

# CORNERSTONE INVESTORS REPORT

*Update on Legislative Affairs and Economic Development Efforts*

## ***Legislative Affairs Remains Priority for Cornerstone Program***

Your cornerstone investment funds three major initiatives for our community – economic development, legislative affairs, and major event tourism. Over the past three years, we have experienced tremendous return on investment in all three areas, but most notably in the legislative affairs.

Numerous trips to Austin and Washington D.C. have enabled the Chamber to keep San Angelo's priorities in front of our elected representatives and Pentagon officials. As a result of these and other efforts, San Angelo and Goodfellow AFB have been recipients of major construction dollars from federal funding over the past several years. The San Angelo delegation had another very successful visit to Washington earlier this year.

### **VISIT WITH CONGRESSMAN MIKE CONAWAY**

Congressman Conaway met the ten trip participants for forty minutes in his office to receive our thanks for work on our issues, and discuss current and future issues. We thanked him for his support of the Center for Security Studies at ASU.

We provided the Congressman and his staff copies of the one page summary of issues, which included our thanks for the MILCON projects underway at Goodfellow AFB, and the top three unfunded MILCON requests for future years (Live Structural Burn Trainer, Consolidated Base Logistics Complex, and Phase 2 of the Joint Intelligence Technical Training Facility).

The delegation heard the Congressman's latest assessment of efforts to produce a new federal transportation bill, and noted the importance of continued funding for connectivity resulting in commerce through highway construction and maintenance, particularly along the Ports-to-Plains route.

San Angelo representatives thanked him for his efforts opposing the listing of the Dunes Sagebrush Lizard on the Federal Endangered Species List.

The Chamber's position opposing Sequestration was embraced by the Congressman, as he favors strategic cuts rather than the straight lined 8% cuts that Sequestration would mandate, particularly in the area of Defense since \$487 billion is already being removed from Defense over the next ten years. Congressman Conaway stated that cuts of additional billions would be "devastating" to our ability "to defend this country," and leave the military "smaller than healthy."

Legislative Director Paul Balzano and Military Legislative Assistant Michael Thornberry attended the dinner with Conaway and his wife Suzanne. Staff members discussed future activity on the Dunes Sagebrush Lizard and many other issues with the participants.



*Members of the San Angelo delegation pose for a picture with Congressman Mike Conaway in his office.*

### **San Angelo Delegation**

*Fredd Adams, San Angelo City Council Member  
Sam Allen, Chairman, Chamber Board  
Michael Dane, Interim City Manager, City of San Angelo  
Steve Floyd, Tom Green County Commissioner  
Johnny Griffin, Chairman, Military Affairs Committee  
Kendall Hirschfeld, San Angelo City Council Member  
Jim H. Hughes, Chairman, Government Affairs Council  
Dr. Brian May, Provost, Angelo State University  
Phil Neighbors, President, Chamber of Commerce*

### VISIT WITH SENATOR KAY BAILEY HUTCHISON

Prior to Senator Hutchison's arrival, the delegation met with Hutchison's Legislative Director and Counsel David Davis and Deputy Legislative Director Dana Barbieri. They distributed the summary and background to San Angelo's issues of interest. Her staff assured the group that Senator Hutchison was working on a better rate of return for Texas in her role on the Conference Committee for the Highway Bill Reauthorization.

In discussing current military cost-cutting and a possible BRAC process in 2015, Davis urged San Angelo and Goodfellow to research what could be added to the existing missions of Intel and Firefighting because training is less expensive, and because of the great support the community provides to GAFB. Davis also pointed out that the success of ASU's Center for Security Studies makes Goodfellow more valuable and less vulnerable to closure and cuts.

Senator Hutchison joined the discussions, and she was thanked for her many years of service to Texas and her valuable assistance to San Angelo in many areas. Dr. Brian May expressed appreciation for her support of the Center for Security Studies, and she said that she takes great pride in the Center's success to date, and hopes that the final year of funding can be reinstated.

