



Montana Defense Alliance

Trip Report

To: The Honorable Senator Jon Tester (transmitted through Cheryl Ulmer – Field Director)
The Honorable Senator Steve Daines (transmitted through Robin Baker – Field Representative; Doug Pack – Military Legislative Assistant)
The Honorable Representative Greg Gianforte (transmitted through Mike Waters - Director of Veterans & Military Affairs; Tory Scribner – Great Falls Caseworker)
The Honorable Governor Bullock (transmitted through Chief of Staff, Tom Lopach)
Major General Matthew T. Quinn – Adjutant General, Montana Army/Air National Guard
Colonel Jennifer Reeves – Commander 341st Missile Wing, Malmstrom Air Force Base (transmitted through Ruth Hagbom)
Colonel Buel J. Dickson – Commander 120th Airlift Wing Montana Air National Guard
Great Falls Mayor Kelly and City Commissioners
Montana Defense Alliance Members

From: Gregory T. Doyon – MTDA Executive Board/Great Falls City Manager

Re: Association of Defense Communities 2018 National Summit

Date: July 10, 2018

Montana Defense Alliance (MTDA) Executive Board members Joe Briggs and Greg Doyon attended the Association of Defense Communities 2018 National Summit in Washington, D.C., from June 17-20, 2018. The MTDA sponsored attendance to the Summit.

Conference Overview

The Association of Defense Communities (ADC) supports communities with active, expanding, or closed defense installations. ADC has over 1,200 members and the organization brings together the interests of communities, the private sector and the military on issues of mission enhancement/realignment, community partnerships, privatization, BRAC, and base redevelopment. The 2018 Summit was ADC's highest attended conference to date. There was also a greater Congressional presence.

Executive Summary

USAF Community Partnership Program

- Program continues to gain slight momentum
- There is still frustration about implementation at the local community and base levels
- Strong desire from the Air Force to use this as cost deferment program
- Air Force continues to rely on program because of reduced budgets, manpower shortage, defense reductions, expanding service demands, and eroding infrastructure
- Only one part-time Air Force program director to oversee the program

General Comments of Interest

- Homeland no longer a sanctuary (stated repeatedly from senior officials)
 - The current “fence line” is really nonexistent in today’s modern military
 - Contamination of drinking water sources from firefighting foam is a serious emerging threat
 - Recent legislation proposed to eliminate Office of Economic Adjustment
 - School funding, infrastructure critically important to DoD
 - BRAC of the future needs a fresh look and needs to begin with a “clean sheet” including a 20 year outlook, emphasis on military value, resilience, assessing what we have, where we need it, value of it versus excess capacity
 - The USAF needs modernization – Secretary Wilson
 - Adversaries are preparing and modernizing faster than we are
 - It matters to the Air Force when community leaders stand up for Air Force when they need it
 - Sequestration impact on readiness was enterprise wide
 - BRAC projects are some of the hardest projects in the country to redevelop because of the complexity of the projects and remaining base infrastructure
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Monday June 18, 2018

Air Force Community Partnership Program’s Policy and Partnership Forum

Moderator: Mr. Teran Judd **Speakers:** Ms. Carolyn White; Mr. William Sproule

Forum Highlights

- Introduction of new Assistant Secretary of the Air Force for Installations, Environment, and Energy – Mr. John Henderson
- Mr. Judd has been visiting various bases to see firsthand the partnership program in action.
 - Recently visited Keesler AFB and Langley AFB
- Since program inception in 2013, there are 65 participating installations
 - 100 win-win partnerships
 - 330 + agreements
 - \$51 million benefits to the Air Force
 - Examples of successes include IGSA with electrical support, refuse, pavement striping, waste water treatment, solid waste disposal, salt brine purchasing
- Air Force continues to rely on program because of reduced budgets, manpower shortage, defense reductions, expanding service demands, and eroding infrastructure
- Leadership Updates: Mr. Henderson supports the program
- Intergovernmental Support Agreements (IGSAs) Policy
 - http://static.e-publishing.af.mil/production/1/saf_ie/publication/afpd90-22/afpd90-22.pdf
 - Recent proposal to extend the term, failed
 - There are new delegations of authority, updated tools, and better guidance

