



**Military Transformation Task Force
Meeting Minutes**

A Regular Meeting of the Military Transformation Task Force was held in the Municipal Plaza, Room B, 103 South Main, San Antonio, TX 78205 on Wednesday August 1, 2012 from 11 a.m. to 12 p.m.

MEMBERS:	Kevin Wolff	Frank Sherman	Mac McCarthy
Michael Novak	Col. Bridgford	George DeCoux	Mark Frye
Elisa Chan	Eric Stephens	Howard Peak	Robert Murdock

STAFF:	Jesus Garza	Sandra Bagwell
---------------	-------------	----------------

GUESTS:	Mike Quinn	Cindy Percy	Keith O’Gorman
Malik Sabeir	Wayne Shanks	John Thurman	
Sid Saunders	David Marquez	Jackie Gorman	

Citizens: None

Call to Order

Mr. Novak called the meeting to order at 11:00 am.

Citizens to be heard

No one signed up to speak.

Review and Approval of Minutes from May 2, 2012

Councilwoman (CW) Chan motioned to approve the May 2, 2012 minutes. Mr. Novak seconded the motion. A vote was taken and they were unanimously approved.

Administrative Business

MTTF/Office of Military Affairs Completed Actions (Mr. Robert Murdock, City of San Antonio)

Mr. Murdock stated that the consultant for the Community-Military Partnership Study would be named at the end of August with the approval of City Council. The consultant will determine three business cases and should complete the study in about 6 months and the results would be presented to City Council in the March/April 2013 timeframe. The Association of Defense Communities (ADC) would hold their summer conference in Monterey this year and the Secretary of Defense, Leon Panetta would be the key note speaker for the event. Also in attendance will be Assistance Secretaries for all three branches of the Services, Air Force, Army, and Navy. The focus of this conference is primarily community partnerships, lessons learned, best practices from BRAC 2005, and energy issues along with a few others. Please see Attachment 1, slides 5 through 8.

It was asked what the scope of work would be for this Study. Mr. Murdock stated that the consultant would determine what, if any, services that the City provides its citizens could be provided to Joint Base San Antonio (JBSA). The goal would be for JBSA to save money to spend on critical missions and bring in additional revenue to the City.

It was pointed out that Mr. Murdock left out one important detail. Mr. Frye commented that there was a recent election within ADC and Mr. Murdock was elected as President of ADC.

Mr. Murdock mentioned that our project manager from OEA, Dan Glasson was here and asked him to give the MTTF an update on the OEA funded Transportation Project on loop 410. Mr. Glasson stated that OEA reviewed the funding application and recommended approval. The application will now go before the director of OEA for his review. Mr. Glasson attended a meeting with City staff and TXDOT staff and everything was on track. He stated that he anticipates approval at the end of August.

Update from MTF Committee Chairs, Joint Base San Antonio, and Other MTF Organizational Representatives

Infrastructure and Transportation Committee (Chair: Carroll Schubert)

Mr. Wolters stated that a ribbon cutting ceremony was held last week at Fort Sam Houston for the bridge the City built for the base with funds from the 2007 bond. Col. Bridgford stated that JBSA was extremely grateful to the City for funding this project as a bridge over the Salado Creek was greatly needed.

Mr. Frye asked when the construction on the JBSA side of the Walters Street entrance would be completed. Col. Bridgford stated that they expect the construction to be completed by 10 August. He stated that this would expedite the enter and exit time at Fort Sam Houston. Mr. Wolters stated that there had been some issues on the City side of the gate and the new section will be complete soon and work can then be done on the old section of the road. He stated that the completion of this part of the road would be in December 2012.

Real Property and Neighborhoods (Co-Chairs: Howard Peak and Leo Gomez)

Mr. Novak stated that he sat on the San Antonio for Growth on the Eastside (SAGE) Board which Mr. Gomez chairs and that there has been a lot of progress in this area.