Of her role on the Transportation Bill Reauthorization Committee, she said that although there were around fifty people participating with varied interests, she sensed a consensus to pass something and described a compromise between the chambers as "doable." The critical importance of highway construction and maintenance funds was stressed by the San Angelo Delegation.

Senator Hutchison also noted that Sequestration would be catastrophic for both military and many different health and social programs, and remained hopeful that other cuts could be agreed upon instead.

*Make plans to attend the West Texas  
Legislative Summit on August 28th.  
Register at [www.sanangelo.org](http://www.sanangelo.org) or call the  
Chamber for more information.*



*Senator Hutchison speaks to the group before departing to meet other obligations.*

### VISIT WITH SENATOR JOHN CORNYN

Senator Cornyn also spent a few minutes with the delegation in his office. Also attending were Legislative Director Shay Wester, and Military Legislative Assistant Douglas Ivanac.

Senator Cornyn stated that there may be widespread support for transportation reauthorization, but that the divisive issue is "how do we pay for it?" He stated that Texas is receiving approximately 92 cents on the dollar from gas funds contributed, and that the fund is shrinking about 2% per year. The delegates stressed the need for continued transportation funding in West Texas. Participants also expressed support for holding regulatory agencies accountable for their growth and the mandates imposed upon employers. Michael Dane stated that federal regulations create a need for an additional 8-10% in tax revenue for the City's operations.

Regarding Sequestration, the Senator stated that he did not see how the military could survive any more steep cuts following the half billion dollars in cuts already agreed upon. He related meeting with Goodfellow Commander Col. Mark Damiano earlier in the week, who stated that San Angelo has shown the best support for its base of any community he had ever seen, a comment Ivanac was told they never tire of hearing. Doug stated that he believed Goodfellow currently provided the Department of Defense with the lowest and best costs of ISR training.

Regarding cuts already undertaken by the Customs and Border Protection Division of Homeland Security, Doug stated that there are no more cuts currently proposed for CBP other than the possible Sequestration. He was assured that the City, COSADC, and County stand ready to participate in any facility upgrades at our local installation for Customs and Border Protection.

### THE PENTAGON

On the way to the first appointment, we were fortunate to have a brief conversation in the Pentagon hallway with **Goodfellow Commander Col. Mark Damiano** and new **Command Chief Master Sergeant Scott Lumpkin**, who thanked the delegation for being there and briefed them on some recent developments at the base since the previous week.

The first appointment was with **Terry A. Yonkers**, Assistant Secretary of the Air Force for Installations, Environment and Logistics, and **James P. Holland**, Deputy Assistant Secretary of the Air Force for Installations.

Mr. Yonkers started the meeting with the statement, "This has been the most difficult year since I've been in this role" referring to the \$487 billion in future defense cuts planned over the next ten years through the DOD. He and James Holland had just returned from an 8-base round of visits, and described the mood as "austere" as cuts are being felt.

Discussions took place regarding the Center for Security Studies, and Yonkers thanked San Angelo for the ASU & Goodfellow partnership and everything else San Angelo has done and is doing for the relationship. He noted that Intelligence, Surveillance & Reconnaissance (ISR) is still a growth industry for DOD, and said that Goodfellow should continue focusing on being a center of excellence for ISR while the Air Force asks local communities to bridge even more of the gaps as services are reduced on bases. The delegates noted that the community is in discussions with Goodfellow to augment food service on base from the private sector, and they heartily approved.

Yonkers indicated that he didn't sense "any appetite for a 2013 BRAC," especially with \$10 billion more already scheduled to be reduced from the DOD budget next year. However, he indicated that his group would support the President's request and ask Congress to

authorize a 2015 BRAC process, stating that once all of the downsizing in aircraft and personnel has taken place, there will be "25-30% in excess capacity" at military bases. Noting that he personally worked the last two BRAC processes, he stated that the Air Force has no choice but to "make ends meet" with funds available.

