



March 2, 2022

Dear Representative Kevin Payne and Senator Warren Petersen;

We applaud you both for your support of the Arizona defense community. As you know, the Military Affairs Commission (MAC) and the Military Installation Fund (MIF) are currently up for reauthorization with the Arizona State Legislature (HB2344). The MAC serves a critical mission in the State of Arizona to ensure that the missions of federal military installations located in Arizona are protected and can meet any future need that this country faces. Included within the jurisdiction of the MAC is the Military Installation Fund (MIF), whose purpose is to ensure private property rights are addressed as efforts while maintaining and enhancing military missions at the military installations located within Arizona.

Arizona is home to over twelve hundred aerospace and defense contractors as well as ten military installations: six major active-duty installations (Davis-Monthan Air Force Base, Fort Huachuca, Luke Air Force Base, Marine Corps Air Station - Yuma, Yuma Proving Grounds, and US Naval Observatory - Flagstaff Station) and four National Guard facilities in central, northern, and southern Arizona. These operations create and support tens of thousands of jobs and generate nearly \$11.5 billion in economic impact to our state economy from the facilities themselves and other economic activity generated by their presence.

Given the competitive nature of military mission sets and Department of Defense resources across the US, as well as the \$11.5 billion annual economic impact on the state's economy, an update is needed to expand the purpose of the MAC to protect Arizona's current missions further and to attract additional ones.

### **The Arizona Defense Coalitions**

Because of Arizona's massive defense presence, when US Senator John McCain became Chairman of the Senate Armed Services Committee in 2015, he prioritized opening clearer lines of communication between Congress and America's defense industry, including creating a pool of localized knowledge he and his colleagues in Washington could reach back to for on-the-ground insight.

So the then-Chairman tapped the shoulders of local leaders, like us, to close the gap. With his passion for the cause serving as a driving drumbeat, our collective goal was threefold: (1) build coalitions that enable companies and regional communities to come together as allies rather than competitors, (2) work hand-in-hand with Arizona's congressional delegation, as well as state and local elected officials, to inform policy from the bottom up, and (3) serve as a model for other industries and states on overcoming localized silos to identify mutually beneficial solutions.

And so was born the Arizona Defense Coalitions: two industry-focused, the Mesa Industry and Defense Council (MIDC) and West Valley Defense Alliance (WVDA), and even more dedicated to our military installations, the Yuma 50, Northern Arizona Military Affairs Council (NAMAC), and Southern Arizona Defense Alliance (SADA).

McCain instilled a framework for enduring, mutually beneficial collaboration by encouraging advocates of Arizona's defense industry and military assets to engage more frequently and

transparently with Congress and one another.

As local leaders committed to safeguarding America's interests and wellbeing, we have seen firsthand how a united defense voice can bring about positive, impactful change. We can do the same and more through an expanded vision for the MAC.

### **Enhancing the MAC's Economic and Security Impact**

To enhance Arizona's ability to attract new missions and industry to the state, we recommend the following: an expansion and new membership for the MAC, a new finance authority for military communities, and an economic impact report every two years. With these additions to the MAC, Arizona will directly compete with other successful states with military commissions, like Texas.

Current membership of the MAC comprises of 18 appointed Commissioners representing expertise in military affairs, local elected officials, private property interests, and four Advisory members consisting of the Arizona Adjutant General, the Arizona State Land Commissioner, a federal government land-use agency, and a military installation commander.

In response to private sector growth, competition with other states, and the need for military experts to identify missions with the DoD, the updated MAC would consist of the following 24 members:

Voting (18):

- A. (6) Retired generals or military personnel with knowledge of DoD mission setting
- B. (8) The heads of all military support organizations in the state, currently: Fighter Country Partnership (Luke AFB), Yuma 50 (Yuma MCAS, Yuma Proving Ground), DM50 (Davis-Monthan AFB), Huachuca 50 (Fort Huachuca), Northern Arizona Military Affairs Council (Camp Navajo), Southern Area Defense Alliance (SADA), PANG Patriots (Goldwater ANGB), and Air Guardians (Morris ANGB).
- C. (2) The heads of all defense industry groups, currently: the Mesa Industry and Defense Council (MIDC) and the West Valley Defense Alliance (WVDA)
- D. (1) The President of the Arizona Senate
- E. (1) The Speaker of the Arizona House of Representatives

Non-voting advisory members (6):

- A. (1) The Adjutant General
- B. (1) The head of the Arizona Commanders Summit
- C. (1) A representative of a federal land agency
- D. (1) The State Land Commissioner
- E. (2) Two current or former Congressional staff with military knowledge

It is also recommended that coordination with the Arizona Finance Authority and Industrial Development Authority be authorized to allow for investments in military communities to expand economic development opportunities, additional infrastructure, and offset any BRAC consequences.

Lastly, the MAC should produce an economic impact report for the state every other year to identify potential new missions, the defense industry's impact and expansion opportunities in Arizona, and an overall strategy for achieving these goals.

### **A United and Representative Voice for the AZ Defense Community**

On behalf of the Arizona Defense Coalitions — the Yuma 50, Mesa Industry and Defense Council (MIDC), West Valley Defense Alliance (WVDA), Northern Arizona Military Affairs Council (NAMAC), and Southern Arizona Defense Alliance (SADA) — we salute you on your support for Arizona's military and defense assets and look forward to growing this support via necessary updates to the MAC.

We thank you both greatly for your unwavering support in ensuring our warfighters and defense contractors have the resources and input necessary to keep our nation safe. We invite and welcome any opportunity to discuss these recommendations more at length.

Sincerely,

**Julie Engel**, *president and CEO of the Yuma 50 and the Greater Yuma Economic Development Corporation.*

**Julie Pastrick**, *president and CEO of the Northern AZ Military Affairs Council and Greater Flagstaff Chamber of Commerce.*

**Lynndy Smith**, *chairwoman and co-founder of the West Valley Defense Alliance and senior leader at cyber protection firm Acronis SCS.*

**Robert Medler**, *president and co-founder of Southern Arizona Defense Alliance and senior leader at Western Growers.*

**Sally Harrison**, *president and CEO of the Mesa Industry and Defense Council and Mesa Chamber of Commerce.*