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CCAM
COMMONWEALTH CENTER FOR ADVANCED MANUFACTURING

Resources Committee Meeting

Thursday, November 21, 2013

1:00 o'clock p.m.

Abingdon, Virginia

CRANE-SNEAD & ASSOCIATES, INC.
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1 **APPEARANCES:**

2 Mr. Bruce Sobczak

3 Director of Workforce Development

4 Ms. Beth D. Rhinehart

5 Dr. Rachel Fowlkes

6 Southwest Virginia Higher Education Center

7 Mr. John Capps

8 Central Virginia Community College

9 Mr. Warren Thacker

10 Goodyear Tire and Rubber Company

11

12 **COMMISSION STAFF:**

13 Mr. Timothy S. Pfohl

14 Interim Executive Director and Grants Program Manager

15 Mr. Neal Noyes, Senior Advisor

16 Ms. Stacey Richardson, Executive Assistant

17 Ms. Sara G. Williams

18 Grants Program Administrator - Southwest Virginia

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1 November 21, 2013

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3 MR. NOYES: Well, we'll call the meeting to order. Mr.
4 Bruce Sobczak is taking on the leadership effort in this Advanced
5 Manufacturing project. You've all got a packet, which has a lot of
6 material in it. I've got the smallest piece in this. At this time, I'd
7 like to introduce Bruce Sobczak, and he's CCAM's Director of
8 Workforce Development under contract that the Tobacco
9 Commission has with CCAM, and he'll take over the leadership of
10 this effort. You'll find his resume in your packet. Stacey put
11 those things in there at my request, and everybody will have a
12 chance to see what everybody else is working on and what some
13 of the alternatives are.

14 At this time, the Executive Director of the Tobacco
15 Commission is going to give you a recap or a review of what
16 transpired before.

17 MR. PFOHL: Thank you and good afternoon. This
18 obviously is the Resource Committee, one of the three ad hoc
19 work groups, and the Boston Consulting Group Report, I'll give
20 you a review of the landscape in this morning's meeting, and
21 then the Marketing Committee will meet Monday afternoon in
22 Danville.

23 What we talked about this morning with the
24 Curriculum people covered a number of subjects, national and
25 international credentials, the instruction needs to be taught so

1 that the graduates at the Centers of Excellence can be certified
2 and obtain national certification. Talked about issues about
3 getting instructors available to provide that curriculum. Some
4 comments were brought up from some of our industry partners
5 about pre-screening students that are coming out of the
6 foundational training level to make sure they have all the skills
7 they need to be successful at the mid-skill level rate. If we're
8 successful doing that, then we should anticipate a much higher
9 certification rate. If we screen out folks that need some
10 remediation in areas and have the processes and programs and a
11 place to provide that remediation, we can get them back in the
12 pipeline at the mid-skill level training, and that's part of kind of
13 the whole foundational training support that would be the
14 underpinning of the mid-skill level. That's some of the things we
15 talked about there.

16 You're going to be talking about issues, selecting the
17 site, selecting specific buildings, specific equipment that needs to
18 be in place to provide the training for the national certification,
19 operational funding, how we make the centers sustainable and
20 hit targets for the graduates in the three identified skilled areas.
21 Then the Marketing Committee on Monday afternoon, we'll be
22 talking about how do we identify the candidates for the mid-
23 skilled level training. That's going to involve getting into the K-
24 12 systems and getting the parents, friends, and family, so to
25 speak, visiting the Rolls-Royce Apprentice Academy last month,

1 and we rode around talking to some students that ranged from
2 16 to 22 years of age, and I asked several of them, or I said to
3 the career coach, teacher, or guidance counselor, or someone
4 encourage you to sign up for the Rolls-Royce Apprentice
5 Academy, and almost unanimously it was I got a father that
6 works here or a mother or brother or sister or something like
7 that.

8 The follow-up question was why did you opt for Rolls-
9 Royce Apprentice Academy at the age of 18 years instead of
10 going to a university, and the answer was because we're going to
11 have a job with Rolls-Royce, and my friends are going to
12 graduate with the university with a mountain of debt. These kids
13 are getting paid and buying new cars and buying houses at 20,
14 22 in England, getting those students and identifying the right
15 students and making sure they're screened and prepared to
16 move to mid-skill level from a foundational level provided by the
17 regional partners.

