Bottorff

Kirk Warner

Paul Friday

Chad Sydnor

Arnold Gordon-Bray

Stan Waltz

Erin Adams MCI-East

Kathy Sturgis, PhD (Planner, NCMAC Contract)

<https://www.milvets.nc.gov/media/319/open>

III – PLAN PILLARS

1 Installation & Mission Sustainability

Goal: **Promote, enhance, and protect NC existing military installations and missions.**

2 Economic Development

Goal: **Increase economic viability and impact of military & defense Industry in NC.**

3 Quality of Life

Goal: **Improve the quality of life for military servicemembers, veterans and families.**

4 Legislative & State Agency Coordination

Goal: **Provide legislative and state agency coordination for military-related issues.**

IV - STRATEGIC COMMUNICATIONS AND ADVOCACY

Goal: **Promote the value of the military and supporting entities at all levels.**

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NCMAC 2020 SP Strategic Communications & Advocacy

I– SUMMARY

- a. Audience:
- b. Strategic Goal: [Promote the value of the military and supporting entities at the federal, state, and local levels in order to sustain, enhance and protect our military installations and missions.](#)
- c. Responsibility: NCMAC Strategic Communications Working Group

II – Strategic Communications Working Group

ET Mitchell: Chair

Rodney Anderson: Vice Chair

Kelly Jackson: NCMAC Executive Director

Arnold Gordon-Bray Julie Daniels

Ariel Aponte David Myers

Brian Pierce

<https://www.milvets.nc.gov/media/319/open>

III – 2020 PRIORITIES

- 1 Stratcom Plan: Review, Refine, Implement
- 2 Committee Coordination: NCMAC goals
- 3 Regional Benefits: Promote features
- 4 Education: Public & Stakeholders
- 5 Overarching Organizations: Non-Governmental Organizations (NGOs)

IV- IMPLEMENTATION RECOMMENDATIONS

- 1 Submit communications objectives to NCMAC for approval
- 2 Delineate and prioritize messages, audiences to promote NCMAC goals
- 3 Prepare RFI for corporate communications

Strategic Communications Environment:

NCMAC: Installations, Economic Quality of Life, Legislative and Strategic Communications Working Group.

Military Communities: Installation Commanders, Businesses, Citizens.

DMVA: Veterans Affairs

North Carolina: Agencies

Defense Alliance for North Carolina: External NC (thoughts, concerns, and objectives)

Economic Development of North Carolina: Mission Needs, Ground Feedback for Marketing Vendors, Marketing, Web Services, Etc.

Strategic Communications Working Group:

Provides STRATCOM Fusion

“North Carolina is the most Military and Veterans friendly state in the United States”

GRACE: Message, Means, Modes, Methods

NCMAC 2020 SP Economic Development Committee:

I – SUMMARY

- a. Audience:

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b. Strategic Goal: [Increase economic viability and impact of military & defense Industry in NC.](#)

c. Responsibility: Economic Development Committee

II – Economic Development

<https://www.milvets.nc.gov/media/319/open>

III – 2020 PRIORITIES

1 Defense Industry Growth

2 Workforce Development

3 Economic, Technological and Higher Education Partnership Expansion

IV- IMPLEMENTATION RECOMMENDATIONS

1 Regional Defense Industry Study

2 Transitioning Military Talent Study

3 Cluster Study Next Steps; increase Research & Development

4 Resource “career-focused” hiring events

5 NC Military Transition Center (Bragg)

6 NC Tax Exemption for Mil Retiree Pay

7 Public/Private Unmanned Aircraft Systems (UAS) with Higher Education

8 Research, Plan, Promote Micro Zones

9 Connect SAP partnerships with military

NCMAC 2020 SP Economic Development Committee:

EDC 2020 Priorities:

1. Defense Industry Growth

EDPNC, DANC, NC4ME

2. Workforce Development

NC4ME

3. Economic Technological and Higher Education Partnership Expansion

DANC

EDC Implementation Recommendations

1. Regional Defense Industry Study

2. Transitioning Military Talent Study

Community Grant: FSU

3. Cluster Study Next Steps; Increase R&D

4. Resource “career-focused” hiring events

NC4ME

5. NC Military Transition Center (Bragg)

6. NC Tax Exemption for Military Retiree Pay

Legislative Committee

7. Public/Private USA with Higher Ed

8. Research, Plan, Promote Micro Zones

9. Connect SAP partnerships with military

October 8, 2021: “Honor Veterans by Hiring Veterans” Program:

PURPOSE: Build State-wide awareness of the attributes, competencies, skills, and overall economic benefit in employing military, Veterans, and their family members.

THEME: “Honor Veterans by Hiring Veterans” (HHV)

GOAL: Develop a state-wide 5-year public relations campaign to improve the knowledge and understanding of the benefits in the military Veteran workforce.

CONCEPT: Conduct structured strategic communications activities with “key publics” with Veteran’s Day 2021 as the beginning of a 5-year public-awareness campaign.