- Secretary Wilson signed delegation of authority to installation commanders
- Air Force is seeking more enterprises wide initiatives and solutions with the program
- Air provides various Partnership education and training Sessions
- IGSA and partnership require “considerations beyond cost”
 - i.e., does it enhance mission effectiveness? Creates efficiencies or economies of scale by reducing costs?
 - Many factors are taken into consideration when evaluating IGSA
 - Shifting to a “best interest analysis” versus “business case analysis”
 - Does the service meet or add a requirement?
 - What does it mean for private competition?
 - Litigation risks, contractor complaints, fairness
 - Trying to get some distance from the FAR

Observations:

- Session was heavily focused on IGSA
- Did not hear much from panel on actually improving the process
 - Makes audience wonder if they really support it
- Heard continued frustration from communities about the partnership process
 - Panel actually illustrated the difficulties of working through an IGSA by pointing out all the considerations
- ISGA increased from 5-10 years, but not able to go further
 - This will impact local government commitment
- Some IGSA have been successful at other installations

State Advisors Council

Several states were represented at the Council meeting. There was a strong presence from governor’s offices and economic development organizations.

Co-Chairs: Lisa Swoboda, Director, Maryland Office of Military and Federal Affairs; Keith Graf, Director, Texas Military Preparedness Commission

Session Highlights

Briefing from Douglas Hoelscher, Deputy Assistant to the President and Director of Intergovernmental Affairs. Mr. Hoelscher is the liaison between 80,000 political jurisdictions including governors, county, regional, local governments, tribes and President Trump.

- Three main issues:
 - Defense spending and prioritization
 - Good investment and good return for the taxpayer
 - Veteran Affairs
 - Change culture, new accountability
 - Infrastructure
 - Supplemental spending
 - \$25 billion in extra spending

- \$200 million on top of existing spending
 - Local state county partners needed
 - Strong infrastructure = strong communities and installations
- Role of communities supporting their installation?
 - Skin in game from **all entities**

Briefing from the Honorable Lucian Niemeyer, Assistant Secretary of Defense for Energy, Installations and Environment.

- Department focus on electrical grid surety, resiliency, infrastructure
- DoD challenged by state and local permit process
 - Department would appreciate streamlined review process for DoD
 - Regulatory – one leader to coordinate permitting; not multiple communities
 - EPA culture change – admin not afraid to change
 - They were advised that state and local permitting entities take their cues from EPA
- Broadband Policy
 - DoD should be participating in local efforts to enhance broadband
- White House has placed a premium on defense spending – Congress not so much
- White House focus on quality of life issues
 - Spouse and families focus
 - Reduced veterans unemployment to historical lows
- Reciprocity and licensure a key department issue
 - Home Base Iowa program
 - <https://www.homebaseiowa.gov/>
 - Pennsylvania reciprocity passed, *including* in state tuition
 - Blue star chapter (works with state) to support military spouse
 - <https://bluestarfam.org/>
 - US Department of Labor sponsors a grant program for states for veteran employment
 - <https://www.dol.gov/vets/grants/state/jvsg.htm>
- Fort Knox energy resilient installation Kentucky
 - President – desires energy “dominance” in America (Macro)
 - DoD trying to diversify its energy portfolio

Briefing from Andrew Schulman, U.S. House of Representatives Armed Services Committee (ASC) professional staff member.

- Focus by ASC on readiness and energy
- Facility sustainment model funded at 75% (creates deferred infrastructure issues)
- Local commanders now have better access to direct funding to meet installation needs in a shorter time
- Watching the effect of off base critical infrastructure that affects the base directly
 - OEA line item funding available
 - Requires match but approach for grants that leads to infrastructure off-base
 - Rural location match can be eased
 - \$100 million available

- Prohibition on BRAC next two years
 - Defense Authorization Bill allows a “light” BRAC to be state driven – local community can ask for closure
 - Consideration is capped at \$2 billion payback in seven years
 - Provides an options for legacy facilities, smaller, unable to BRAC divestment and reinvestment plan
- The current “fence line” is really nonexistent in today’s modern military
 - Cyber, energy, transportation
 - Concerns with encroachment
- Contamination of drinking water sources from firefighting foam is a serious emerging threat

Briefing from Mr. Lucian Niemeyer. He was appointed by the President as the Assistant Secretary of Defense for Energy, Installations, and Environment on August 2, 2017. He provides budgetary, policy and management oversight of the Department of Defense’s real property.