18 We also talked about an RFP process to get the best
19 proposals in front of the Commission's Education Committee,
20 which will be the funding source to create the Centers of
21 Excellence. There's a \$10 million budget line in the
22 Commission's budget this year. The Education Committee is in
23 charge of making those funding recommendations. It's going to
24 be, to use a phrase I just came up with, grant application on
25 steroids, because we're going to set the bar very high to

1 hopefully, and I hate to use the term weed out to identify those
2 regional partnerships that are truly fair and have the capacity to
3 operate successfully a Center of Excellence and distinguish those
4 from the ones that have good intentions and maybe have an
5 empty building at a time that really don't have the capacity or
6 partnerships to make for a successful center. We're still in the
7 process of drafting what would be in that proposal. Certainly
8 we'll have statements such as we're going to have a preference
9 for existing spaces and we can't accommodate a timeline that
10 involves 18 to 24 months new construction. We're going to have
11 dollar amounts not to exceed threshold so that we can establish
12 all three Centers for \$10 million in front of us. There's a lot of
13 pieces that the folks have to put together.

14 Just thinking out loud, and this could be part of the
15 conversation, talk about a timeline for this RFP process. The
16 Education Committee needs to give us a signal that we're on the
17 right path. Part of my thinking is that we would present the RFP,
18 and the Education Committee gets an update on where the three
19 work groups are, at this point where we're headed to when the
20 Commission meets in early January, then get their signal to go
21 ahead and issue an RFP perhaps in late January, give the
22 regional partners a reasonable amount of time to put together
23 proposals. These are going to be very complex processes and
24 involve a lot of educational partners and industry partners and
25 funding mechanisms in coming up with a dollar-for-dollar match.

1 Then having a period where CCAM and Commission
2 representatives would review the proposals and have some
3 negotiation with the applicant that we have an interest in moving
4 forward with and present them back to the Education Committee
5 before the May Commission meeting and have some funding
6 recommendations in May, and that's a very ambitious timeline,
7 and we'll have to be diligent. Thankfully Bruce is on board and
8 his focus waking up every day thinking about how am I going to
9 get that done. So, we're delighted to have you. And he's trying
10 to acquaint himself with the Tobacco Region from one side to the
11 other. So, at this time, I'll turn it over to you.

12 MR NOYES: Before you start, Bruce, this is a business
13 incubator, 30,000 square feet. Kathy Lowe runs this facility, and
14 this is a potential site and has space for a Center of Excellence
15 and should be available after we conclude our discussion here to
16 show you around. I urge you to take advantage of it and look
17 around while you're here.

18 MR. SOBCZAK: Well, thank you, and welcome
19 everybody, and good afternoon. I'm going to go through now,
20 and I'm not going to do PowerPoints, but I want to show you the
21 framework and kind of the leadership structure and how we're
22 going to go forward with this project. Neal introduced me, and I
23 come out here from California, and I relocated here to be part of
24 this project, and I'm really excited about it. This is something
25 really special.

1 My background is I started life as a tool and die
2 maker, ended up as a manager of manufacturing engineering for
3 worldwide companies, been an adjunct professor the last couple
4 of decades in the technology areas, and I got my degrees very
5 late in life. I was promoted to management through what I call a
6 battlefield promotion. And before I had the advantage of my
7 degrees, I was the manager of manufacturing engineering for a
8 world class company. When I realized I didn't have the resume
9 to even get an interview for the job I had, I went back to school
10 and got my Bachelor's degree in 2004, then Master's in '08.

11 The last four years, I've been working in South
12 Orange County, working as a Director of Economic Workforce,
13 and it's a very different atmosphere, I might say, that I'm
14 coming from. In California, there's many companies. There's a
15 lot that are exiting and leaving now. When you cross the border
16 to California, there's somebody there to kick you in the shins if
17 you're a business owner, and there's a different atmosphere, and
18 you've got a lot of things going for you. There's good business
19 atmosphere and good infrastructure and funding for these type of
20 things is really something. I want you to know that I've got a
21 great passion for this.

22 Let's talk about this project, and it's in cooperation
23 with CCAM, and this is advanced manufacturing. All this is based
24 on the key findings from the Boston Consulting Group report. If
25 you haven't seen that, I'd encourage you to take a look at it.

1 The 20,000-foot level, there are two major targets for success,
2 and increasing the capacity and capabilities of the community
3 colleges and other training organizations to put out skills that
4 employees require.