[MOTION: "NCMAC approve "Honor Veterans by Hiring Veterans" as a 5-year public relations campaign to improve the knowledge and understanding of the benefits in hiring Veterans and the value of the military, Veteran and military spouse workforce."](#) Approved Aug 17, 2021

SURVEY OF NC TRANSITIONING MILITARY PERSONNEL STATUS UPDATE: GREGORY McELVEEN

OVERVIEW:

1. Objectives:

Determine post-military location plans, decision criteria, and career plans

Receive feedback on transition process

Methodology

Statewide survey of transitioning military personnel

Anonymous, 10-15 minutes, online

2. UPDATE:

Survey in process, implemented primarily at Fort Bragg, Seymour Johnson Air Force Base (AFB), and Coast Guard

Further approvals necessary for Marines

3. NEXT STEPS:

a. Continue to capture survey responses

b. Investigate other options to get input from Marines at Camp LeJeune and Marine Corps Air Station, Cherry Point

c. Next Committee update planned for December, but can be provided upon request

Gregory McElveen

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Dr. Gregory DeLone

Director, B.S. Interdisciplinary Studies

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Survey Implementation Status:

<u>Installation</u>	<u>Response</u>	<u>Survey Status</u>
Fort Bragg	Agreed to participate	Initial response rate limited due to remote transition classes Survey rate now much higher 420 total responses to date
Seymour Johnson Air Force Base	Agreed to participate	31 responses to date
Coast Guard	Agreed to participate	3 responses to date
Naval Support Activity, Hampton Roads	Referred to others for follow-up	No further response
Camp Lejeune	Declined; further approval necessary	No further follow-up

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Marine Corps Air Station Cherry Point Declined; further approval necessary No further follow-up

Summary Overview:

Scope:

- All responses anonymous; survey available to NC active-duty military installations
- Survey is voluntary—with participation highly valued and appreciated
- Ideally completed during transition classes; in last 2-6 months of active-duty service

Types of Questions:

- Demographic, service-related, future career, location, and decision criteria
- Feedback on transition process

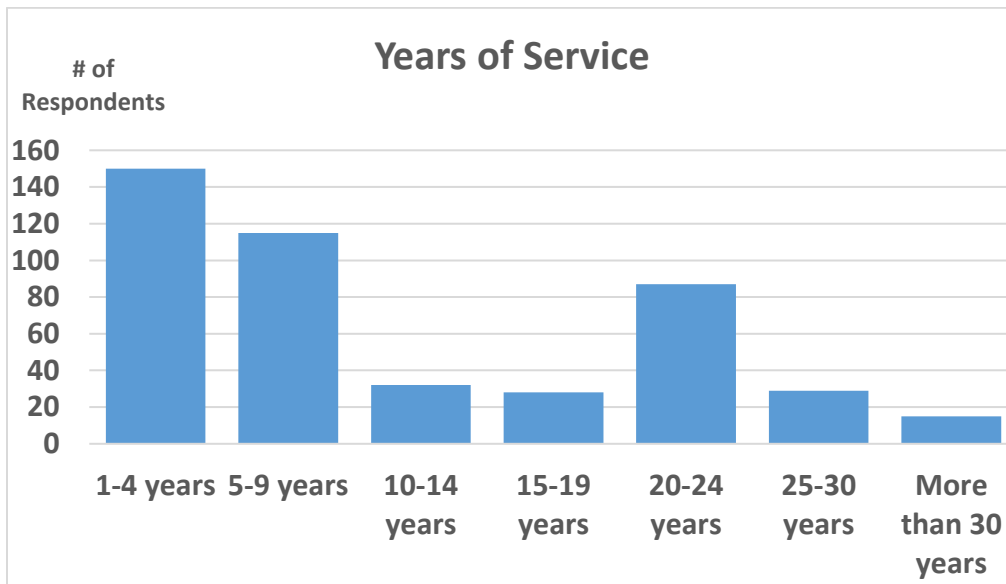
Survey Instrument

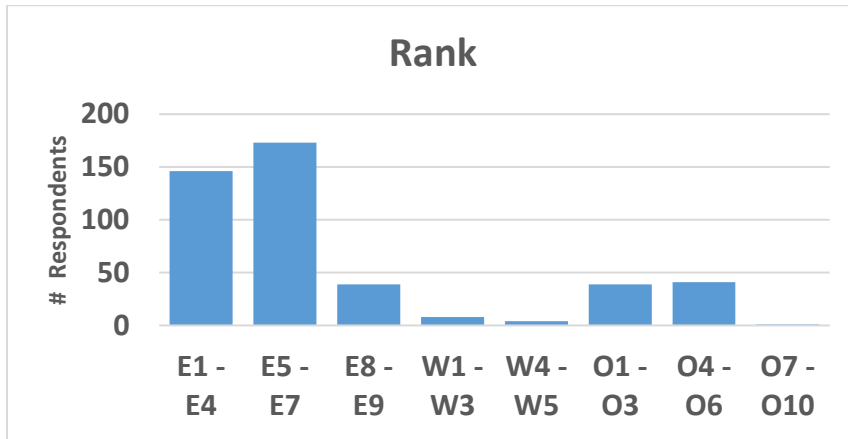
- Administered online; 10-15 minutes to complete survey questions
- Can be completed on a smartphone, but easier by computer
- Can be accessed at: [Transitioning Military Service Member Survey](#)

Survey Launched June 2021

Total Years of Service and Rank:

- The most common time in service is 4 years or less
- The most common rank is E-5/E-7





54% of those retiring currently plan to stay in NC:

Number of Respondents	Retiring	Other Separation	Total
Reside in NC	79	100	179
Not reside in NC	66	204	270
Total	145	304	449

Percentage	Retiring	Other Separation	Total
Reside in NC	54%	33%	40%
Not reside in NC	46%	67%	60%
Total	100%	100%	100%

Planned Residence after service obligation:

State Choice	Number
North Carolina	180
Texas	39
Florida	36
California	16
Georgia	15
Virginia	12
Ohio	10
South Carolina	10

