

Civil Air Patrol Board of Governors - Minutes

3 June 2003 – 11:00 a.m.
Montreal II Room
Marriott at Metro Center
Washington DC

Members Present

Mister Bruce P. Baughman
Director, Alabama Emergency Management Agency

Colonel Robert C. Bess, CAP
Chairman, Civil Air Patrol Board of Governors

Major General Richard L. Bowling, CAP
Civil Air Patrol National Commander

The Honorable Michael L. Dominguez
Assistant Secretary of the Air Force

Lieutenant General Nicholas B. Kehoe, USAF (Ret)
Vice Chairman, Civil Air Patrol Board of Governors

Lieutenant General Donald A. Lamontagne, USAF
Commander Air University Maxwell Air Force Base, Alabama

Doctor Benjamin F. Payton, President
Tuskegee University

Brigadier General Dwight H. Wheless, CAP
Civil Air Patrol National Vice Commander

Mister Bruce N. Whitman, Executive Vice President
Flight Safety International Incorporated

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Overview

CALL TO ORDER, Colonel Robert Bess, CAP, Chairman, Civil Air Patrol Board of Governors, called the meeting to order. He welcomed all the members of the BoG present for this meeting. Lt Gen Nicholas B. Kehoe, USAF (Ret), Vice Chairman, Civil Air Patrol Board of Governors, led the group in reciting the Pledge of Allegiance. Al Allenback, Executive Secretary, called the roll and noted there was a quorum.

THE CHAIRMAN also welcomed the members of Civil Air Patrol and other guests attending the meeting of the Board of Governors. The guests stood and introduced themselves.

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AGENDA ITEM

1. Approval of Previous Meeting Minutes/Press Release

Issue:

The members of the BoG reviewed the minutes and press release of the 1 March 2003 meeting.

Discussion:

None.

Action:

BRIG GEN WHELESS, CAP moved and LT GEN KEHOE, USAF, seconded a motion that the BoG approves the minutes of the previous meeting.

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED.

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AGENDA ITEM

2. National Commander's Report

Issue:

Maj Gen Richard L. Bowling, CAP presented pertinent issues that have affected Civil Air Patrol since the last meeting of the Board of Governors.

Maj Gen Bowling's briefing is at **APPENDIX A**.

Discussion:

Maj Gen Richard L. Bowling, CAP, presented a slide briefing on the status of mission activities, including homeland security initiatives, the recently held National Congress on Aviation and Space Education and a review of the impact of the manpower cut of the Deputy State Directors. In addition, Gen Bowling described a successful exercise of the Advanced Technologies Group testing of digital photographic equipment with the United States Coast Guard Auxiliary.

LT GEN LAMONTAGNE, USAF, expressed concern about the concept of operations and risk management associated with the over-water exercise with the Coast Guard. MAJ GEN BOWLING, CAP, assured him that all personnel involved had the proper training and certification. LT GEN KEHOE, USAF (Ret) reminded that this exercise was only a demonstration of capability, though it will probably lead to missions, and that Civil Air Patrol is authorized to perform other than Air Force missions. It was also pointed out that Civil Air Patrol is reimbursed by other organizations for which it flies missions. LT GEN KEHOE, USAF (Ret) also commended Mr Whitman for offering experts in flight safety to Civil Air Patrol.

As a part of his update briefing, Gen Bowling reported that at the 2-3 May 2003 meeting of the National Executive Committee, the committee voted to remove Mike Pannone as a Civil Air Patrol at-large member of the Board of Governors. This was due to concerns expressed about his ability to adequately represent the CAP membership. Gen Bowling added that this action was taken in accordance with the Civil Air Patrol Constitution and Bylaws by more than a two-thirds vote.

With regard to the removal of Mike Pannone as a Civil Air Patrol at-large member of the BoG, there was consensus to discuss this matter in open session.