- Important for the US to project power
 - Communities play vital role in that projection
 - Installations are economic drivers
 - The DoD pays attention to how state’s support their installations
 - What states do is noticed and tracked
 - Office appreciates the work on these investments
- National Defense Priorities
 - Clean drinking water, training ranges and space, BRAC
 - Recent legislation proposed to eliminate Office of Economic Adjustment
 - He is concerned that DoD’s position (CAPE and comptroller accountability) is “creating a risk to the future of OEA”
 - As an alternative to OEA, new types of authorities could be provided for outside the fate appropriations
 - As compared to defense roads authority
 - DAR great model
 - Tough to defend the \$100 million expense while addressing significant DoD needs
 - School funding, infrastructure critically important to DoD
- Homeland no longer a sanctuary
- Installations need energy resiliency and protection of critical infrastructure
 - Training ranges – need greater airspace/capability;
 - need close support with the states
 - TIGER team created with Department of the Interior to minimize habitat impact
- How can a community be of *Military Value*?
 - To what degree are installations in your community energy secure?
 - DoD seeking resilient on/off base infrastructure
 - Target most critical assets
 - DoD chased less expensive “deals” but should have reviewed vulnerability
 - Role of state and local facilities – absolutely critical
 - Need cooperation from local utilities

- Identifying defense critical assets
 - Preventing foreign intrusion into grid/cyber
 - Working through access to information considered proprietary trade secret
 - DOE hydro review
 - DoD release list Tier 1,2 vulnerability concerns
 - Update mission assurance policies
- BRAC
 - Concern of Congresses' reaction to six consecutive years of DoD requests
 - Publishing of defense review
 - Realigning how we would explore BRAC with a clean sheet
 - Where do we need bases?
 - Most effective?
 - Looking 20 years ahead
 - Not what a governor thinks or is best for the community
 - Current military value/assets making force more lethal
 - New process underway – then ask for a new round
 - What does it mean to have excess capacity?
 - Shouldn't be on 1988 baseline

Briefing from Matt Boron, Chief Operating Officer, Association of Defense Communities.

- OEA – target; but may not be affected by infrastructure discussion
 - Off Base Infrastructure opportunities
 - OEA data – by state \$ fact sheet
- Advisory Council – new member orientation, develop new focus areas
- ADC will compile a list of all state organizations and who is on them; also will send out a survey
- ADC creating a resource library

Opening Keynote:

Speakers : Sec. Phyllis Bayer, Assistant Secretary of the Navy for Energy, Installations and Environment; Hon. Lucian Niemeyer, Assistant Secretary of Defense for Energy, Installations and Environment; Hon. Lucian Niemeyer, Assistant Secretary of Defense for Energy, Installations and Environment

Keynote Highlights

- Thank you state and communities – appreciate the collaboration
- Read and know the direction of the 2018 National Defense Strategy
 - <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>
- Homeland is no longer a sanctuary
 - Working with FAA to protect military missions
 - Perfluorinated compound contamination
 - Warfighting capability delivery
- Community Infrastructure supporting missions
 - OEA

- Other authorities could be used
 - Essential connection with communities
- BRAC of the future?
 - Six years of requests – did not resonate with Congress
 - BRAC process needs a “fresh look”
 - BRAC needs to include systems and technologies – start with a “clean sheet”
 - Where are they best placed
 - 20 year outlook
 - Military value – resilience
 - Versus excess capacity
 - Assessing what we have, where we need it, value of it
 - FY19 tough to know what the budget will be like
- Energy
 - DoD’s been “Chasing the dollar” instead of looking for a good deal
 - Evaluate systems that are more robust, resilient
 - Evaluating capacity for back-up power
 - Explore single points of failure
 - Anticipate extended outages for capability during a long outage
 - Wind development
 - Energy dominance policy
 - West coast wind; Gulf coast oil and gas
 - Multiple sources that are reliable, resilient, and capable of support during extended outage
 - Perfluorinated compound contamination
 - Goal: Safe drinking water
 - \$200 million to restore bad drinking water
 - Asked EPA to assist with developing standards
 - Cyber Concerns
 - DoD creating multi-domain teams
 - Foreign entities have already accessed critical utility systems
 - Cyber security is a critical need for the future of warfare
 - Generic Community Advice
 - Read the 2018 National Defense Strategy
 - US is not a “sanctuary nation”
 - Water resiliency is important
 - Creative community thinking
 - Long term water, energy, long term stability

Comments from Secretary Phyllis Bayer, Assistant Secretary of the Navy for Energy, Installations and Environment

- Readiness, lethality – in partnership
- Readiness – staying ahead of our adversaries
 - “We do need your help with that.”