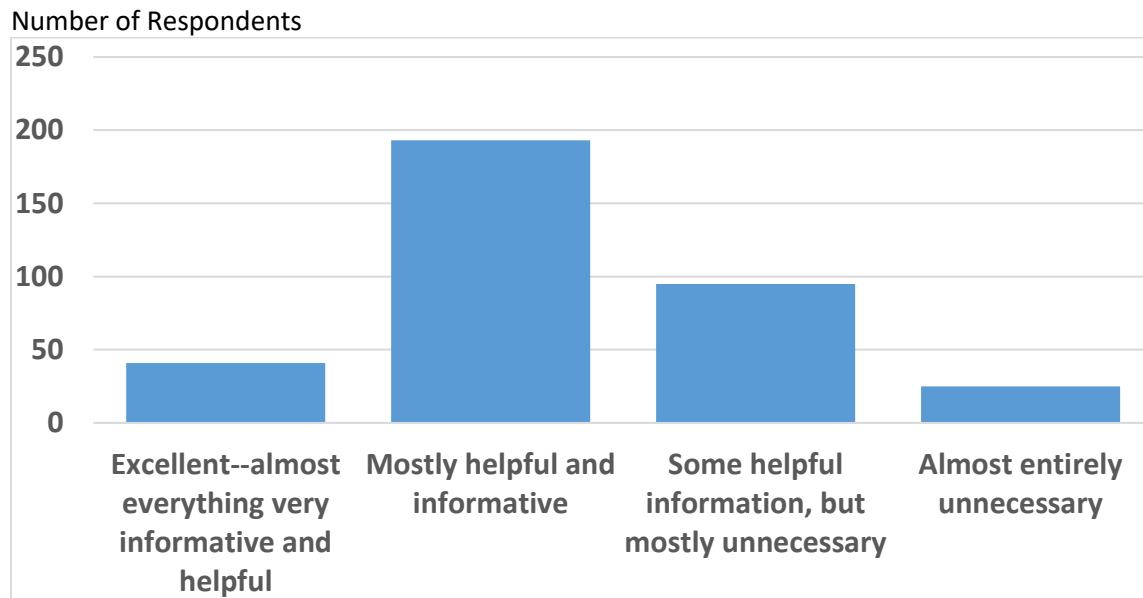
Among those not currently planning to stay in North Carolina potential impact if Retirement Pay exempted from North Carolina Taxes:

Number of Respondents	Retiring	Other Separation	Total
Yes, would definitely stay	18	17	35
Would consider staying	23	44	67
Would not make a difference	16	95	111
Total	57	156	213

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<u>Percentage</u>	<u>Retiring</u>	<u>Other Separation</u>	<u>Total</u>
Yes, would definitely stay	32%	11%	16%
Would consider staying	40%	28%	31%
Would not make a difference	28%	61%	51%
Total	100%	100%	100%

Rating of the Transition Process:



Discussion:

Vice Chair David Hayden said that he does think that missing out on the Marine Corps and their bases for input is unfortunate and we need to have a plan to contact the right people in the Marine Corps. This is in the best interest of the military retirees for the next couple of years and the future. We need to have some way to deal with this. He sees that Mike Scalise wants to say something. Mike Scalise said that unfortunately the Marine Corps has put in some administrative processes in place that are difficult to get around. A few years ago, the Commandant believed that we were over surveying our Marines. He found that they were not getting any substantive data from the surveys because they were unchecked. There is a Marine Corps order that has been in place for a couple of years that requires a Headquarters Marine Corps approval process. He said that he thinks that Mr. McElveen was linked up with Headquarters Marine Corps a few months ago and has not gotten support on this. Rodney Anderson said that what he thinks is that we need the Marine Corps to get with Headquarters Marine Corps to get this approval. It is going to be grossly inefficient if any of us that are not affiliated with the Marine Corps to seek to get this approval. So, what every you need from us to ask the Marine Corps to grant this approval we will be happy to get that information to you. He thinks this is the best way forward is for Marines to ask Marines that question. Mike Scalise said that how this got started is that you have someone doing this survey and the data is going to them. We have not taken any movement on this in a while, but he will re-engage with some of the emails from before and then talk to his Transition

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Readiness Seminar (TRS). He cannot promise anything, but they will look into the process. Rodney Anderson said that if Mike Scalise is willing to work in this process, he will help him with anything he needs to move this process forward. This is about making the process more efficient and effective for Marines to make the transition to their civilian career. We would love to keep them here in the State of North Carolina, but this also provides feedback on the transition process. This is a win – win process and he will work with him to help move this forward. Mike Scalise asked if someone would reach out to him so we can start all over again specific to the Marine Corps and we will start all over again to see if they can act as a Sponsor. Rodney Anderson said that he would reach out to Mike Scalise. Greg McElveen said that he is happy to help in any way he can be helpful.

Vice Chairman Hayden said that he wanted everyone to see the point that was made that only 28% said that taxation of retirement pay would make no difference in their decision. But 72% of the Veterans leaving the military either think that and 32% would make them stay and that is 1/3 of the force leaving, and another 40%, it would make a difference in their decision process. He wants everyone to understand that point. That is why we as a Commission have encouraged the General Assembly to take some action or to do away with taxation for military retiree pay. We need to be consistent with our messaging.