Mr. Yonkers also stated that "every base will be on the table" for consideration for closure, realignment or growth. Every state has at least one Guard unit that will be closed, and all states will feel some pain from BRAC. However, he added that he believes that no bases will be closed unless it makes sense to close them to realize immediate cost savings, and then added that two other factors that would likely be evaluated would be air space and/or encroachment for bases with active flying missions, and community support. The age, condition and usage of facilities should also come into play, he predicted, but the overhead to operate our base compared to similar costs at other training bases with similar missions would be important.

The process he outlined for official BRAC action was a recommendation from Congress, followed by appointment of a BRAC Commission, work by the Commission, scrutiny of findings by Secretary of Defense Panetta, acceptance or modifications from Congress, and then the order to the BRAC Commission to carry out the changes.

Community representatives outlined other initiatives underway partnering with Goodfellow, and Yonkers and Holland thanked the delegation for their proactive support of the base, the students, and the local military leadership.



*City Council Members Kendall Hirschfeld and Fredd Adams enjoyed dinner with Congressman Mike Conaway.*

The second appointment was with **Lt. General Larry D. James**, Deputy Chief of Staff for Intelligence, Surveillance & Reconnaissance, USAF; **Brig. General Mark W. Westergren**, Director of Strategy, Plans, Doctrine and Force Development at the Deputy Chief of Staff for Intelligence, Surveillance, and Reconnaissance; and **Col. David A. Martinson**, Associate Civil Engineer.

A very pleasant relationship exists between San Angelo and General James, and he again thanked them for all their support of the ISR mission at Goodfellow. The presence of General Westergren in the meeting was an added bonus, as he was headed soon to Omaha to serve as the Chief of Intel at Strategic Command.

Regarding a future BRAC, General James indicated that he didn't think Congress would do anything prior to the November election, but he hoped Congress would take action to avoid Sequestration. He noted that there is a lot of value engineering (cuts) being made to achieve current budget reductions, particularly where the Guard and Reserve are concerned, for the 2013 budget.

The delegation quoted comments from the earlier meeting in which they were told all bases will be on the table for closure or consolidation during the next BRAC, and General James acknowledged that, but added that the following points: 1) New ISR missions are coming along at a rapid pace; 2) ISR training currently 'starts and continues' at Goodfellow; 3) The remote location of Goodfellow is actually a plus considering its ISR training mission; 4) President Obama has named ISR a military priority; and 5) Goodfellow's low cost structure and the 'can-do' attitude of the community will also help Goodfellow during any analysis.

General Westergren added that, "Personally, I don't know that there's any risk to the base, but the more value added to the base, the better off it will be."

A discussion followed in which the relationship between ASU's Center for Security Studies and Goodfellow was explored, including new degrees for analysts. The generals added that there is an effort to have captains and majors obtain advanced degrees while working their way up in ISR, to which ASU is an asset.

Participants noted current efforts to continue bus transportation for students to San Angelo businesses. They were also briefed on Goodfellow students'

participation in the flag roll-out at the Rodeo, and how important they are to the drag boat races and other local events.

"Personally, I don't know that there's any risk to the base, but the more value added to the base, the better off it will be."

- Brig. General Mark W. Westergren

## NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY

The first meeting was with **Mr. Greg Glewwe**, Public Affairs Officer, NGA. A native Texan and graduate of Sul Ross State University, Greg clearly enjoyed giving the San Angelo representatives a tour and briefing of NGA. The NGA's motto is "know the earth...show the way...understand the world," and its mission is to support GIS intelligence for national security purposes. Much of their basic imagery and geospatial mapping is taught at Goodfellow, and he indicated that they are looking at expanding some of the training now going on at Lackland to Goodfellow.

The NGA Campus East, as it is known, opened in September 2011 combining over 9,000 people from three previous East Coast locations in this headquarters in Springfield, VA. Authorized by the 2005 BRAC, the building is the largest Lead Gold Certified structure with over 2.8 million square feet. The North and South wings are color-coded into 'neighborhoods' for easier navigation, and the group agreed that it is an amazing building.