LT GEN KEHOE, USAF (Ret) stated that he believed the BoG deserved an explanation for an action taken to remove one of the BoG members. He added that the role and authority of the BoG is an important aspect and underpins the BoG interest in this matter and how it transpired, and sets the basis for BoG members having the right to ask questions about this action. Gen Kehoe pointed out that he was not challenging the legality of the decision that was taken. The Civil Air Patrol had followed its duly constituted and approved procedures. The legitimacy of the action may be a matter for debate, but not the legality. Gen Kehoe expressed that he was not challenging the plausibility of the reason that was given, which was the NEC's loss of confidence in one of CAP's BoG member's ability to adequately represent the Civil Air Patrol membership. He felt that there was a need for a deeper explanation. He was not predisposed to that action being reversed or otherwise. Gen Kehoe stated that we are all members here—four appointed by the Secretary of the Air Force, four under the Civil Air Patrol process and three appointed jointly by the Secretary of the Air Force and the National Commander of Civil Air Patrol--and he thinks we should act carefully anytime we would want to intrude in the selection process because Civil Air Patrol elects two at-large members who are to represent their membership. Gen Kehoe expressed concern that the BoG has an obligation and responsibility to ensure that whatever process is established, that it is fair, it has integrity, and it represents the best interest of the Civil Air Patrol. The BoG sets the bar and there should be some reasonable rationale provided for an action that is taken. Gen Kehoe stated that he was not convinced that this removal action was handled well. He further stated that he had made a strong and good faith effort to foster a spirit of openness and dialogue, and to make sure that a constructive relationship was maintained between the BoG and the Civil Air Patrol leadership structure. Also, the BoG does not have the capability to run the Civil Air Patrol on a day-to-day basis. Whereas, a volunteer member that has a leadership structure who has to have some prerogative and our confidence that they can take this organization forward with the kinds of quality services and efforts that Gen Bowling described. Additionally, Gen Kehoe stated that, on a professional basis, an action taken that affected a member who had sat at our table for more than 2 years would have warranted some degree of consultation or at least an awareness on the part of the board that you were concerned about a board member on how he or she may or may not be representing you as you see fit. He stated that there is a professional courtesy associated with any board that someone may sit on would expect from an action taken against somebody, regardless of the source of the appointment. He concluded that the Board of Governors is the duly constituted, in law, governing body for this organization. It is the only body that truly has absolute or exclusive authority, but that it can, should, and must allow the subordinate structure to do its business on a day-to-day basis. Gen Kehoe expressed concern that the BoG has the responsibility to at least ask the question that would ensure for the members that this subordinate body is doing what is right and they are doing it in a fair and honest way.

MR DOMINGUEZ suggested that the BoG may not have communicated to the NEC what the bar ought to be and had no knowledge that standards needed to be set. He recommended that standards now need to be set by the BoG.

There was a lengthy discussion on whether standards should be set and if so, should they also apply to the other members, as well as to the CAP members of the BoG, and whether or not the Civil Air Patrol had the same power to remove, as well as, elect a member to the

BoG. Other BoG members expressed surprise that the professional courtesy of consultation or notification was not made prior to the removal of Mike Pannone.

BRIG GEN WHELESS, CAP, recommended a process whereby if the National Executive Committee were considering removal of a CAP at-large member of the BoG, that the BoG be advised and the member be given the same 7-day notice to appear before the National Executive Committee in order to hear what the problem(s) might be. The member should be given a chance to plead his or her case, and may or may not be removed, taking into account that there are some legal reasons such as race, gender, religion, etc. that cannot be used as reasons for removal.

THE CHAIRMAN asked about the feasibility of applying the same procedures to the CAP at-large members that apply to the National Commander and National Vice Commander.

BRIG GEN WHELESS, CAP, expressed an opinion that the at-large representatives to the BoG need to be more responsive to the 64,000 members of Civil Air Patrol than the National Commander or National Vice Commander. He added that this body is where the action is. This is where a BoG representative can do the most good or the most harm, and there needs to be a method whereby that person can be reviewed in a short span of time to resolve the concerns or remove that person. Gen Wheless pointed out that this is the single most damaging position that anyone can hold for our membership.

The National Commander was asked to provide more substantive rationale behind the action taken by the NEC, with greater specificity. MAJ GEN BOWLING, CAP, stated that some of the information came to him in executive session and requested an executive session of the BoG. The consensus of the BoG was to remain in open session and hear about the “why” of the NEC action before attempting to draft language to determine the “how”—to set standards for the future.

There was a short recess to consult with legal counsel prior to the National Commander divulging information that was disclosed in executive session, to ensure that the National Commander did not expose himself to potential problems.

