

MCAS Cherry Point and FRC East 2011-2012

Community Accomplishments and Challenges



The Future Is Here: F-35B JSF



Why the Concern?

- Cherry Point is the region's largest employer of professional engineers and skilled labor.
- MCAS Cherry Point and FRC East generate nearly \$2 BILLION in direct economic impact every year on Craven, Carteret, Jones, and Pamlico Counties.



CRAVEN COUNTY			CARTERET COUNTY		
Military	Active	8,967	Military	Active	566
	Retired	3,119		Retired	1,568
Civilian	Active	2,938	Civilian	Active	1,677
	Retired	3,126		Retired	2,313
Family Members:			Family Members:		
	Military Active	15,453		Military Active	975
	Civilian Active	4,407		Civilian Active	2,197
	Military Retired	4,679		Military Retired	2,054
	Total	42,689		Total	11,350

FY10 ECONOMIC IMPACT SUMMARY

Including Tenant Command & Additional FY10 Economic Impact Data

SALARIES

MILITARY

ACTIVE \$336,236,239

RETIRED \$140,652,000

CIVILIAN

APPROPRIATED \$402,505,140

NON-APPROPRIATED \$17,138,512

RETIRED \$143,317,632

PROCUREMENT \$410,152,955

CONSTRUCTION,
MAINTENANCE &
SERVICE CONTRACTS \$182,764,520

UTILITIES \$15,642,715

EDUCATION, TRAINING &
TRAVEL \$19,782,398

HEALTH & MEDICAL \$61,722,511

CONTRIBUTIONS \$2,942,657

CONCESSIONAIRE
REVENUE OPPORTUNITIES \$9,283,858

\$1,742,141,137 *

Summary total is comprised of the MCIEAST reported impact for Cherry Point of \$1,379,516,892 plus the Tenant Command & Additional FY10 Impact of \$362,624,245.

What's at Stake

Our Mission

- Defend FRC East and its 3,500 civilian professional and skilled labor jobs.
- Promote the acquisition and deployment of the F-35B Joint Strike Fighter.
- Secure the long term viability of MCAS Cherry Point – protect and accelerate F-35B basing.
- Support FRC East's F-35B mission.

Strategy

- Aggressive Public outreach to all levels of government to ensure they possess the most up to date information focusing on:
 - Efficiency/cost
 - Access to Quality Personnel
 - Positive encroachment environment
 - Access to training ranges
 - Economic impact

Threats and Results



A Coordinated Effort Yields Success

- **City of Havelock, Allies for Cherry Point's Tomorrow, Carteret County, individuals, elected officials, and businesses have banded together to provide strong support for FRC East and MCAS Cherry Point**
- **September 2011: Craven County Board of Commissioners, Craven Economic Development Commission and the North Carolina Department of Commerce organized**
- **Local, State, and Federal leaders provide mutual support for MCAS Cherry Point and FRC East**
- **Unique effort in State and Nation**
 - **Fully Integrated Local/State/Federal advocacy**

Threat:

JSF Depot Evaluation Study

- Sec. of Defense Gates approved a full stop on JSF depot preparation
- Called for review and possible realignment of JSF engine and component repair
- Possible delays to FRC East plans for future addition of major workload
- Possible loss of mission for FRC East
- Quick timeline - October 30, 2011 deadline

Result: FRC East Maintains JSF Mission and is Positioned for Success

- **Strong Congressional and State interest expressed through multiple channels resulted in the Department delaying Depot Study**
 - Focused on demonstrated excellence of FRC East and MCAS Cherry Point attributes
- More analysis and careful review will be conducted by Dept. of Defense
- Any decisions will be integrated with Congressional budgeting and authorizations
- “No rash decisions” – Secretary Penetta
- We have time to work with Congressional and military allies to maintain and expand support for FRC East

Threat:

Decreased F-35B Funding OR termination of F-35B

- \$450 billion in defense cuts mandated by the Budget Control Act of 2011
- Review of JSF program by new DoD Leadership
- Sequestration – up to \$500 billion in additional defense cuts

Result: F-35B Fully Funded

- Air Force: \$151,000,000 **CUT from F-35A**
- Navy: \$350,000,000 **CUT from F-35C**
- USMC: No CUT to F-35B
 - Cuts resulted from decrease production rate during 5 year budget window – overall procurement number not effected
 - Team effort:
 - Assisted in the building and maintenance of coalitions (F-35 Caucus)
 - Provided timely updates to Congressional Delegation
 - Leveraged international support (Italy)

Threat:

Decreased Military Construction Dollars Going to FRC East

- **\$17,760,000 for construction appropriated in December 2011**
- Funds will pay for construction of a Huey H-1 Helicopter Gearbox Repair and Test Facility
- Only new construction at Cherry Point
- Stressed need and importance of protecting project in light future budget pressure

Threat: Encroachment on Military Training

- 2005 BRAC and recent statements from Dept. of Defense prove that encroachment is a key issue
- Whenever encroachment interferes with training and military operations, then the military will move elsewhere

Result: Encroachment Mitigation

- Governor Perdue's budget provided \$2,000,000 in matching funds for local efforts to purchase land and easements to mitigate encroachment problems
- The Governor's office, the NC Coastal Land Trust, Ward and Smith PA, and the City of Havelock have worked closely with MCAS Cherry Point to mitigate encroachment problems constantly since 2005

Challenges and Opportunities



F-35B: Mission Critical for National Security, MCAS Cherry Point and FRC East



F-35B Probation, Procurement, and Stationing

- Continue Congressional, Governor's office, and local pressure on Dept. of Defense and White House
- Monitor and support national efforts
 - Joint Strike Fighter Caucus
 - Coalitions of public/private supporters
- Prepare for all contingencies

FRC East Realignment

- **“The Department continues to review all JSF depot options for the most effective and efficient locations for the program.”**
–Frank Kendall, Acting Undersecretary of Defense for Acquisition, Technology, and Logistics
- Budget cuts will bring added stress to maintenance and personnel
- Reduction in force structure prompt new inter-service competition
- A BRAC could change depot structure radically

Prepare for Formal BRAC

- **Reports from insiders indicate that the President may request a base realignment process as part of his fiscal year 2013 DoD budget.** This would begin the Congressional process for implementing BRAC. This could result in a BRAC as early as 2015.
- Need to prepare now with encroachment mitigation, education, and advocacy

Coordinated Community Support

- Draft resolutions for county, municipality, and civic boards to adopt in support of the FRC East and the F-35B.
- Continue to coordinate our efforts with the Governor's office, ACT, and the N.C. Military Foundation.
- Brief N.C. Advisory Commission on Military Affairs about challenges and opportunities facing FRC East and MCAS Cherry Point.

Continue Washington, DC Advocacy

- Governor and Sec. of Commerce briefings and advocacy meetings in Pentagon, White House, and Congress
- Bring key out-of-state Congressional leaders on Committees of Jurisdiction to Craven County to tour FRC East and meet with stakeholders
- Bring key Dept. of Defense leaders to meet with local stakeholders
- Brief Vice-President's legislative staff

Upcoming Events

- **January 27, 2012**...Lt. General Robling will be in Havelock for Aviation Foundation event...scheduling time for Hugh Overholt to meet with Lt. General Robling to discuss F-35B issues.
- **February 1, 2012**...Deputy Assistant Secretary of Defense for Maintenance Policy and Programs John B. Johns will come to MCAS Cherry Point for meetings with stakeholders...including focus on FRC East's future
- **February or March 2012** ... State delegation to visit Pentagon and Congressional Leaders.

Questions?