5 The other thing that's attracting individuals to pursue
6 careers in advanced manufacturing. Those are the more 20,000-
7 foot level. Our major objectives in this is to boil it down and
8 simply we want to establish three Centers of Excellence that
9 provide hands-on training in priority skilled areas. These should
10 work to increase funding for distance learning, because you do
11 have some geographical challenges. I had a nice five-hour drive
12 out here. I drove for two hours until I saw the sun come up, it
13 was worth the wait. Distance learning is going to have to be
14 factored into this equation.

15 The priority skills are machinists and other machine
16 professionals, that's basically C & C Machining, but there's other
17 areas of expertise like die makers and those type of things. That
18 represents about 50 percent of the approximately 75 that each
19 Center of Excellence has to put out. Out of that 75 from each of
20 those three, about 50 percent of them have to be machine
21 professionals, about 28 percent welding professionals, and then
22 industrial mechanics make up the last, about 22 percent.

23 We are insisting on industry-recognized certification.
24 We talked about that in depth with the Curriculum Committee.
25 We're looking at NIMS certification for the machines, certainly

1 American Welding Academy for the welding, and we've got a lot
2 of work to do with the factory maintenance, and we'll be
3 researching that as we go along.

4 The estimated budget is approximately this, and we'll
5 leave this up for reference. This is the approximate budget for,
6 and it's not exact, and this is about what the Boston Consulting
7 Group came up with.

8 The leadership and governance, certainly, is at the top
9 of this and the overall Steering Committee and the Tobacco
10 Commission, and there's no doubt about that. The CCAM Board
11 is going to play a role in this, because we're going to take out the
12 sustainability and we want to help with the standardization of
13 this. They're going to be responsible for the overall budget and
14 all of that stuff. CCAM is going to insure the quality and
15 implementation, and I provide guidance ongoing.

16 My role as a CCAM Director for Workforce
17 Development, not only we're doing the other projects there at
18 CCAM, but in this role here for the COEs, I'm going to be
19 facilitating a lot of these committee meetings, and I want to be a
20 conduit between all these committees. Just like with our
21 Curriculum Committee, there are subgroups and working groups,
22 I'm going to gather those together, too. And, hopefully, bring
23 things into a matrix and get information and present it so we can
24 digest it, analyze it in an easier manner. I'm also going to make
25 sure we reach a consensus from those working groups. We'll

1 work on project plans. We have an example of the work
2 breakdown structure, and that's a very simple one, and that was
3 done for a company in California that was implementing C&C for
4 the first time. We will track each individual cast in each project
5 in that manner. Primarily, my duty here is to drive the
6 implementation.

7 The Curriculum Committee is seeking to find best
8 practices and best curriculum and the best certification, and
9 they'll be developing their own budget.

10 And the Resource Committee, look at it and review all
11 the budget and review quotes and especially different services
12 that might be specialty items that the Curriculum Committee is
13 going to say we need, and we're going to shop for the best deal
14 and treat this money like it was our own. As we get into
15 discussions, we have to be very careful, and there's a lot of
16 brand loyalty when it comes to machine and things like that, and
17 I just want to tell you that if you learn to drive the Toyota Corolla
18 and when you finally get the chance to drive a Ferrari, you'll
19 figure it out and you'll get there from here. It might be a little
20 clumsy at first, but we've got to be very cautious and get the
21 most for our dollars, and that's going to be a task with you here.

22 Identifying the additional funding and everybody up
23 front, but we're going to need instructors, no question about it.
24 We don't have the instructors right now to pull this off. Extra
25 resources and money, we've got to check the couch cushions and

1 see if we can find monies for other things that arise. You're
2 going to review the proposals and the RFP from the budget
3 standout and find out if that's a match or in kind donation and is
4 that legitimate. The Marketing Committee is going to take care
5 all of those marketing-related things. And we've got to convince
6 parents that this is a good thing for their kids. You all are going
7 to be deciding upon mobile units and they're recommending
8 three mobile units, and I'm a big proponent of that so we can get
9 to these schools and considering that's a low investment. We
10 can do 3D printers and put them in a truck and take them out to
11 high schools and grade schools and have the kids make a design
12 and 3D print it, and that's golden. The reaction of these kids is
13 just unbelievable. We'll be working all that up with the Virginia
14 Manufacturers Association. They'll be in the meeting on Monday.