MAJ GEN BOWLING, CAP, stated that there was no one reason that gave National Executive Committee members concern as to how they were being represented by Mike Pannone, but as time has passed there had been a series of smaller culminating of events that affected the region commanders. Gen Bowling stated that the conclusion was that the National Executive Committee members felt that Mike Pannone was not doing what he should be doing to represent the membership of Civil Air Patrol. The National Commander gave several examples of a negative attitude, including comments about the United States Air Force. He added that there has been limited or no contact by Mike Pannone with the region commanders as to their wishes or as to the activities being brought forward to the BoG, therefore, the commanders felt that Mike Pannone was not adequately serving them. He also gave an example of Mike Pannone going directly to the BoG with an issue that had not come before the National Board or the National Executive Committee. He stated that the list goes on with issues that the NEC members felt were negative in their assessment of how they were being represented by Mike Pannone. It was stated that Mike Pannone had made a suggestion that the National Board and the NEC be dissolved. This suggestion was made to a wing commander who sits on the Constitution and Bylaws Committee. Gen Bowling pointed out that the culminating event was that when the commanders collectively got

together and said that they were not being represented adequately, they felt it was time to replace him and put someone on the BoG who is more in tune with the membership wishes.

BRIG GEN WHELESS, CAP, added, with regard to Mike Pannone, there was a general negativism—not a constructive, forward-looking attitude which reflects the type of NEC the CAP has and needs to have to be relevant, and continue a 6 – 10 percent growth like CAP has had these last couple of years.

LT GEN KEHOE, USAF (Ret) pointed out some of the factors mentioned actually predated the BoG and were old news. He also reminded that Mike Pannone had stated in his letter to the BoG that not one member of the NEC had ever approached him to offer any suggestions, ideas or philosophy with which he should guide his actions in conducting affairs of the BoG; likewise, neither the National Commander nor the National Vice Commander had ever initiated conversation with him to discuss issues that may be in the best interest of Civil Air Patrol.

MR DOMINGUEZ suggested three provisions for study and development by the NEC for consideration at the next BoG meeting to establish procedures for removing a CAP-designated member of the BoG.

BRIG GEN WHELESS, CAP, moved and MR BAUGHMAN seconded a motion that the BoG move on to another agenda item and come back at such time as MR Dominguez’s resolution is prepared for discussion.

THE MOTION CARRIED UNANIMOUSLY.

Following the Audit Committee Report, the BoG returned to finalize this agenda item.

Action:

MR DOMINGUEZ moved and LT GEN LAMONTAGNE, USAF, seconded a motion to amend the draft resolution by striking the second sentence, from the word “Given” to the comma after the word “situation” and the second sentence begins with a capital “We.”

The resolution reads as follows:

“The Board of Governors has both the responsibility and authority for the operation of the Civil Air Patrol, specifically for ensuring fairness, equity, and efficiency in its operations. We conclude that the Board of Governors has a duty to specify standards governing the “how and why” CAP takes actions to remove a CAP-designated member of the BOG.”

THE MOTION CARRIED UNANIMOUSLY.

MR DOMINGUEZ moved and DR. PAYTON seconded a motion that specifically, the BOG requires the NEC to propose, at the next BoG meeting:

1. A process for review and consultation with the member of the BoG as to the NEC's rationale for its proposed action.
2. A process for advance consultation with the BoG explaining its intent and rationale therefore.
3. The principles and performance standards that would constitute acceptable grounds for removal.

THE MOTION CARRIED UNANIMOUSLY. This item is OPEN.

LT GEN KEHOE, USAF (RET) added for the record, that while he thought the BoG came up with a suitable solution, he was prepared to tackle the line beyond what had already been done. He stated that he wasn't happy with the way this first transpired. He thinks there were techniques that could have been done better. Gen Kehoe pointed out that he would hope that the members of the NEC, in retrospect, would review what was presented to them about the facts they had that led them to make their judgment, and hopefully, learn from the process. He observed that this had obviously been a very contentious issue since it occurred, that the issue was brought up for a good reason and he thinks the BoG is better off for doing that.

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AGENDA ITEM

3. Board of Governors Audit Committee Report

Issue:

MR Dominguez, Chairman of the Audit Committee, provided a summary of the Civil Air Patrol FY01 single audit.

Discussion:

MR DOMINGUEZ (chair) and MR WHITMAN were the official members of the committee. There is one vacancy. THE CHAIRMAN attended the open sessions of the committee.

MR DOMINGUEZ acknowledged the good, pro-active work by AL ALLENBACK in organizing this report and working with the auditor to specify an agenda. He also acknowledged the volunteer work of GEN DWIGHT WHELESS, CAP, who researched duties, responsibilities of audit committees and in providing a collection of audit committee charters.