- Fallon Air Training Space; Bremerton Whidbey Island
- Modernization
 - A lot of bases with old infrastructure
 - Shrink footprint, increase productivity, lower cost
 - Smart cities tech
 - Look for opportunities on base related to smart city development

Keynote

Speaker: Sen. James Inhofe, Chairman, Subcommittee on Readiness and Management Support, Senate Armed Services Committee

Keynote Highlights

- The Senator visits five installations in Oklahoma at least once per month
- Observed five BRAC rounds since joining Congress in 1987
- Impact aid increase \$40 million (43% increase)
- Comment: The Senator provided a somewhat rambling discussion of prior policy defense, taxes Trump, and other topics that was tough to follow.

Keynote

Speaker: Secretary of the Air Force Heather Wilson

Keynote Highlights

- FE Warren oldest USAF installation in continuous service
 - Formerly Army Post called Fort David Allen Russell
- In 1944, the US had 800 airbases – 750 overseas
 - Brief synopsis of USAF from inception to present day
- During appointment and confirmation proceedings, she was stunned at USAF readiness slide
 - The USAF needs modernization
- What has happened since last year?
 - National Defense Strategy
 - Russia, terrorism different
 - Prioritizes higher fight, more lethal – any fight anytime
 - Need airmen – Seeking 325,000 airmen in 2019; looking to another 4700 squadron
 - Stripped from sequestration
 - Need training ranges, simulators, instructors, training, preferred munitions,
- Adversaries are preparing and modernizing faster than the USA
- Modernization includes
 - KC 46
 - B21 on schedule
 - New flight trainer under development
 - UH1 replacements
 - New wings for A10 (<https://www.boeing.com/defense/support/a-10-wing-replacement-program/index.page>)

- Nuclear command and control
- B-52 needs new engines
- China is pacing threat for air superiority
- What can communities do?
 - 1973 conscription ended; every airmen has been a volunteer
 - Success depends upon you and their readiness
 - Sec. Wilson held town hall meetings with airmen
 - Discussed what matters most to airmen about their base assignment
 - 1) quality of the public schools (education for children, confidence, matters great deal)
 - 2) reciprocity of licensure for spouses
 - Letter to all governors
 - Utah exempted members from having to get licenses
- It matters to the Air Force when community leaders stand up for air force when they need it
- The Secretary made an emotional appeal to communities to support their installations
 - She used a recent B-1 bomber incident to highlight the quality of USAF Airmen
 - <https://theaviationist.com/2018/06/20/heroism-how-a-young-u-s-air-force-b-1b-bomber-crew-saved-an-aircraft-and-crew-lives/>

Tuesday, June 19, 2018

Featured Session: Understanding DOD Reform and Its Impacts

Moderator: Sec. Tad Davis, Principal Deputy Assistant Secretary of Defense for Energy, Installations and Environment
 Speakers: Mark Cancian, Senior Fellow, Center for Strategic and International Studies; David Berteau, CEO, Professional Services Council; Barry Scribner, Co-President of Public Institutions & International Director, JLL

Session Highlights

- Session covered military purchasing, processing, acquisition
- Innovation – less than 2-3% comes from military
- BRAC still good opportunity to reshape the force and maximize readiness
 - Specific mention about training ranges and space
 - Common comment during conference
- BRAC is one management reform that DC can agree with (at least outside of Congress)
 - Process useful for organizational reform and realignments
- Changes facilitated more money/funding for realignment
- Hard to argue excess capacity when your budgets are going up
 - What is certain is that what goes up in DoD; it will go down
- EUL – easy if underlying dirt is great (location) tougher in less attractive locations
 - Bad example: West Point – retirement home
 - Good example: General Motors Test track at Tucson/Yuma Proving Ground
- Capacity report in October 2017 – DoD had 18% excess capacity
 - Managing existing footprint better with flexibility

