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## Gov. Perdue: North Carolina needs to nurture its \$23 billion military economy

By Henry Cuningham  
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North Carolina must “adapt itself to the fiscal environment” to attract military dollars as budgets shrink, Gov. Bev Perdue said Thursday at Fort Bragg.

Perdue addressed a statewide summit held on post that was focusing on strengthening the state’s military and defense economy.

Several speakers said opportunities will arise with the large-scale need to repair and refurbish war-worn military equipment.

The governor and other speakers remarked on the need to close the gap between North Carolina’s No. 3 nationwide ranking in the number of active-duty troops and the 1 percent of military contracting dollars the state receives. Sen. Kay Hagan delivered the same message to the meeting via video.

“Fiscally, it is about to get tough for us,” said retired Gen. Dan K. McNeill of Fayetteville. McNeill is chairman of the North Carolina Military Foundation, whose purpose is to increase military and homeland security business in the state.

Military leaders are trying to figure out how to cope with their share of cuts to the federal budget and personnel, but those same losses will create opportunities in other areas, McNeill said.

“The people have gone away, but

the work has not,” McNeill said.

The Army could lose 10 to 15 brigade combat teams, the equivalent of four divisions, McNeill said. During the past decade, the Army added a fourth brigade combat team to its 10 divisions in response to the personnel demands of high deployment.

“I’m still optimistic about what we’ve got going on in this state,” McNeill said.

Declining dollars mean equipment will be fixed rather than replaced, said retired Maj. Gen. Julian Burns, vice president of BAE Systems.

“The child is not born who will be the last driver of the equipment I make,” Burns said.

### After BRAC

Perdue said the state needs to look at what will be the next steps after the completion of base realignment moves that brought Forces Command and U.S. Army Reserve Command to Fort Bragg.

The state’s motor sports industry is working closely with special operations forces to adapt vehicles for combat situations, she said. Race car owners need to be able to survive crashes and have solutions to their problems quickly.

The military ranks second only to agriculture among the state’s industries, the governor said. More than \$23 billion in military spending

accounts for 7 percent of the state’s economy, she said.

“Some of us believe we need to focus more aggressively on this cluster,” she said.

The state still has shortcomings with schools and infrastructure around military installations, she said. In some cases, schools and roads are overcrowded, partially because of military growth.

Madhu Beriwal, CEO and president of IEM, said industry has the challenge of getting enough employees trained in information technology.

The University of North Carolina wants to increase its involvement with the military, said Tom Ross, the system president.

Dr. Scott Ralls, president of the N.C. Community College System, said the state has “the most job-focused system of education in the world.” The system faces the simultaneous problems of shrinking resources and increasing demand, he said.

Fayetteville’s airport does not have direct flights to Washington, D.C., to serve workers in the four-star and three-star headquarters who constantly need to travel to the Pentagon. Perdue pledged to continue working to find a solution for the problem.

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