MR DOMINGUEZ reported:

The members of the committee were in prior receipt of the audit reports. They met with the independent auditors and the committee satisfied themselves as to the competence and experience of the independent auditor to function in this capacity. The committee was also satisfied to the independence of the auditor vis-à-vis relationship with the Civil Air Patrol, so that they could act independently. This audit was an interesting situation because there are actually two independent auditors who work together to do this comprehensive audit of the Civil Air Patrol, which includes the financial statements and then the internal controls systems and processes, and compliance. The Defense Contract Agency was also a part of this team, but was not present for the audit although the committee did have the report, and the audit report has been distributed to members of the board. The committee was satisfied that the independent auditors that were there, the private sector firm, were completely familiar with the work of the Defense Contract Audit Agency and, in fact, they had worked together and

collaborated so that the information heard fairly represented the views of both teams of auditors.

By way of background, this process of audit and the standards to which Civil Air Patrol is now being held through this is relatively new to the organization. In fact, there have been individual audits done, and there were, and will continue to be internal controls within the organization from squadron through groups, wings and regions. A comprehensive audit of the organization's systems and processes for control and its financial records have not been done to this degree. In fact, this independent auditor had done the first financial systems audit of the Civil Air Patrol as a national entity last year where they left the 1998/1999 audit all in one big group.

The second headline is that the Civil Air Patrol is a very complex organization particularly where audits are concerned. CAP has a National Headquarters, but has 52 wings, 8 regions and 1700 below wing-level organizations and currently all of them handle funds in some fashion. Most of them have hired or get their own kind of audit or outside look at their financial systems, records and process control independently so that this audit performed had to take feeder input from that wide dispersed network of independent auditors and organizations. That adds an enormous amount of complexity and it adds to the time that is required. That had also complicated the ability to do an audit because of the multiple firms in their looking at different pieces of the organization. How do you specify that the same principles have been applied all the way up and down in the same standards that have been adhered to all the way up and down? That was a major challenge to the Civil Air Patrol as an organization. The result of that complexity and CAP's first run on the learning curve with the two auditors working together, created quite a lag time.

The second major result is that the Civil Air Patrol received a "qualified" audit. In auditor's language, that is acceptable. The standard is an "unqualified" audit. A "qualified" audit means the auditor essentially says, "there is some stuff here I just don't know about. I can't assure you with certainty that things are happening the way they are supposed to happen." Several items are called "reportable conditions" and several more classified as material weaknesses.

Management of the Civil Air Patrol has been engaged with and has a great relationship with the auditor, which is not adversarial at all. The committee received much collaboration, cooperation and teamwork. Management accepted the findings of the audit and is growing and learning, as are the auditors, as they work at this. The committee believes CAP is on a path of growth as they continue down the learning curve. The funds and asset control and the accountability for those are improving. CAP is miles ahead today of where this audit had been in the past.

On the internal controls, there is still an emerging picture there. The committee went through all of these issues with the auditors and management represented by Susan Easter, the CFO. The committee has tasked management to narrow the findings from the audit, and prepare a written plan for moving CAP from the "qualified" audit to an "unqualified" audit.

Management suggested development of a corporate policy on fraud, and the committee agrees. The quality of the CEO/CFO statements of public assurances and the senior leader's statements of core values and financial reporting were discussed with the tone of visible leadership commitment to integrity in CAP's financial obligations and assets. These areas

need to be taken together as major significant, important, visible statement by the leadership of the organization about its commitment to this, which then sets the tone throughout the rest of the organization. The committee has tasked management to report on these issues prior to the next meeting of the BoG. The auditor was asked to prepare a draft charter for the audit committee, and to prepare minutes from the audit committee meeting.

There are several areas the Board of Governors need to address. The first is with regard to the charter of the audit committee. The audit committee recommends being in charge of the selection for the recommendation to the BoG for the selection of the independent auditor. The two auditors CAP is now using, the private sector one and DCAA, were both invited in at the initiative of management. The standard in industry today is the independent auditor is accountable solely and exclusively and powerfully to the Board of Governors and no one else, so that the people who select the auditor say 'this is the firm we will use' ought to be this body, and the recommendation on that should come to you through the audit committee. Of course, management has a role to play in soliciting bids and providing rationale for a recommendation, but that is a standard in the industry today. To reinforce the relationship between this board and the independent auditor, the fees and payments that might hinge on financial transactions between the auditor and the Civil Air Patrol ought to be governed also by this, so the audit committee ought to approve those fees and payments so they will get reinforcement they are coming from us and not from management. The audit committee will need the authority to retain consultants, experts, advisors, or whatever is needed to assist in their mission. Those are the key things in terms of a charter. The committee commends management for protecting the interest of the organization.