- Process for acquiring new system or technology long, complicated, and funding is challenging
 - Especially with ongoing continuing resolutions
- Real property reform - Better use of existing property – technology to make DoD more efficient
- Reviewing smart city technology in cities for base use/application
- Portfolio rationalization – in private sector capital O&M expenditure
- Concerns:
 - To many requirements fiat the budget
 - To many “set asides”
 - Low price/technically acceptable
 - Bending the rules
- Private sector
 - Maintenance - Preventative vs. reactive
 - Know the data to apply technology
 - Fees at risk if cost for service is higher (cost plus contracts)
 - Use data and benchmarking – compare internally from one installation to another
 - O&M versus capital
- Private sector - Less “me” space more “we” space
 - “We work” leasing opportunities
- Use the data – real information that will make you more efficient
 - Requires data management/analytics

DOD Leadership Keynote

Chief Management Officer, John Gibson II briefed attendees on his efforts to eliminate inefficiencies within DoD and how this will impact the way installations are managed.

Keynote Highlights

- Real property and community initiatives
 - Commissary and Exchanges
 - Robust but inefficient services
 - Study not very flattering of services
- Spousal employment needs and opportunities
- Opportunities to manage real property as an enterprise (4th estate) services contracts, excess capacity
 - Not stopping at DoD fence line GSA, leases, etc.
 - Outside fence view into the installation
 - Developing working relationships and military value
- What should that partnership look like?
 - Tapping into what makes America great – tapping into that spirit
 - Being more acceptable of taking good ideas
 - Willingness to do things differently – will it translate into action at all levels? Yes.
 - More fertile environment with changing mindset
 - Public and private partnerships a way to make that happen
- What is most important to you for our leaders to know about working with you?
 - Keep pressing – through all channels and organizations
 - Able and willing leadership

- Be willing to be creative
- Lessons learned in current and prior positions
- Keep doing what you're doing
- More receptive to ideas now than ever
- Infrastructure in communities
 - Technology, systems, products are happening locally that could assist with National defense strategy – bring it forward beyond facilities
- “All about relationships.”

Featured Session: Air Force Town Hall

Moderator: Sinclair Cooper, Public Infrastructure- Development, Hunt Companies SPEAKER: Sec. John Henderson, Assistant Secretary of the Air Force for Installations, Environment and Energy

Session Highlights

- Four months in position (Secretary Hartley was acting; not confirmed)
- What are your priorities?
 - Partnership with communities appreciate and is critical
 - Use ADC to train installation commanders
 - Infrastructure – includes “human” infrastructure
 - Mission readiness and lethality
- Observations:
 - Great team
 - Community partnership program a great success
 - AFCEC leadership (significant changes)
 - Energy portfolio
 - Operational energy
 - Will continue with current plan – no immediate changes on horizon
 - Privatized Housing Portfolio
- Significant Challenges
 - Environmental Mitigation
 - Perfluorooctane sulfonate (PFOS)
 - Age of infrastructure
 - Asset management, life cycle of facility
- Sequestration impact on readiness
 - Enterprise wide
- Big project management
 - MILCON and large project
 - Most come out o.k.; some go off track, complex and expensive
- Priorities
 - Continuing focus on emerging contaminants
 - 203 base assessment (90% complete)
 - 19 bases providing drinking water 19 bases currently treating
 - Restore readiness of power projection platforms
 - Long range aircraft, cyber, UAV, nuke missions
 - Fight from these installations

- Critical to warfighting capability
- Current asset management process not sustainable (i.e., funding)
 - Overdue for a get well plan
- \$33 million backlog on infrastructure
- Don't wait to recapitalize when the facility is at end of lifecycle
 - Data base population
- Taking care of Airmen and families
 - Waiting to see Sec priorities and mesh before putting pen to paper
- Great support from Congress and the administration
 - Sec Mattis new team – thinking differently
 - Hard look at business practices
- House and Senate NDAA Observations?
 - Congress has been good with the portfolio last couple of years
 - Allowed some things to be accomplished
 - Defense communities infrastructure (outside fence)
 - Can consider doing work on infrastructure outside the fence
 - State or local government owned infrastructure (utilities, bridges, schools)
 - BAH rates reduced – balanced by privatized housing model
 - Some legislation returned to previous rates
- What keeps you up at night?
 - Sleep pretty well....civil engineers and communities have great teams working the challenges

Q&A

- Privatized housing (Tyndall AFB) replacing older housing with privatized? No.
 - Massive bed-down exacerbating the problem
- Third party financing programs for infrastructure?
 - EUL proponent would like to leverage all types of funding
- Keesler AFB – joint basing discussion? Yes.
 - Does JB and concept support mission requirements? Or does it hinder it?
- Lack of understanding at mid-level for partnership program – way forward?
 - Maj com don't see value or understand it
- Davis-Monthan Air Force Base – Dorm privatization? Child care and support functions?
 - Support privatization when it's appropriate
- Peterson AFB – personnel / HR for unfilled billets?
 - 4-6 months sometimes to hire someone
 - Private sector demand great for some specialties
 - Need reform, but not in my wheelhouse

Session: Future Perspective: Resiliency and Regeneration

Session addressed smart growth strategies for redevelopment and critical infrastructure requires a focus on resiliency and regeneration.