15 The suggested location of the Centers of Excellence,
16 and that's a matter of the Tobacco Commission, and there's been
17 a suggestion for one location in Southwest and two in Southside,
18 but that'll be up to the Board.

19 MR. NOYES: This group will have input in making
20 recommendations on locations. There'll be a number of sites that
21 we'll be looking at during these proposals at RFP. As I said to
22 Bruce and Tim earlier, and one point I think is very important
23 and what goes in the RFP in terms of how much money
24 somebody is going to apply for. This is funded for two years,
25 \$10 million from the Tobacco Commission for two years, and

1 that's based on a 50/50 match. You've got a \$40 million project,
2 and with these kind of guidelines, I must say that each of the
3 three Centers almost by definition will be different in terms of the
4 operating budget. If space is to be leased or purchasing, that
5 budget will be different, and we've got space that's suitable right
6 away, and it may be different for faculty, but at the end of the
7 day, there'll be that credential that Bruce pointed out. If it's
8 machinist people at a certain level, the Curriculum will decide on
9 those recommendations. Twenty-eight percent welding, there'll
10 be some differences, and it won't be exactly 50 percent. Overall
11 among the three Centers, this is part of what we'll look at when
12 we get that proposal and trying to get close to that ratio. And
13 that's what is expected.

14 Now, there's always a question of how much flexibility
15 is there. There's enormous flexibility. Local industry is going to
16 inform, but what is not flexible is that credential at the end. I
17 know they've talked about pipefitting, and sometimes people in
18 Southern Virginia have to focus on pipefitting other than say the
19 one in Southwest Virginia. Local industry is going to inform of us
20 of that, but the credential COEs is going to be an expectation.
21 There might be different credentials, but credentials are
22 important and paramount, and that's where we're going.

23 If we have this information, let's put it in the RFP and
24 people can apply for up to X amount or X amount of dollars to be
25 matched in each of these areas, and these are guidelines, and

1 there can be differences among the three Centers of Excellence.
2 We need to put a cap on it; otherwise, somebody is going to
3 come in and say I need eight million more dollars. So that's just
4 one of the things we'll discuss and decide upon.

5 MR. CAPPS: Are there some general categories in this
6 project that will fill all the needs and requirements?

7 MR. SOBCZAK: We have to be very mindful, but if
8 you buy one type of machine, it probably would take half of the
9 budget. The Resource Committee is going to have to be very
10 mindful how we're delivering that capability, yes. It's doable and
11 this is nice.

12 There's one other thing I wanted to add here. We're
13 going to be rating our efforts together with the community
14 colleges. One of the things now, community colleges, we are
15 doing a best practice exercise with them and look at their
16 curriculum and their equipment, and they'll take us to a level.
17 Let's take NIMS, for instance, they'll take us to NIMS Levels 1
18 and 2.

19 Let me put this on the screen. What we're going to do
20 is what's been commonly known as a stackable design and if
21 you'll look up at the top here. This is an oversimplified example
22 for demonstration. These fit together like Lego blocks. Maybe
23 you've got your manufacturing technician, very basic thing.
24 Machine shop theory and practices, and that's one level. Now,
25 you add in geometric dimensioning and your design visualization,

1 intermediate CAD. Now, you've got an industrial CAD drafter.
2 Then you add Lean manufacturing, solid work advance, and you
3 snap all three of these together, and you've got a higher level
4 professional. These two levels here could be substituted and
5 instead of the industrial CAD, you go for the C&C Machining. If
6 there's a different way, an engineering technician. The point is
7 that to make these stackable. Standing alone, it adds value to
8 that student, that displaced worker, and it adds value to the
9 employer when they come out on the shop floor, they can start
10 adding value and they can take it as far as they want to go. This
11 will make it easier to break down online, learning and things like
12 that. It's kind of a stackable design, and we're going to leverage
13 all of the resources and equipment and all of what's going on at
14 the community colleges.

15 We will not solve the capacity issues in those skilled
16 jobs with the three Centers alone, and there won't be enough.
17 There's like 1,090 employee gap over five years. If things keep
18 happening like they are at CCAM, we're going to be in trouble.
19 So we have to increase the capacity at the community colleges.
20 They'll have to leverage what they've got initially to see these
21 programs which will feed the Centers of Excellence, and that's
22 kind of the pipeline we envision.