Second area is the audit committee membership and the question of independence. In the post-Enron environment, there is a very strong push across the country in both public sector accounting and the private sector accounting for the independence of the audit committee from management. In fact, although it is not specifically written in the Sarbanes-Oxley Legislation, the advice of the General Counsel of the Air Force and the Auditor General of the Air Force, both of whom were consulted on this subject, said that the interpretation of the law and the language in audit terms around the law basically insists that management not be represented on the audit committee, but present at audit committee meetings. And, be engaged with the audit committee in resolution of issues. Sarbanes-Oxley does not preclude management in the specific statutory language. The BoG needs to discuss the replacement of members in the interim when there is a vacancy. The BoG has a 3-person audit committee. One of the members on that audit committee ought to have some specialized knowledge and expertise in the audit and financial management area. The committee recommends that two members should come from among the independent members of the BoG that are neither the Secretary of the Air Force nominees nor the Civil Air Patrol nominees.

MR WHITMAN, the other member of the audit committee, praised the report given by MR DOMINGUEZ. He agreed that the third member of the committee should be independent.

MR WHITMAN commented on the closed session and stated that the independent auditors have the utmost confidence in the management and in the process and procedures, which is a favorable indication of the cooperation and competency of the management team. He also praised the briefing on the software and the progress that has been made in the ability to accurately assess and report information, and complimented Susan Easter on her efforts.

MR ALLENBACK, expressed appreciation to MR DOMINGUEZ'S comments about the audit committee and its relationship with management.

There was agreement that the following policy needs to be adopted for guidance to the independent auditor.

Action:

MR DOMINGUEZ moved and BRIG GEN WHELESS, CAP, seconded a motion that the BoG communicate to the auditor for the purpose of writing and drafting the charter that we want to see entrained in that charter, that the process for selection of the independent auditor runs through the audit committee for a decision by the Board of Governors.

THE MOTION CARRIED UNANIMOUSLY.

MR WHITMAN moved and BRIG GEN WHELESS, CAP, seconded a motion that MR BRUCE BAUGHMAN, with his concurrence, be selected as the third member of the audit committee.

THE MOTION CARRIED UNANIMOUSLY.

MR DOMINGUEZ moved and DR. PAYTON seconded a motion that the BoG communicate to the auditor for the purpose of drafting the charter that the charter should incorporate the principle of the audit committee, approval of the fees, and payments to the auditors as a means of reinforcing the relationship of the auditor to the Board of Governors.

THE MOTION CARRIED UNANIMOUSLY.

MR DOMINGUEZ moved and BRIG GEN WHELESS, CAP, seconded a motion that the BoG communicate to the auditor for the purpose of incorporating into the draft of the audit committee charter the principle of the audit committee shall be authorized to retain consultants and technical advisors, as necessary, to assist them in their responsibilities.

THE MOTION CARRIED UNANIMOUSLY.

MR DOMINGUEZ moved and BRIG GEN WHELESS CAP, seconded a motion that the BoG communicate to the auditor for the purpose of incorporating into the draft the charter of the audit committee the principle of the independence of the audit committee from the management of the Civil Air Patrol and that we recognize that through the membership of the audit committee named there will be one member from the Air Force-appointed representatives and two members from those that are outside

government.

THE MOTION CARRIED UNANIMOUSLY.

DR. PAYTON moved and MAJ GEN BOWLING, CAP, seconded a motion that the BoG accepts the audit report.

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED, with action as necessary per the audit report.

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AGENDA ITEM

4. Membership Action Review Board Report

Issue:

HQ CAP/GC, Col Stan Leibowitz, CAP presented the annual report of the Membership Action Review Board, as required by Civil Air Patrol Regulation 35-8.

Discussion:

None.

Action:

No action required.

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AGENDA ITEM

EXECUTIVE DIRECTOR'S UPDATE
5a. Litigation Update

Issue:

Update on CAP litigation

Discussion:

Litigation Update

MR ALLENBACK noted there is no change since the last meeting of the BoG regarding member litigation.

MR ALLENBACK provided an update with regard to corporate litigation:

Campbell & Shaw v. CAP. The judge dismissed 12 of the 13 counts. CAP won the jury trial on the remaining count. On appeal, the Circuit Court vacated the trial issue. CAP is requesting a rehearing at the Circuit Court.