Moderator: Brian Hooker, Executive Director, Fort Mac LRA Speakers: David Baxter, Infrastructure Procurement and Resiliency Strategist; Seth Kirshenberg, Partner, Kutak Rock

Session Highlights

- From a redevelopment perspective, protecting military infrastructure assets is easier than trying to redevelop them
- Communities redeveloping installations should adopt sustainable and resilient practices
 - Regenerative projects grow and become better over time
- Static thinking is a threat to redevelopment
- Redevelopment considerations should include:
 - Re-insurance
 - Long term legal contracts (P3/P4)
 - Defining partners and stakeholders
 - Addressing mistrust with redevelopment management
 - Flexibility
- Installations that are BRAC'd may benefit from DoD redevelopment assistance
 - Communities must proactively plan
 - Mega projects have failed due to poor planning or no feasibility study
- Federal, state, and local participation is essential to create re-use opportunities for the installation
- Redevelopment may include long term leases with incentives and viable payment streams
 - Micro grid for the project and/or development may be more attractive
 - Micro grid funding may be available
- BRAC projects are some of the hardest projects in the country to redevelop because of the complexity of the projects and remaining base infrastructure
- New buzzword: *Resiliency* or in other words, infrastructure that is redundant and strong
 - Resiliency for public safety (response, hospitals, etc.)
 - Cost of resiliency for federal and military installations – there is more cost and justification
 - Holistic resilience – when one part goes down, what's the affect on rest of the system?
 - Bond rating companies considering resilience as part of the rating for debt

Featured Session: The Future of Force Protection and Cyber Security – Is Your Community Ready?

Moderator: Scott Landguth, Executive Director, South Dakota Ellsworth Development Authority

Speakers: Mitchell Komaroff, Principal Advisor for Cybersecurity Strategy, Planning & Oversight at DoD CIO; Lance Spencer, Mission Executive, Defense Segment, AT&T Business

Session Highlights

- Exciting time to be in DoD in IT/Cyber security
- Secretary Mattis direction:
 - Three themes – creation of resilient and lethal force, collaboration with partners
 - Desire to leverage the most advanced technology available (cloud based, detection, AI)
 - Enhance lethality of DoD
- Force protection = secure cyber
 - Risk management framework
 - New cyber survivability
- Non traditional view of base protection – much of cyber occurs off base
- Cyber secure, resilient , protection , privacy all different between commercial and consumer

- Environment changing so fast (technology and infrastructure)
 - DoD \$20 billion annual investment into technology
- Efforts to create “smart base” installations
- FirstNet – opportunity for communities and bases to work together
- Force protection (certification risk management)
 - Introduced rules and regulations for cyber security for systems
- Acquisition program changes to insure performance of systems and resilience
 - Cyber survivability requirements
 - Institutionalize defense industrial base to secure DoD information and down into their supply chains
- Trust is important between DoD and vendors (not about taking advantage of each other)
- DoD has its own standards versus industry (industry is greater)
- DoD will be reaching out more to private industry to resolve problem they have been suffering
 - Carriers like AT&T
- Will there be consistent DoD standards and who will pay for them?
 - Central guidance – delegated to respectful branch for implementation
 - RMF risk management framework
 - Taking a strategic pause to evaluate framework
- Smart Bases
 - Force protection, utility delivery, safety
 - FirstNet – provider for infrastructure (sensors) platform, connectivity
 - Deliver capability quickly – cyber security business established on routes of trust, or time consuming processes (security properties)

Keynote Session: Building Defense Community Readiness

Moderator: Chuck Milam, former Acting Deputy Assistant Secretary of Defense for Military Community and Family

Policy Speakers: Rep. Tim Ryan, OH-D, Representative for Ohio’s 13th District; House Appropriations Committee,