MARINE CORPS AIR STATION (MCAS) CHERRY POINT/FLEET READINESS CENTER– EAST (FRC-E): JAMIE NORMENT

Jamie Norment said that he would be giving a quick update for MCAS Cherry Point and FRC-E. There is a lot going on and the construction projects at the Air Station on underway. Hopefully they are doing to be having the Allies for Cherry Point’s Tomorrow (ACT) host a windshield tour of the construction projects in the Spring. COVID has delayed them on making any of the arrangements related to this. When it does happen, they would love to have Commission members join them because the transformation of the Air Station is tremendous. They are demolishing the flight line and rebuilding it from the underground up. They have already added new streets and demolished multiple hangars and new hangars are going up. The joke is that the hangars look more like Air Force hangars as they are much fancier than the Marine Corp hangars. The main point is that the Base is transforming. That continues to be supported by Congress by both the House and Senate in the National Defense Authorization Act (NDAA) and Appropriations Bill for the current fiscal year which has not actually passed Congress yet as they are always behind schedule. All the relevant bills support military construction for the flight line at Cherry Point and in excess for four years for \$500 million.

FRC-East which is their largest civilian employer, and they think the largest single site industrial employer in the State of North Carolina, Public or Private continues to operate at full capacity. Over 4,000 employees and most of them are skilled labor but about 1,000 are Engineers that focus on Naval and Marine Corps aviation. Those facilities are very old, and they have great stress on those buildings. They are working hard to get military construction dollars for those buildings. They are also looking at Public/Private partnerships in the State of North Carolina especially at the Global Trans Park to the Department of Transportation to do some innovated Capital construction at Cherry Point that would support the FRC-E efforts to re-Capitalize what they are doing. That is all still in the process but has gotten the attention of Congress, especially Senator Tillis who is promoting that idea. He has inserted into the Senate NDAA report language that would require the Navy, and Marine Corps to look

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at that as an option and maybe a pathway forward. As you know, doing things outside the box for The Department of Defense (DoD) is not always simple. Trying to get \$100,000 M for new construction approved that is funded from an outside entity is a monumental task but one they are willing to take on and are working hard on.

FRC-East and the Air Station continue to have good community support from ACT. One of the examples is that the Air Station teamed up with the Carteret County to get a matching grant from DoD to help protect Radio Island from erosion. Radio Island is a key asset for the Marine Corps for embarkation and training at the Morehead City Port. In 2022 our challenges are certainly going to be re-capitalizing FRC-East. The Air Force Depot System is always in the background trying to vie for additional missions. There are not Air Force Depots in North Carolina so if they shift the Aviation Depot work from FRC-East to the Air Force that would be an out of the state effort. They would then become an economic development threat or opportunity, depending on how you look at this. That is a summary for MCAS Cherry Point and FRC-East.

Rodney Anderson said that he apologized for not getting Jamie Norment the slide prior to the meeting but he would like for Jamie Norment to complete slides for Cherry Point and FRC-E going forward.

FORT BRAGG: CHAIRMAN RODNEY ANDERSON

Overview:

a. Ft Bragg Renaming: Bragg is one of 10 Military installations being renamed as result of Congressional Directive. Ft Bragg is conducting community outreach: Naming Survey and Town Halls to inform citizens
Next Steps:

- a. Fort Bragg will recommend proposed names to the naming commission
- b. 2022 New name expected to be released
- c. 2023 Name to be implemented
- d. Identify business economic impacts

Overview:

b. AUSA Warfighter Conference in Fayetteville: 27-28 July 2022. First time event with opportunity to promote NC Defense Industry

Next Steps:

- a. Identify NC economic development opportunities
- b. Consider how NCMAC participates

NORTH CAROLINA MILITARY BUSINESS CENTER: SCOTT DORNEY

1. OVERVIEW:

a. Strategic focus: (www.ncmbc.us)

- State entity, charged to expand the defense economy of NC
- Focus: existing industry, business development, tech transition

b. Strategic business development operations:

- Expand business development opportunities in select industries (textiles, food, medical)
- leverage major Indefinite Delivery/Indefinite Quantity (IDIQs) Contracts/Government-wide Acquisition Contracts (GWACs)/Multiple Award Contracts Construction (MACCs), relations with major primes

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- leverage Hurricane Florence Recovery (HFR)/Military Construction (MILCON) to maximize opportunity

c. Tactical business development operations, CY2021:

- Opportunities managed: BD (30 SEP, 5,368), MatchForce (15 OCT, 129,304)
- Total contract WINS: 475 (\$1.839 billion)
- WINS: Business Development (126, \$120m), MatchForce (285, \$1.269b), Both (56, \$57m)

d. Technology transition operations (Lewis)

e. Cybersecurity (CMMC)

- Managing State Interagency Cyber Coordinating Committee (I3C)
- “CMMC Level 3 in a Box” tool launched, www.cybernc.us
- Training/Events: CMMC Level 3 training course, weekly

f. Events, training (3Q, CY2021)

- Defense Trade Show & Cybersecurity Forum
- Medical, Biomedical, Biodefense Symposium
- Navy Textile & Clothing Technology Workshop
- Advanced Workshops: Proposal Development
- Small Business Program Webinars: Women-Owned Small Business (WOSB), Historically Underutilized Business Zone (HUBZone), Service-Disabled Veteran-Owned Business (SDVOSB)

2. NEXT STEPS:

a. Strategic Coordination: NCMAC Economic Development Committee

b. Operational focus:

- Sustain business development optempo: opportunity WINS
- Expand client base: supply chain, innovation ecosystem focus
- Focus on key agencies, most lucrative contracts, IDIQs
- Provide CMMC solutions: technical, maturity model
- Support partners, grant execution (NC State Industry Expansion Solutions (IES) textiles, UNC CREATE local)
- Reengage with clients: “GET OUT THERE” again

c. Event, training focus:

- Federal Construction...Summit 2021 (OCT 27-28, virtual)
- Southeast North Carolina Military Business Outreach (NOV 18)
- Federal Construction...Summit (APR 6-7, Wilmington)
- Federal and Defense Textile Summit (MAY TBD, Charlotte)
- Medical, Biomedical, Biodefense Symposium (JUN 8-9, Chapel Hill)
- Full schedule soon, www.ncmbc.us

d. Technology platform: MatchForce Next Generation: Launch: NOV TBD

NC DEPARTMENT OF COMMERCE: WILL BEST

1. OVERVIEW: Delivery of Economic Impact Statements (EIS) for LEAD and REMI

2. NEXT STEPS: Awaiting final responses to provide data to REMI to complete data modeling for the report.

ECONOMIC DEVELOPMENT REPORT: KELLY JACKSON

1. OVERVIEW:

a. Have received responses from:

National Guard
USMC-East
MCAS – Cherry Point
MCAS – New River
MCB – Camp LeJeune
Army
Army Research Lab

Air Force

Coast Guard

b. Have NOT received responses from:

MOTSU

Reserve

2. NEXT STEPS: Continue to work to receive responses of all the listed organizations.

Discussion: Will Best said that he appreciated the update. He said that he would recommend that we provide what data we have to REMI based on the schedule with REMI and the other states that they are working with. What we can deliver to them in batches but please reach out to Lead and Assistant Secretary Bodine on doing that. We want to keep REMI on our schedule as much as possible. Kelly Jackson said that she would work with Kate Howell from DMVA on this matter to ensure that we have sent all the information to Jeff DeBellis. Scott Dorney said that his office has provided information in the past on contracting and they can do that again for this study. That may have already happened.

ASSOCIATION OF THE UNITED STATES ARMY (AUSA) ANNUAL MEETING: CHAIR RODNEY ANDERSON

1. OVERVIEW: AUSA Meeting, October 11-13, Washington DC; provided an opportunity to understand, learn, promote, and celebrate.

a. Focused on professional development, from installations to artificial intelligence

b. 600 defense related vendor exhibits, great opportunity to recruit companies to NC

c. NC AUSA Chapter won “Best Chapter, large category” and AUSA Family of the year.

2. Clear from the AUSA Annual meeting; installation resilience (readiness) is key.

3. NC military installations are economic engines and national security keystones for our nation.

[Imperative to review programs, resources, and the management of installation resilience across our state.](#)

2. NEXT STEPS:

a. [Installation Resilience: Identify installation and host community programs, resources, and management to best support NC installations](#)

b. Defense Industry Recruiting: Conduct follow-up Army and defense sector recruiting

c. NCMAC Professional Development: Plan NCMAC Commissioner professional development for AUSA 2022.

d. AUSA North Carolina Booth: promote NC as the "Frontline of the Future

e. Recruit Defense Innovation Unit (DIU) to NC: <https://www.diu.mil/team>

DEFENSE ALLIANCE OF NORTH CAROLINA (DANC): TAMMY EVERETT/BILL HEROLD

1. OVERVIEW:

- a. Goal: to empower DANC to grow NCMAC awareness, its mission & impact, region/national
- b. DANC is a private, non-profit organization focused on strengthening the NC defense industry
- c. DANC's model combines the talent of high-ranking military retirees, business leaders, policy makers, and leading academic thinkers.
- d. DANC's mission supports NC defense economy through job creation & investment.
- e. This agreement shall be effective 12 months

2. NCMAC ROLE AND RESPONSIBILITIES:

- a. NCMAC will transfer \$50,000 from the Military Presence Stabilization Fund to DANC
- b. The scope of work, development between NCMAC and DANC is described in Attachment A

3. DANC'S ROLE AND RESPONSIBILITIES:

- a. DANC will perform services as described detailed in the attached Scope of Work which was developed by NCMAC and DANC and is described in Attachment A of this MOU.
- b. There will be in person or virtual meetings as well as written reports following each Task/Deliverable.
- c. All reports, documented contacts, strategies, surveys, charts, databases, and deliverables remain the property of NCMAC. Additional use by DANC of such deliverables must be authorized in writing by NCMAC on a per use basis.

1. DANC MOU Task #1, including subtasks:

- a. Review past & current NCMAC plans and goals, strategies, within 30 days of award.
- b. Convene DANC meetings staff and leadership with the NCMAC Strategic Plan Working Group, to exchange ideas, gather information to incorporate into the other proposed tasks.
- c. Present recommendations to the NCMAC leadership, full Commission, and as otherwise assigned. Recommendations will be presented at the call of NCMAC Strategic Working Group and at times deemed appropriate by DANC.
- d. Issue progress reports to the NCMAC Chairperson each quarter and at the end of each task and at such times as the NCMAC Strategic Working Group may request.