Communication and Legislative Affairs (Co-Chairs: Mark Frye and Jesse Hereford)

Mr. Frye gave an update on legislative issues. Please see attachment 1, slides 12 through 14 for more information.

CW Chan asked how San Antonio's security missions would fare if sequestration took place and if they would have priority in funding. Mr. Frye stated that this fall would be a "lame duck" session and Congress may opt to put off any decisions until next year. He stated that he is hopeful that our missions will not be affected much if at all. CW Chan asked what we could do as a City to prevent the possible cuts. Mr. Novak stated that we needed to advocate with our legislature.

Mission Readiness & Sustainability Committee (Co-Chairs: Eric Stephens and John Williams)

Mr. Stephens gave a brief update on the JLUS efforts that were taking place at Lackland AFB and Randolph AFB. Please see Attachment 1, slides 15 through 17 for more information.

Joint Base San Antonio (502nd ABW)

Mr. DeCoux stated that this would be the last meeting that Col. Bridgford would be attending. Mr. Novak stated that he would not be leaving San Antonio but just going over to IMCOM.

Port San Antonio

Mr. Frye gave a brief update of what is happening at Port San Antonio. Please see Attachment 4 for more information.

Brooks Development Authority

Mr. McCarthy stated that they just celebrated the 10th anniversary of the founding of Brooks City Base (Brooks). He said that there have been several news articles that have come out recently. He also stated that they recently had a leadership change. Former assistant City Manager Roland Lozano is acting as the Interim President and CEO until a permanent president is chosen. He also stated that Brooks continues to grow and gave their tenant BMC as an example stating that they have added hundreds of new employees recently.

Mr. Frye stated that both he and Mr. McCarthy would be attending the ADC conference as part of a panel that will discuss lessons learned as part of a base closure.

Mr. Novak asked Mayor Peak had anything to add, he stated that he was good.

Mr. Saunders invited the members to attend the DTI – JBSA Sustainable Energy Workshop that will take place on August 23rd at the Pearl Stable. Please see Attachment 5 for more information.

Adjourn

Respectfully submitted,

Sandra Bagwell, Office of Military Affairs

Please visit the Military Transformation Task Force website: www.sanantonio.gov/oma

Audio recording is available at the Office of Military Affairs by request to:

sandra.bagwell@sanantonio.gov

Attachments:

1. Military Transformation Task Force PowerPoint Presentation
2. Update of the Budget Control Act of 2011 and Sequestration
3. Bill Text – 112th Congress – Senate Bill section 1004
4. Port San Antonio Update
5. DTI – JBSA Sustainable Energy Workshop 2012



Military Transformation Task Force

August 1, 2012



City of
San Antonio



Bexar County



Greater San Antonio
Chamber of Commerce

1



Agenda

1. Citizens to be Heard
2. Review and Approval of Minutes of May 2, 2012
3. Administrative Business
 - a) MTTF/Office of Military Affairs (Bob Murdock)
4. Information Items
 - a) Update on the Community-Military Partnership Project (Bob Murdock)
5. Update from MTTF Committee Chairs, Joint Base San Antonio, and Other MTTF Organizational Representatives
6. Adjourn.

2



Citizens to be Heard

3



Review and Approval of Minutes from May 2, 2012

4



Administrative Business

5



Future Meetings

Upcoming MTTF Meetings

- **November 7, 2012**
- **February 6, 2013**
- **May 1, 2013**

6



Information Items

7



Update on the Community- Military Partnership Project

Bob Murdock, Director

8



MTTF Committee Updates

9



Infrastructure and Transportation Committee

Chair: Carroll Schubert

10



**Neighborhoods and Real
Property Committee**

**Co-Chairs: Howard Peak and
Leo Gomez**

11



**Communication and
Legislative Affairs
Committee**

**Co-Chairs: Mark Frye and
Jesse Hereford**

12



Legislative

Description: Coordinate and integrate military-related State and Federal legislative efforts with City, County and Greater San Antonio Chamber efforts

Ongoing activities include:

1. Participate in SA to DC activities; contribute to relevant issue papers
2. Meet with State and Federal delegation and staffers to promote MTTF agenda
3. Meet with City and County legislative staffers / lobbyists
4. Provide updates / testimony to Texas Military Preparedness Commission

Completed Items:

- Participated in SA to DC trip
- Completed trip summary report
- Continuing to follow military issues of importance to the MTTF, specifically the Budget Control Act of 2011 and sequestration

13



Legislative—Budget Control Act of 2011 and Sequestration

- Budget Control Act (BCA) signed August 2011. Includes provisions for \$1.2 trillion across-the-board cuts automatically triggered from discretionary and mandatory spending programs over the next 10 years
- Sequestration initiated if Congress approves spending higher than caps set forth in the law for “security” and “non-security” categories (the security category includes DoD spending)
- Because of the Super Committee’s failure to agree on a proposal, DoD’s programs will be heavily impacted unless Congress modifies the BCA
- DoD must find \$487 billion in savings in its budget over the next 10 years. If sequestration occurs, DoD will face an additional \$600 billion in cuts
- Sequestration will impact DoD staffing as well as defense contracts
- Estimates by the Aerospace Industries Association suggest that the nation stands to lose 2.14 million jobs under sequestration; the same report suggests Texas will lose almost 100K DoD jobs and 60K non-DoD
- Nothing has been published or said regarding potential job impacts on San Antonio, but just as DoD is a large target within the government, San Antonio is a large target for both DoD and the aerospace industry

14



Mission Readiness and Sustainability Committee

**Co-Chairs: Eric Stephens and
John Williams**

15



Lackland AFB JLUS

Description: Conduct Joint Land-Use Study for Lackland AFB

Completed Actions:

- Hired a JLUS Analyst
- Received SOW's for Noise and Light Studies

Next Steps:

- OEA approval of grant extension and/or additional funding for Noise and Light Studies
- Issue RFP's for Noise and Light Studies

Staff Support: Bexar County

16



Randolph AFB JLUS

Description: Conduct Joint Land-Use Study for Randolph AFB

Completed Actions:

- Commissioners Court approval to advertise RFP

Next Steps:

- Select consultant - September 2012

Staff Support: Bexar County

17



Updates from Joint Base San Antonio and Other MTTF Organizational Representatives

18



Adjourn

Update: Budget Control Act of 2011 and Sequestration

Background: On August 2, 2011, President Obama signed into law the Budget Control Act, which included sequestration. The legislation included \$1.2 trillion in across-the-board cuts that will automatically be triggered from discretionary and mandatory spending programs over the next 10 years¹.

What is sequestration?

Sequestration is a mechanism through which automatic, across-the-board spending cuts are made. The Budget Control Act initiates sequestration if Congress approves spending higher than caps set forth in the law. The law uses "security" and "non-security" categories to set discretionary spending caps². The "security" spending category includes mostly Defense Department spending. As a result of the Super Committee's failure to agree on a proposal, the spending cuts will fall more heavily on Defense Department programs.³ The "non-security" spending category will include all other discretionary spending, including DHS, VA and international affairs. Unless Congress takes action to modify the Budget Control Act or the effective date, sequestration will go into effect on January 2, 2013.

What is sequestration's impact to the Defense Department?

Under the 2011 Budget Control Act, the Defense Department must find \$487 billion in savings in its budget over the next ten years (independent of sequestration). If sequestration is triggered, the Department will face an additional \$600 billion in cuts over the next ten years⁴. Defense spending would be at the same level as it was during the Cold War after those cuts⁵. Sequestration will not only impact the personnel of the Defense Department but will likely have a profound effect on its contracting capacity and thus on defense contractors.

How will sequestration impact jobs in Texas?