Munger v. CAP. This case was dismissed on 10 March 2003.

Action:

No action required.

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AGENDA ITEM

EXECUTIVE DIRECTOR'S UPDATE 5b. National Headquarters Update

Issue:

AI Allenback, CAP Executive Director, briefed:

- Membership Report
- Safety Initiatives Partnership with Flight Safety
- SATCOM Project
- HQ Transformation
- Cooperative Agreement Program Narrative
- Communication Pathways with Federal Agencies
 - 1st AF AOC
 - Top Off 2 FEMA Exercise
 - HLS/HLD War Game 2-4 Jun

Discussion:

MR ALLENBACK updated the Board of Governors on membership increases, the safety initiatives partnership with Flight Safety, SATCOM Project, HQ transformation, Cooperative Agreement Program Narrative, and Communication Pathways with Federal Agencies.

*See **APPENDIX B** for the Executive Director's update briefing.*

With reference to the SATCOM project MR DOMINGUEZ asked, in conjunction with an earlier comment about CONOPS, if this was one of those areas where state governors, disaster response officials, Coast Guard, etc. will call us to use it, or is CAP already being called to use it and the capability is being improved to give the customer what it wants?

MR ALLENBACK responded that CAP is already being called to use the capability of relaying a video picture. The current technology is 8 to 9 years old. This project would be an improvement.

MR BAUGHMAN reminded that CAP needs to be on the list of the National Imagery and Mapping Agency (NIMA) as one of the assets that it can tap into to give that imagery back to

the states, in addition to states going directly to CAP. He suggested this effort needs to be included in the CAP Concept of Operations.

MR ALLENBACK stated that staff has met with NIMA and this concept is working.

Action:

No action required.

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6. Recommendations Referred by NEC (2-3 May 2003 Meeting)

Issue:

The following items were forwarded to the BoG by the CAP National Executive Committee from the 2-3 May 2003 meeting in Atlanta, Georgia:

1. FY04 Corporate and Appropriated Budgets
2. CAP Busch Marketing Platform
3. CAP's Replacement of Member-at-Large Representative

Discussion:

1. The National Executive Committee recommends approval of the FY04 corporate and appropriated budgets.
2. Busch Marketing Platform – The National Board in March 2003, as well as, the National Executive Committee in May 2003 recommends that Civil Air Patrol give notice of termination because corporate sponsorships have not materialized.

Background:

- CAP is currently in the second year of a three-year contract with Lewis Motor Sports for CAP marketing.
- Contract allows termination at the end of second year if program is not achieving CAP objectives provided Lewis Motorsports receives notification by 1 July 2003.
- Objectives were established in the CAP Marketing Plan, dated 16 August 2002:
 1. Establish a targeted and cohesive branding strategy of CAP through NASCAR.
 2. Secure broad visibility and exposure for CAP.
 3. Achieve increase growth in CAP membership.
 4. Procure corporate sponsorships.
 5. Utilize NASCAR to create strategic alliances.
- Media exposure objectives are being achieved; revenue objectives have not been met.
 - Desired revenue totals for 2003 were \$2.5m.
 - Revenue totals to-date are \$75,675

- Sufficient investment reserves are not available to continue third year of program.
- NEC Recommendation: Notify Lewis Motorsports of termination prior to 1 July 2003.

3. This statement presents notification to the Board of Governors of the member-at-large vacancy. CAP National headquarters is in the process of soliciting nominees to fill the vacancy. The solicitation letter states that the selection process will be conducted at a NEC meeting on Sunday, 24 August 2003 at the MGM Grand Hotel in Las Vegas, Nevada. This action fulfills the requirement of a 10-day prior written notification to the National Board.

See Appendix C.

ITEM 1. FY04 Corporate and Appropriated Budgets

MR ALLENBACK briefed both the Corporate (non-appropriated) Budget and the Appropriated Budget.

LT GEN LAMONTAGNE, USAF, stated that his observation is that a small amount, a small percentage, of the federal budget goes to the cadet programs. He added that in his view the cadet programs is a big reason the United States Air Force supports Civil Air Patrol.

MR ALLENBACK responded that every effort is being made to grow the cadet programs within program limitations. It was noted that there also is money in the corporate budget for cadet programs, which is being increased by 22 percent this year.