The agency began in 1996 and was re-named NGA by Congress in 2003. They advise with data and maps; but they do not make the final decisions on "where to deploy resources." The agency maintains 8 of the 12 tracking systems in the world that help facilitate GPS. There are a couple hundred UAVs collecting up to 17 hours of imagery all the time, which is then stored. NGA has to prioritize what it watches and stores. One example they showed with a photo was how the NGA brought imaging assets to bear when Ben Laden was captured & killed at Abbottabad. They also use NGA data for humanitarian purposes as well as Homeland Security.

The delegation then met with **Mr. Ben Cumbo**, National Geospatial-Intelligence Agency College Outreach Director, who emphasized that important events now happen in real time without any warning. He stated that NGA College's mission is to train ISR professionals for the new environment and culture that is GEOINT, and that he is working to create four new certification levels in Intel training by the end of September. Dr. Brian May and he visited about the role that ASU's Center for Security Studies already plays and how that role can be increased in the future. The USGIF certifies educational programs in GEOINT.

Mr. Cumbo said that the phrase "need to know" is now "need to share," and that in his opinion, too much information is still classified, but it is moving in the right direction. An interesting observation about those currently in Intel: 40% of their workforce is now within five years of retirement (as he is), and 40% of it has been in the field less than five years.

Following their presentation on monitoring capabilities throughout the world, County and City officials visited with **Mr. Dane Wilson**, NGA Disaster Response Support, about how NGA resources could be utilized in the future with such emergencies as the 2011 fires in West Texas.

**Dr. Eileen Preisser**, Senior Air Force Intelligence Representative to NGA, serves as Director of the Air Force GEOINT Office, advising the Air Force and NGA on GEOINT technical issues. She and **Lt. Col. Monica Patridge** had lunch with the participants in the cafeteria, along with **Chris Phillips** and **Maj. Pina**, and follow up was scheduled between Dr. Preisser and Dr. Brian May to facilitate future growth and interaction with ASU's Center for Security Studies.



*The San Angelo Delegation stops for a photo outside the National Geospatial-Intelligence Agency.*

## GOODFELLOW BUS ROUTE

As a result of last year's trip to Washington, the Chamber, City, and Concho Valley Transit District worked diligently to establish, and temporarily fund, the Goodfellow Express, a trolley route from Goodfellow to the downtown area and to businesses along the Loop and Sherwood Way. The pilot program launched June 1st, and continues to have success with an average of almost 500 trips per weekend. The committee is currently looking for permanent funding so that the trolley service can continue.



*The Goodfellow Express awaits departure at the base entrance.*

## ECONOMIC DEVELOPMENT

2012 had been a year of building these new initiatives and programs, providing us with an opportunity to position the community for the future. The acceptance of the Strategic Plan for Economic Development in San Angelo has diversified the scope of work of the Chamber's Marketing and Recruitment division by adding the additional responsibilities of creating a formalized Business Retention and Expansion Program (BREP). Staff, working with the oversight of the Chamber's Economic Development Committee, is organizing and developing the BREP to support local business in the community. The BREP will support the local business community with information, direct or indirect assistance through our economic development partners, and financial services.

The Cornerstone Program supports the efforts of the Chamber in multiple areas and is the backbone of the Chamber's Economic Development initiative. COSADC funding has a limited scope of uses dictated by state mandate. Cornerstone dollars allow for the flexibility in the program that the other funding sources do not. Staff continues to work as an ally to all businesses regardless of NAICS code designation or type of business through the support of the Cornerstone investors.

## Thank you to our 2012 Cornerstone Investors!

*Pledge Total - \$76,600*

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Ethicon, Inc.  
First Financial Bank San Angelo  
Reece Albert, Inc.

### SILVER

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### BRONZE

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Angelo Water Service, Co. (Culligan)  
Armstrong Backus & Co. LLP  
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Eckert & Company, LLP  
Glazer's  
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Republic Services (formerly Trashaway)  
San Angelo Community Medical Center  
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### CONCHO PEARL

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*Please keep Cornerstone in your budget for 2013!*

Building a **Stronger Business Environment**