1a. Plan Review:

- 12 March 2021 - funds received
- 31 March 2021 – kickoff meeting held with the leadership of DANC and NCMAC
- 21 April 2021 – DANC conducted strategic planning meetings with team leads to review assignments

1b. DANC & NCMAC Meetings:

- DANC Management Council meets monthly
- DANC Executive Board meets quarterly
- DANC Communications Committee Chair, Van Carpenter has held several teleconferences with the NCMAC Strategic Communications Working Group (SCWG)
- NCMAC SCWG is meeting weekly

1c. Recommendations:

- DANC will continue to work with NCMAC Economic Development Committee and SCWG for guidance on the implementation of the MOU tasks/deliveries

1d. Quarterly Progress Reports:

- 13 April 2021 – DANC briefs NCMAC Economic Development Committee

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- 20 July 2021 – DANC briefs NCMAC Economic Development Committee
- 19 October 2021 – DANC briefs NCMAC Economic Development Committee

2. DANC MOU Task #2, including subtasks:

a. Develop quarterly outreach strategy

b. Conduct 11 months of outreach: Advocate and promulgate NCMAC priorities, document in detail opportunities and challenges through direct stakeholder contacts, conventional and online communications, structured meetings and industry or academic events.

c. Attend NCMAC meetings and coordinate with NCMAC subcommittees to ensure ongoing coordination of goals and priorities in conducting outreach.

d. Provides NCMAC quarterly feedback reports on activities, including the quarter's detailed documented opportunities, follow-up action and results from such action.

2a. Outreach Strategy:

- DANC produces a monthly E-news and works with local publications like Business North Carolina
<https://defensealliancenc.org/blog/>
<https://defensealliancenc.org/point-taken-how-north-carolina-hustles-on-defense/>

2b. Outreach:

- DANC produces articles for the website and social media.

NCMAC: A Powerful Advocate for North Carolina's Defense Economy

<https://defensealliancenc.org/ncmac-a-powerful-advocate-for-north-carolinas-defense-economy/>

- DANC host outreach meetings and events

North Carolina Defense Industry "Get Aligned" virtual outreach event with keynote Senator Thom Tillis

<https://defensealliancenc.org/nc-defense-industry-get-aligned-virtual-event-was-a-huge-success/>

2c. Attend NCMAC Meetings:

- 13 April 2021 – DANC briefs NCMAC Economic Development Committee
- 20 July 2021 – DANC briefs NCMAC Economic Development Committee
- 19 October 2021 – DANC briefs NCMAC Economic Development Committee

2d. Quarterly Feedback Report: See 2c. above

3. DANC MOU Task #3, including subtasks:

a. Prepare an activity presentation and present it to the NCMAC when requested by NCMAC Strategic Working Group.

3a. Activity Presentation:

Van Carpenter, DANC Communications Committee Chair is working directly with the SCWG group to determine how to best assist under the MOU

4. DANC MOU Task #4, including subtasks:

a. DANC conduct membership-based baseline survey within sixty (60) days of MOU. Survey gauges awareness of the value and economic impact of the military in NC and the expansion of military business.

b. DANC reports baseline to NCMAC in 90 days.

c. DANC conduct a post-partnership project assessment at the 10th month of the MOU to gauge changes in membership awareness.

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d. DANC will prepare and publish a written analysis report including results of the baseline survey and post partnership and provide NCMAC with an electronic copy of the analysis report (12th month).

4a. Surveys: 18-20May Targeted for participants of the NCMBC Southeast Region Federal & State Textile virtual summit. <https://defensealliancenc.org/danc-survey/>

Early survey efforts associated with ZOOM conference formatted forums have suffered from poor response rates. DANC is working with RTI International's Survey group to improve our capture rate on current and future surveys. One of our key deliverables is a DANC membership survey, not connected to any specific forum, measuring our members baseline knowledge of the economic impact of the defense sector in North Carolina and the efforts by the state to support that sector. We are eager to complete this deliverable as soon as we are confident our survey will yield statistically significant output.

4b. Baseline Results: pending

4c. Post Partnership Assessment: To be determined (TBD)

4d. MOU Written Analysis: TBD

5. DANC MOU Task #5, including subtasks:

a. Convene monthly vendor forums organized around key NCMAC developed goals and objectives and share major events with other defense related support providers.

b. Create additional forums, as needed, or requested by NCMAC SCWG, organized to support the six Defense target markets and Target Market Industry Cluster Analysis.

c. Conduct quarterly forum meeting to develop opportunities and/or needs to better position NC to grow each of the identified target markets.

d. Collect feedback on forums and items: and recommend additions/deletions to the NCMAC.

e. Provide a quarterly report to the NCMAC detailing each forum and event, participant feedback, and recommendations.

5a. Monthly Vendor Forums:

- 18 March 2021: Innovation & Leadership – “the key to unlocking higher performance in your business”
- 24 March 2021: Government Relations presented by The UNC Systems Office
- 13 April 2021: Products & Services – “transforming the real world with 3D Telemetry”
- 26 May 2021: Government Relations brief provided by Jordan Whichard, Chief Deputy Secretary NC Department of Commerce
- 2 June 2021: Why Defense Marketing campaign presented by NC; Frontline of the Future Task Force
- 8 Jun3 2021: Science & Technology – “Thermography and Infrared Cameras: Pillars of our Nation's Defense in post-COVID reconstruction”
- 30 June 2021: Government Relations brief provided by Secretary Walter Gaskin, NCDMVA
- 25 August 2021: Government Relations brief provided by U.S. Congressman David Rouzer, R-NC 7th District
- 28 September 2021: Science & Technology “responsible use of advanced analytics (including AI, ML, DL, etc.) to achieve decision/competitive advantage”

- 27 October 2021: Government Relations brief by Elaine Marshall, Secretary of State

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5b. Additional Requested Forums:

- 19 October 2021: Science & Technology “Developing Operational Artificial Intelligence”

5c. Forum Quarterly Meeting: During the monthly DANC Management Council Meetings forums are reviewed with discussion and how to best improve them

5d. Collect forum feedback: to date we regularly, informally seek feedback on all forums.