MR WHITMAN asked how many Civil Air Patrol cadets are interested in being pilots? MR ALLENBACK responded that there is no record of how many cadets want to be pilots, but approximately 22 percent of CAP cadets go on to some form of military duty, and of those about 10 or 11 percent go into the Air Force. And off those, the ones selected for the Air Force Academy graduated at a higher rate, about 5 percent.

MR WHITMAN stated that his point was different. General Aviation Manufacturers Association (GAMA) is spending a lot of money on "be a pilot" program. Aviation related companies are asked to donate money to create more interest and stimulus in future pilots. He asked if CAP is working with GAMA or in step with what they are doing? He suggested that some of that money might be spent on Civil Air Patrol cadets to encourage flying.

MR ALLENBACK responded that the headquarters is developing a very good corporate sponsorship package and those people will be targeted.

During discussion there was a suggestion that the BoG may need to establish another committee to give aerospace education and cadet programs special emphasis. There also was a more in-depth discussion on Air Force support for the three missions of Civil Air Patrol.

MR DOMINGUEZ suggested that instead of a permanent standing committee of the BoG that some people be designated to work with the Executive Director to research and get a deeper

understanding of the CAP programs and report back to the board with some recommendations.

A discussion followed on whether existing CAP committees could fulfill this requirement.

MR ALLENBACK stated that the headquarters had just completed the corporate-partner program. He proposed that, in lieu of a committee, the board allow MR WHITMAN an opportunity to first evaluate that product and provide further guidance, with a report back to the board in December 2003. There was agreement.

MR ALLENBACK responded to queries on where the 13 positions for reduction would be targeted.

Action:

LT GEN KEHOE, USAF (RET) moved and MR BAUGHMAN seconded a motion to approve the FY04 Corporate and Appropriated Budgets, as presented.

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED.

ITEM 2. CAP Busch Marketing Platform

MR ALLENBACK briefed the current status of this program.

MR WHITMAN moved and DR. PAYTON seconded a motion that the BoG adopts the following:

“That the BoG approve the National Board March 2003 and the National Executive Committee May 2003 recommendations that Civil Air Patrol give notice of termination to Lewis Motor Sports because corporate sponsorships have not materialized.”

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED.

ITEM 3. CAP’s Replacement of Member-at-Large Representative

MAJ GEN BOWLING, CAP, briefed the replacement procedure for a CAP member-at-large to the BoG.

This items was discussed in the National Commander’s report.

No action was required.

Civil Air Patrol Board of Governors - Minutes

3 June 2003 – 11:00 a.m.
Montreal II Room
Marriott at Metro Center
Washington DC

AGENDA ITEM

7. AF/XOHA Update

Issue:

Col Richard L. Anderson, USAF, briefed the status of stand-up actions for AF/XOHA, with emphasis on the personnel manning and AGR positions.

Discussion:

None.

Action:

No action required.

Civil Air Patrol Board of Governors - Minutes

3 June 2003 – 11:00 a.m.
Montreal II Room
Marriott at Metro Center
Washington DC

AGENDA ITEM

8. CAP Strategic Plan

Issue:

Col Richard L. Anderson, USAF, Strategic/Tactical Evaluation & Planning (STEP) Committee chairman provided a briefing on the status of Civil Air Patrol's strategic plan initiatives and impending long-term objectives.

See **APPENDIX D** for Col Anderson's update briefing.

Discussion:

LT GEN LAMONTAGNE, USAF, again expressed concern about the overall direction toward homeland security missions of Civil Air Patrol, and the perception of movement away from the cadet programs.

MR WHITMAN agreed that the focus needs to be on cadets. MAJ GEN BOWLING, CAP, expressed feelings that Civil Air Patrol believes it has a well-rounded program in all three mission areas. MR DOMINGUEZ acknowledged there is a clear interest in bringing the thousands of citizens in auxiliaries and potential auxiliaries into the homeland struggle and this would be consistent with wide emphasis in Civil Air Patrol, as long as the cadet programs is not de-emphasized. MR DOMINGUEZ summarized that the sense of the BoG is that it wants to ensure that sufficient money is set aside for the cadet programs.

There was discussion on the proposal to move National Headquarters to Washington, DC, but it was pointed out that the cost most likely would not justify whatever advantages there might be as a result of the move. Also, the advantages of remaining within Air University were mentioned. There was agreement that the LTO to move the headquarters be deferred until more in depth information and analysis is provided.