According to the Aerospace Industries Association commissioned study entitled "Economic Impact of the 2011 Budget Control Act on the Defense Department and other federal agencies" the total impact of DoD and non-DoD cuts would cost the economy 2.14 million jobs⁶. According to the report, Texas would lose almost 100,000 DoD related jobs and over 60,000 non-DoD related jobs. Although nothing has been specifically said or published by the Defense Department regarding the impact of sequestration on Military City USA, it would be naïve to believe sequestration won't have a significant impact on Joint Base San Antonio missions or San Antonio's military contractors, including the aerospace industry (we are a large target) San Antonio's job losses could be significant but have yet to be quantified.

¹ OMB Watch, FAQ: The Budget Control Act of 2011

² OMB Watch, FAQ: The Budget Control Act of 2011

³ OMB Watch, FAQ: The Budget Control Act of 2011

⁴ Government Executive article, "Congress to White House: What's the sequestration plan?" Amanda Palleschi, July 18, 2012

⁵ Politico article, "Getting Real on defense cuts" Michael O'Hanlon, July 22, 2012

⁶ Aerospace Industries Association commissioned study entitled "Economic Impact of the 2011 Budget Control Act on the Defense Department and other federal agencies" http://www.aia-aerospace.org/assets/Fuller_II_Final_Report.pdf

SEC. 1004. REPORT ON EFFECTS OF BUDGET SEQUESTRATION ON THE DEPARTMENT OF DEFENSE.**(a) Findings-** Congress makes the following findings:

(1) The inability of the Joint Select Committee on Deficit Reduction to find \$1,200,000,000,000 in savings will trigger automatic funding reductions known as 'sequestration' to the Department of Defense of \$492,000,000,000 between 2013 and 2021 under section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 USC 901a).

(2) These reductions are in addition to reductions of \$487,000,000,000 already being implemented by the Department of Defense, and would decrease the readiness and capabilities of the Armed Forces while increasing risks to the effective implementation of the National Security Strategy of the United States.

(3) The leaders of the Department of Defense have consistently testified that threats to the national security of the United States have increased, not decreased. Secretary of Defense Leon Panetta said that these reductions would 'inflict severe damage to our national defense for generations', comments that have been echoed by the Secretaries of the Army, Navy, and Air Force.

(4) While reductions in funds available for the Department of Defense will automatically commence January 2, 2013, uncertainty regarding the reductions has already exacerbated Department of Defense efforts to plan future defense budget.

(5) Sequestration will have a detrimental effect on the industrial base that supports the Department of Defense.

(b) Report-

(1) IN GENERAL- Not later than August 15, 2012, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a detailed report on the impact on the Department of Defense of the sequestration of funds authorized and appropriated for fiscal year 2013 for the Department of Defense, if automatically triggered on January 2, 2013, under section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) ELEMENTS- The report required by paragraph (1) shall include the following:

(A) An assessment of the potential impact of sequestration on the readiness of the Armed Forces, including impacts to steaming hours, flying hours, and full spectrum training miles, and an estimate of the increase or decrease in readiness (as defined in the C status C-1 through C-5).

(B) An assessment of the potential impact of sequestration on the ability of the Department of Defense to carry out the National Military Strategy of the United States, and any changes to the most recent Risk Assessment of the Chairman of the Joint Chiefs of Staff under section 153(b) of title 10, United States Code arising from sequestration.

(C) A list of the programs, projects, and activities across the Department of Defense, the military departments, and the elements and components of the Department of Defense that would be reduced or terminated as a result of sequestration.

(D) An estimate of the number and value of all contracts that will be terminated, restructured, or revised in scope as a result of sequestration, including an estimate of potential termination costs and of increased contract costs due to renegotiation and reinstatement of contracts.

(3) ASSUMPTIONS- The report required by paragraph (1) shall assume the following:

(A) Except as provided in subparagraph (B), the funds subject to sequester are the funds in all 050 accounts, including all unobligated balances.

(B) The funds exempt from the sequester are the following:

(i) Funds in accounts for military personnel.

(ii) Funds in accounts for overseas contingency operations.