5e. Quarterly forum feedback: TBD

6. DANC MOU Task #6, including subtasks:

a. Conduct defense-related services analysis at the 10th month of the MOU.

b. Develop database of offered services as a ready reference for the NC defense business sector (in partnership with select defense-related NC support providers: (initially focus partnership with the UNC System Office, NCMBC, NC Veterans Foundations, and DANC.

c. Develop comparison charts of available services and sources of services to assist businesses in locating assistance. DANC will provide the comparison charts to NCMAC in the 10th month of the MOU.

d. Identify gaps in needed services.

e. Report findings to the NCMAC for consideration in the 12th month of the MOU.

6a. Defense Analysis: TBD

6b. Database of offered services: TBD

6c. Services & Sources for Comparison Charts:

https://edpnc.com/wp-content/uploads/2021/04/2021_Defense_Trifold_42621.pdf

6d. ID Gaps in needed Services: TBD

6e. Report Services Findings (12th month): TBD

7. DANC MOU Task #7, including subtasks:

a. Conduct comprehensive review of partnership activities 30 days from the MOU end date.

b. Prepare a comprehensive review of the DANC/NCMAC partnership and activities, goals achieved, and recommended future priorities and present the review to NCMAC at the next scheduled quarterly NCMAC meeting following the end of the MOU.

c. Prepare and present the final formal written report and presentation to the NCMAC at the next scheduled quarterly NCMAC meeting following the end of the MOU. DANC will propose to continue, modify, or discontinue the strategic partnership based upon the decision of the DANC Board of Directors and feedback from NCMAC members.

7a. Partnership Review (11th Month): TBD

7b. Activities, Goals, Future Priorities: TBD

7c. Final Written Report: TBD

ECONOMIC DEVELOPMENT PARTNERSHIP FOR NORTH CAROLINA: DENNY LEWIS

Defense Manager Mission:

1. OVERVIEW: Develop and implement a strategy and attract Defense agencies and Defense contractors to North Carolina.

GOALS:

a. A DoD Program or Innovation Outreach Office establishes a presence in NC.

- b. A major defense contractor either establishes or expands its presence in NC.
- c. NC State Govt supports a formal Defense marketing campaign.

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2. NEXT STEPS:

- MAC Support (\$\$) for Marketing
- Continue “FRONTLINE OF THE FUTURE” marketing campaign
- Finalize Congressional Delegation letter to the Under Secretary of Defense for Research & Engineering (USD R&E) for establishing an outreach office in NC Defense Innovation Unit (DIU), Air Force WERX (AFWERX) Joint Artificial Intelligence Center (JAIC), Defense Advanced Research projects Agency (DARPA)
- Continue to work with EDPNC marketing division to promote Defense
- Begin working plans and budget for 2022 conferences

Defense Marketing Campaign:

1. OVERVIEW: “Why NC for Defense” Marketing Campaign

MESSAGE:

NC is the FRONTLINE OF THE FUTURE

Top-notch Innovation Ecosystem

Deep DOD/Industry/Academic Partnerships

Expansive Commitment to National Defense

2. NEXT STEPS:

Finalize Congressional Delegation letter to USD R&E for establishing an outreach office in NC (DIU, AFWERX, JAIC, DARPA)

Continue to work with Commerce, Duke, UNC System, DANC, NCMBC, and EDPNC marketing division to promote Defense

Create a short video/you tube message

Exploit social media

Gain state funding and support for the effort

Defense AUSA 2021:

1. OVERVIEW: NC Officials met with DoD officials and Defense businesses to reinforce the national importance of Ft Bragg (BRAC proof) and deliver the “Why NC for Defense” message

NC Delegation:

Secretary of Military and Veterans Affairs: LtGen Gaskin

Assistant Secretary of Military Affairs: Mr. Ariel Aponte

Gov Director of Intergovernmental Affairs: Mr. Kevin Monroe

Military Affairs Commission Members

MG (R) Rodney Anderson

BG (R) Arnold Gordon-Bray

COL (R) David Hayden

NC Military Business Center (NCMBC) Exec Dir: LTC (R) Scott Dorney

EDPNC: COL (R) Denny Lewis

2. MEETINGS WITH:

ASA Installations, Energy, Environ

Dep PEO Soldier

3. NEXT STEPS:

Continue to follow up with DIU. Meet with Director
Invite GE Aviation to participate on Innovation panel at SOARs event in Dec; USMC T64 ERP program funding...Sec Gaskin
Telephonics introduction to FRC-E & ALC

Discussion and Comments: Rodney Anderson thanked Denny Lewis for his efforts and hard work during the AUSA conference. Kelly Jackson asked the question about more funding for marketing. She understands the need for more funding for the marketing campaign for Defense Industry but where is the EDPNC stand on this topic. If EDPNC is funded by NC Commerce how much money are they allocating for the Defense Industry marketing? Where are they in this fight? Rodney Anderson said that it is his view that the only reason that we aren't where we all believe that we should be is because people don't have the facts. One of our objectives is to collect and present the facts in an organized way and a systematic way to our elected officials and those who can influence the government. If the Defense sector is the number 2 sector in the State, it will logically seem that it would have the second leading role in terms of the allocation of resources and how we promote that sector. Our work ahead is to present the facts and to present options for how we should use our resources to grow and advance the defense sector across the State. He considers this one of our primary duties of the Strategic Communications Working Group is to package that information and put that information forward in a systematic way to ensure that is no doubt of the value of what we are doing and the need for sustained and enduring funding for our defense sector. We need to provide this information since they are not going to get this information on their own. Ariel Aponte asked about how the Department of Commerce is structured. The Defense Industry realm is falling under the Innovation and Technology umbrella and John Hardin verses a sub-set of industry on its own. Do you give your updates to Mr. Hardin? Chairman Rodney Anderson said he recommended that we table that conversation for another time and get a working group together to answer those questions. He asked Denny Lewis to lead that working group effort. Denny Lewis said that he would lead that working group going forward.