Action:

MR DOMINGUEZ moved and MR WHITMAN seconded a motion that the BoG modify the long-term objectives in two ways: (1) Deleting the move of National Headquarters to Washington, DC, and (2) Moving the statement with regard to cadet programs up into the top five of the list presented, and subject to those modifications these long-term objectives be approved.

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED.

The Executive Director was given direction to provide information on how CAP will better accomplish the stated goals and objectives by moving the National Headquarters, subject to the desires of the National Board and the National Executive Committee. If there is a case to be made, the BoG is open to hearing further information; there is no mandatory requirement to report back. The pursuit of further study is a matter for the CAP leadership to decide.

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Montreal II Room
Marriott at Metro Center
Washington DC

AGENDA ITEM

9. Any Other Business

Issue:

THE CHAIRMAN stated that the BoG had received two additional complaints from Col Angelo Porco, CAP. He asked for the status of a regulation on complaints for commanders. The response was that the regulation is still in a working stage.

The BoG made a decision not to consider these complaints at this time. Two of the subjects were thoroughly covered in the course of the meeting today. The other subject was considered and dealt with in a previous meeting. It was pointed out that there is a process for handling complaints coming to the BoG and that process has not had time to work the new complaints. It would therefore be inappropriate for Col Porco to be allowed to speak before the BoG.

Action:

There was no action taken.

Civil Air Patrol Board of Governors - Minutes

3 June 2003 – 11:00 a.m.
Montreal II Room
Marriott at Metro Center
Washington DC

AGENDA ITEM

10. Next Meeting

Issue:

Board of Governors Executive Secretary, Al Allenback, recommended that the next meeting of the BoG be held on Tuesday, 2 December 2003 in the Washington DC area.

Discussion:

None.

Action:

LT GEN KEHOE, USAF (RET) moved and MR DOMINGUEZ seconded a motion that the BoG accepts the recommendation.

THE MOTION CARRIED UNANIMOUSLY. This item is CLOSED.

OFFICE OF THE NATIONAL COMMANDER
CIVIL AIR PATROL
UNITED STATES AIR FORCE AUXILIARY
MAXWELL AIR FORCE BASE, ALABAMA 36112-6332



APPENDIX C

12 May 2003

MEMORANDUM FOR ALL CAP SENIOR MEMBERS

SUBJECT: Civil Air Patrol Board of Governors Member-at-Large Nominations

1. Section 9447 of Title 10 U.S. Code established a Board of Governors as the governing body of Civil Air Patrol. This Board is comprised of 11 members: 4 members appointed by the Secretary of the Air Force, 4 members of Civil Air Patrol, and three members appointed jointly by the Secretary of the Air Force and the National Commander of Civil Air Patrol from personnel of any Federal Government agencies, public corporations, nonprofit associations and other organizations that have an interest and expertise in civil aviation and the Civil Air Patrol mission.

2. Two of the Civil Air Patrol members serving on this Board are the National Commander and the National Vice Commander with the other two being selected from the membership at large for a four-year term. One of the member-at-large positions has now become vacant. CAP Regulation 35-9, Board of Governor and Wing Commander Appointment Procedures, states that when a vacancy occurs an announcement will be made to the general membership. CAP members may nominate themselves to serve on the Board of Governors. Minimum requirements for this position are:

- Senior member in good standing
- CAP grade of major or above
- Earned the Paul G. Garber Award (Level IV)
- Have at least 5 years Civil Air Patrol membership

3. Corporate officers may apply, but if selected, must resign as a corporate officer prior to accepting the Board position. Interested members should submit a letter requesting consideration with an attached CAP resume (other qualifications that have a direct relationship to CAP may be included). Requests must be sent to the National Executive Committee through HQ CAP/LMM at the address listed below and **must be postmarked not later than 30 June 2003.**

HQ CAP/LMM
Attn: BOG Nominations
105 South Hansell Street
Maxwell AFB AL 36112-6332

4. All requests for consideration will be reviewed by the National Executive Committee in accordance with the procedures outlined in CAPR 35-9, paragraph 2, at a special meeting to be held on 24 August 2003 in Las Vegas, Nevada. If additional information or assistance is required you may contact Ms Susan P. Parker, Deputy Director of Membership Services at (877) 227-9142, extension 212, by fax at (334) 953-4262, or by email at sparker@capnhq.gov.

A handwritten signature in black ink, reading "Richard L. Bowling". The signature is written in a cursive style with a large, prominent initial "R".

RICHARD L. BOWLING
Major General, CAP
Commander