Subcommittee on Defense; Dr. Peter Wald, Enterprise Medical Director, USAA; Rep. Scott Taylor, R-VA,

Representative for Virginia’s 2nd District; House Appropriations Committee

Session Highlights

- Mattis – Focus on military readiness; desire to build a more lethal force (body, mind, spirit)
- Adult obesity in the military is a problem!
 - Poor health = more cost; chronic health issues affect preparedness
 - Cadets – 4200 USAFA – fueling the human weapon system (body)
 - DoD thinking differently about how food is developed, delivered ,and the types of food provided
 - Cafeteria style system still in place at the AFA academy
 - Food service delivery – increase the healthy choice people have
- Support of the total military family?
 - It’s not just one soldier or sailor – it’s about the whole family who supports that member every day before/after deployment.
 - Reintegration can be stressful for families – focus on educating families
- USAA – Total Wellness program
 - Company culture – focused on serving those who serve

- Brand, creating behavior change, facility/grounds designed to support a healthy lifestyle,
- Creating a culture of competition, recognition and financial incentives
- Communities partner with installation to help with readiness; have choices?
 - Make it a habit
 - Support events that attract military and nonmilitary
 - Physical fitness activities
- USAFA helping cadets to understand the lifetime benefits health
- Lifestyle medicine, not a fad diet, changes entire dynamic of how they view food.
- End cost worth the investment
 - Differential pricing; good stuff at eye level, bad stuff out of sight
- Engaged community – BMI bathtub high level
- Military Readiness – Healthy Base initiative – extending the program;
 - Farm to base

Wednesday June 20, 2018

ADC Leadership Breakfast

Open to all ADC members in good standing, this meeting will provide members with an update on ADC activities & financials. Members will also be asked to vote on a slate of candidates for the ADC Board of Directors.

Greg Doyon was elected to the ADC Board of Directors.

Featured Session: What’s Next? – The Trends, Politics and Policies that will Define the Year Ahead

Moderator: Tim Ford, CEO, Association of Defense Communities Speakers: Frederico Bartels, Policy Analyst, The Heritage Foundation; Blaize Misztal, Director of National Security, Bipartisan Policy Center; Mackenzie Eaglen, Resident Fellow, Marilyn Ware Center for Security Studies, American Enterprise Institute; Todd Harrison, Director, Defense Budget Analysis and Senior Fellow, International Security Program, Center for Strategic and International Studies

Session Highlights

- Military spending has definitely increased
- Congress does not want DoD to grow too fast
 - With inflation, investment will plateau
 - FY20/21 budget caps return to their original levels
 - \$85 billion requires across the aisle cooperation which will require deals between the parties (more social spending to get military spending); a bipartisan effort
- Not a sizable increase; not really a build-up
 - The DoD needs to increase the budget at least 3% annually just to maintain operating military – this is not a “Reagan” buildup
- Current budget continues sustainability, addressing the back log of readiness and defense posture
- FY09 was the last time the defense appropriation was passed on time – the rest has been CRs
- NDAA- moving forward, budget is set, not a lot of controversial issues this cycle

- Fourth Estate reforms
 - OEA, civilian agencies, employees that support DoD
 - Will be reviewed, too big
 - Shanahan: too many eyes on it
 - OSD changes (structural)
- BRAC
 - Increase in budget does = increase in force structure
 - Soaring deficits in 2020s
 - Probably no BRAC consideration for several years until reality sets in late
- NDAA
 - Is significant, defines DoD focus strategy
 - Front and center China and Russia; still terrorism, but not as strong
 - DoD and Congress are together on focus, which is unusual
 - Strategy translated into budget – new investments to match China and Russian capability
- Long term research and development – where the new money is going?
 - More continuity than change in report; more forcefully stated
 - Big four: Russia, China, rogue nation, counter terrorism
- FY20 budget request – how will it implement the strategy?
 - More details to be worked out
 - Less focus on terrorism; resources from war on terror brought back to the homeland or redeployed for other threats
 - Asia pivot? Changes when you're "hit in the face"
- Concept of Lethality
 - A lot of discussion what does it mean? What does it mean to communities
 - "Crass buzz word"
 - Mattis use may backfire by cheapening the military – they do more than kill people and break things
 - Best wars are the one we don't fight!
 - "Wildly short sighted."
 - Marine corps specific concern – Mattis quest for the white whale
 - Never defined it – open to interpretation, each branch is defining it definitely
 - Speaks more to readiness and effectiveness
- Mid-Term Elections
 - Reasonable chance the House will flip
 - Senate likely to stay the same; no real impact other than process and deal making
 - May make it more difficult to work with Congress
- 2021 budget deal – applies to all federal departments not just military
 - Split the baby outcome
 - Conservative Side
 - Possibility of changing the character; might see some changes (a lot of republican retirements before midterm)
 - Budget process reform study underway, may change depending on election
 - Possibility of good working relationship between Trump and democrats
 - Based on presidential pre-election comments
 - Domestic spending consideration (farming)
- Will the US DoD see the creation of a "Space Command"?