MILITARY AFFAIRS: ARIEL APONTE

Ariel Aponte said that he wanted to thank Denny Lewis for his great efforts before and during the AUSA conference. He also thanked all the NC group that attend the AUSA conference and the hard work from everyone that attended. He received a lot of feedback from AUSA about the tremendous work from our delegation. The Brochure that Denny Lewis developed was a win for NC.

He talked about the Economic Impact Study. In early September, the Department sent out a Request for Information (RFI) to the Installations. We are looking to update the Economic Impact Study. We have partnered with the Department of Commerce and Jeff DeBellis and Josh Levy. We developed 10 questions for the RFI that was sent to the Bases. We have received most of the RFI's back but are still waiting for a couple of them. The next step is to gather data from Defense Manpower Data Center (DMDC). We are currently updating our Memorandum of Understandings (MOU) with that agency. We currently are not in getting the data but how and where that data is stored. These MOUs are with DoD and the Veterans Administration (VA). Another effort that we are currently working on is the Military

Licensure. There are two General Statutes that have pushed military licensure requirements to require the various Boards and Commission to give an annual report on how many military licensures have been

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applied for and the status of that information. The challenge that we are facing is that these entities don't know that there is a report requirement. When the General Statutes was established and requiring them to report, there was no funding allocated for this requirement. That means that for the question of asking if they are military to expedite their request was never put in the application process. So, when an agency looked at their application process, they found that they don't ask the question, are you military or military affiliated. So, if you don't ask the question, you are not aware they are military affiliated to expedite the process. We have gone back to these agencies to see if that question can be asked going forward or will that be a General Assembly request to have it put on the applications. The second questions, is will there be funding required to change the application process? More to follow on this matter. The last topic is that he is the President of the AUSA Braxton Bragg Chapter. He just received a response this morning about bringing the Symposium to NC in 2022. This is the first time it will be coming to North Carolina. We are currently in the planning stage. This is great for North Carolina.

Chairman Anderson said that will be adding the Military Affairs Division to the agenda for comments going forward. He asked Ariel Aponte to develop a slide with the couple of times that he briefed on for this slide deck. Defense Industry growth is the first priority of our three priorities. We are going to informally ask Denny Lewis to stand up a team to do some working level efforts on how we might better advance that arena and we look forward to any of you wish to join that team he will welcome your contributions.

OPEN DISCUSSION:

Chairman Anderson asked if there is any open discussion. Scott Dorney said that one thing that he had mentioned in his briefing was about the Cyber Security certification process for defense contractors. He cannot restate how important that is. If we create great processes and training in NC to help the defense contractors to get Cybersecurity maturity Model Certification (CMMC) compliant that will help to sustain the defense industrial base in our State. If we do very well, it can help Denny Lewis and other economic developers to recruit more business. Then NC will be the place where you want to be if you are a defense contractor, and you need that CMMC compliance assistance and resources. This can be a treat as well as we have had some small businesses who had passed down to them from their prime contractors what we considered as unrealistic CMMC requirements for the type of work that was required. So, then the small businesses throw up their hands and say it is not worth it. This is a very important topic. Chairman Anderson asked if there were any more comments on priorities or other topics that we need to give attention to? Ariel Aponte said that he would like to champion the public and private partnership with Unmanned Ariel Systems (UAS) and higher education. Prior to this meeting he had a meeting with Elizabeth City State University, Secretary Sanders, NC Commerce and Secretary Boyette, NC Department of Transportation. Their drone and aviation programs are going online. They are looking to expand their operational reach from the Northeastern region to the hubs. They are looking at the Global TransPark (GTP) or Greensboro area for this. You complete your on-line training, and then go to these hubs to complete your hands on training. He would like to champion this and just let him know what you need from him going forward. Chairman Anderson said that he appreciated that Ariel Aponte volunteered to take the lead on this topic. He said that he appreciated the hard work from

members of this committee. The last topic is the budget, and we are approaching the 1st Quarter of 2022 and that budget cycle. He looks forward to receiving input from the members of where we want to give priority and how we may use our priorities in terms of the budget and the allocation of funding. So,

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we can advance North Carolina as the most military and veteran friendly location as it relates to economic development committee. Expect to get the opportunity to comment and input on that topic. Crockett Long said that it will be hard to replace David Hayden as the Economic Development Committee Chairman, but Rodney Anderson had come right out of the gate being very prepared and a great job today. He is excited about the future of the committee under his leadership. Chairman Anderson said that Vice Chair Hayden did a great job getting him ready for this position. We are glad that he is still a part of this committee and his knowledge.

ADJOURNMENT:

Chairman Rodney Anderson asked for a motion to adjourn the meeting. Vice Chair Hayden made a motion to adjourn the meeting and seconded by Crockett Long. The meeting was adjourned at 11:55 am.