(4) PRESENTATION OF CERTAIN INFORMATION- In listing programs, projects, and activities under paragraph (2)(C), the report required by paragraph (1) shall set forth for each the following:

(A) The most specific level of budget item identified in applicable appropriations Acts.

(B) Related classified annexes and explanatory statements.

(C) Department of Defense budget justification documents DOD P-1 and R-1 as subsequently modified by congressional action, and as submitted by the Department of Defense together with the budget materials for the budget of the President for fiscal year 2013 (as submitted to Congress pursuant to section 1105(a) of title 31, United States Code).

(D) Department of Defense document O-1 for operation and maintenance accounts for fiscal year 2013, for which purpose the term 'program, project, or activity' means the budget activity account and sub account for the program, project, or activity as submitted in such document O-1.



Talking Points Update to Military Transformation Task Force
Wednesday, August 1, 2012

- We're seeing tremendous growth at the Port. For those keeping track, we've attracted about 80 organizations to date with a workforce that is 14,000 strong. Remember, approximately half of that workforce is Air Force / DoD.
- An upcoming milestone is the completion of 36th Street within the Port's footprint. This will open 150 acres for the development of new air-served spaces at Kelly Field, which will help grow the region's aerospace industry.
- In May, the bond approved by San Antonio voters included \$6 million for further extending 36th Street; when completed, 36th Street will end close to the Port's major aerospace employers and the Lackland Annex.
- At East Kelly Railport, we've seen tremendous growth in the past year. Watco Companies will complete extensive track additions this fall, eventually adding 15,000 feet of new track. This is key as demand for transloading tied to Eagle Ford Shale continues to grow.
- Also at the Railport, we have a new customer—Bergstrom Climate Systems—building heating and air conditioning units for large trucks here and shipping them to manufacturers in Mexico.



Defense Transformation Institute



Joint Base San Antonio

Sustainable Energy Workshop 2012

Pearl Stable, 307 Pearl Parkway, San Antonio, Texas

August 23, 2012; 8:00 AM to 5:00 PM The Defense Transformation Institute (DTI), in collaboration with the 502 Air Base Wing/Joint Base San Antonio, is hosting the Sustainable Energy Workshop 2012 on Thursday, August 23 at The Pearl Stable in San Antonio Texas. This year's workshop, the third in an annual series, is focused on utility partnerships.

JBSA supports more personnel than any other installation in the Department of Defense, is one of the largest installation energy users in the DOD, and is the largest customer for CPS Energy, San Antonio's municipally owned electric utility.

This year's workshop will feature presentations by JBSA leadership and energy managers from its components at Lackland AFB, Randolph AFB, and Ft. Sam Houston. Energy managers will update progress on energy projects since last year with highlights on the energy management and control initiatives implemented since the 2011 Workshop. JBSA efforts on the Environmental Security Technology Certification Program (ESTCP) will be highlighted.

BGen(Ret) Robert M. Murdock, Director, Office of Military Affairs for the City of San Antonio and President-elect of the Association of Defense Communities, will review the City's activities in Community-Military Partnerships and opportunities through intergovernmental agreements. Gen Murdock will also review results of the solicitation for contract support for these activities.

Afternoon presentations at the one day workshop will focus on JBSA requirements and initiatives in utility partnerships, with emphasis on the use of the JBSA area wide contract with CPS Energy, and other contract and agreement tools. Examples from other Air Force installations and successful use of these tools will be reviewed.

CPS Energy will present a review of its organization to support JBSA initiatives and highlight collaborative efforts, projects underway, and future project plans. A round table discussion with JBSA energy management and CPS Energy is planned in the afternoon to discuss project opportunities for vendors and suppliers.

Registration is available at the following website: <http://defensetransform.org/register/>. Registrants will be provided updated information about the 2012 workshop as it develops. You may also review information from past workshops at the DTI website: <http://www.defensetransform.org>. For additional information on the workshop call Sid Saunders, DTI, at 210-579-0927; email: ssaunders@defensetransform.org.