- Different from “space war”
- New branch? Something serious debated amongst military
- Gradually transition to a space branch
- House version of NDAA passed in 2017 with language in bill
- Trump has supported it
- Inevitable and it will occur
- Adversaries recognize it
- Reorganized within Russia/China
- Air Force Space Command or Navy/Army
 - Intelligence offices – combine what we already have
- Already have space forces in military branch – new one raises prominence
- Recruitment and retention
 - Expertise in technical commands
 - Not real suited into it now; different recruitment models

FEATURED SESSION: Defense Budget Infrastructure Budgets: Balancing Priorities and Making Ends Meet

Moderator: Don Fix, Member, The Spectrum Group Speakers: Sec. Richard Hartley, Principal Deputy Assistant Secretary of the Air Force for Energy, Installations & Environment; Kimberely O’Keefe, Resources Director, Office of the Assistant Chief of Staff for Installation Management, U.S. Army; Sec. Steve Iselin, Principal Deputy Assistant Secretary of the Navy for Energy, Installations and Environment

Army

- The Army still has buildings it doesn’t need
 - From design to build, it takes 4-5 years.
 - Length of time quickly outdates the technology, design, materials, mission unique needs
 - Mission “tails” or unique mission requirements can impact development
- Readiness and restoration – optimal design space, using appropriate materials and technology
- Focus on integrated building with the community
- Network – actual online internet could fail, but human network is more important
 - “We need you”

Navy/Marine Corps

- 20% below requirements to fully sustain facilities
- Some new money, not enough to sustain
- More ships increase end strength but will require more personnel
- Trying to keep up with Russia and China
- SDEF prioritizing, making every dollar count
- Auditing – IT systems, real property maintenance
- UAV/S IGSA’s new authorities Navy /Marines woke up on the opportunities
- Oil and gas reserves in Gulf; encroachment of flight incursions
 - Need to maintain test and training spaces
 - Concern with foreign encroachment
- HQ office staff reduction
 - Pressure on accounts; no windfall, better business case

Air Force

- Hard to describe the magnitude of problem and how challenging the budget process is for USAF
 - Not a lot of new money
 - “We need your help”. “Thank you for it.”
- Readiness, modernization, housing, encroachment, P4 are priority concerns/programs
- Total amount of money allocated \$124 billion; potential of \$141 billion
- Heavy infrastructure needs competing for funding
- National Defense Strategy placing pressure on ability to deliver
- 5th gen requirements; modernize nuclear enterprise, readiness for different fights; training and testing
- Space, cyber, and hypersonic weaponry needs
- Take risk in infrastructure accounts to meet readiness
- Thankful for increased allocation, but fact is, the risk still remains
 - FY17/18 10 billion in infrastructure
 - FY19 8 billion – no growth
 - \$2 Billion in MILCON - no real change
- Facility investment backlog about 5 million per year (33 total including guard and reserve)
- Competition for resources tough
 - Can’t buy/BRAC our way out
 - Increasing awareness within the USAF
- Reform business practices
 - Higher share of budget for infrastructure
 - Articulating risk of deferment
- Strategy planning an analysis
- Consolidation, contracting, facility foot print, utilization of facility, leases, utilities, strategic sourcing ; real property reform direction
- Enterprise wide guidance

Air Force SAF IE Meeting

Met with new Assistant Secretary of Defense for Installations and Energy, Mr. Henderson and staff

Meeting Topics

1. Housing
 - a. Concern about access to quality housing for airmen
 - b. Looking for opportunities to utilize existing infrastructure/land on base
2. GBSD
 - a. What can the community do to prepare for the ICBM upgrade
3. JLUS Refresh
4. Potential Encroachment

-END REPORT-