23 MR. NOYES: Wherever the Center of Excellence
24 facility kick in, and I will say that we've talked to private
25 industries this morning, and we're very clear that the Six Sigma

1 is important and the Lean is very important as far as what has to
2 come out at the ends of the pipeline, and where it's introduced
3 that's not clear.

4 MR. SOBCZAK: And the beauty of that is that it adds
5 value to a retail organization. The regions that are worried about
6 manufacturing, and if they have that early on in their first stack,
7 then that person has options to go work.

8 MR. MUMPOWER: Within manufacturing, Six Sigma
9 needs to be a general subject, whatever industrial program
10 you're going to put in there, it needs to be a general subject that
11 everybody faced. Any big manufacturer, no matter who, this is
12 proven and it works. You can streamline your organization and
13 you can really predict what you're going to make and it helps
14 from the staffing standpoint because, and based on what you
15 learn from manufacturing --

16 MR. SOBCZAK: How far have you simulated this into
17 your organization?

18 MR. MUMPOWER: We're a hundred percent.

19 MR. SOBCZAK: Administrative, as well?

20 MR. MUMPOWER: Yes.

21 MR. SOBCZAK: That's great to know. I remember
22 ten years ago going into an order entry department and we were
23 so successful with Lean initiatives on the manufacturing floor,
24 and these people looked at me in order entry like what did we
25 listen to that guy for? They were so enthusiastic once we got

1 into it, they started seeing results right away. It's readily
2 accepted at all levels now, I think.

3 MR. SOBCZAK: Can it be incorporated at the
4 community college level?

5 MR. NOYES: Maybe at the Center of Excellence, I
6 don't know, but we'll see. The guys this morning were absolutely
7 firm, don't do it if you're not going to do this.

8 MR. MUMPOWER: Any manufacturing process, and
9 we're going to push this.

10 MR. THACKER: We're going to push it through, and if
11 we got an order for a hundred tires, we're going to make a
12 hundred tires. And if we have to shut the equipment down, we'll
13 shut it down. It used to be that Goodyear's whole process was
14 around to make as many as you can, stick them in the
15 warehouse, and hold them, like mass production, but we're not
16 doing that anymore. I think you're right, everyone is going to do
17 that because it's there. If you want to be a global competitor,
18 you have to do that.

19 MR. NOYES: It has to be part of what is delivered in
20 this effort. The second is where and who, and that hasn't been
21 decided yet. Now, we're not going to have the Level 1 holding
22 credential the Center of Excellence because those things are
23 going to happen at the community colleges, and the Commission
24 has been delighted to support the community colleges to do that,
25 to get them in and out, but we've got to get to that Center of

1 Excellence and that 75 credentialed individuals.

2 MR. THACKER: You have to get an instructor that can
3 do all of that, and I don't know where you're going to get all
4 these people

5 MR. NOYES: And Craig, with the Community College
6 System, said that community colleges will look forward to the
7 opportunity to have their faculty trained to those standards.

8 MR. FOWLKES: That was one of the challenges, and
9 that's finding qualified faculty.

10 MR. SOBCZAK: To have that person close to the
11 program, and sometimes it gets out of hand and we don't want it
12 to go the other way.

13 MR. NOYES: In welding, you have to have a good
14 welding educator credentialed person to get that credential for
15 Level 1 and Level 2, get tested for it, and we've got to have Level
16 1, and then build Level 2. Credentials over two or three years.

17 Mr. SOBCZAK: The other thing is the capacity to do
18 one of them, and this is a subject for the Resources Committee,
19 and we might need the testing center one time for all these
20 different levels, and we can include that in the RFP.

21 MR. THACKER: I think the nearest one is in
22 Baltimore, and we have to do that for the skills craft. In my
23 plant, we had to build a lab. Everybody has to take an online
24 test, pipefitters, mechanics, machinists, welders.

25 MR. NOYES: We think this should be recommended

1 that we build one test center as part of the advanced
2 manufacturing.

3 DR. FOWLKES: That's what we're doing, talking about
4 building a lab, and we have a testing center in our building. It's
5 not out there with the welding torque. We have a center where
6 we do multiple cases, all kind of professional organizations.

7 MR. SOBCZAK: We're going to have to hear what else
8 we can do here. I think at some point we're going to need some
9 people from NIMS on site to come out here.

10 MR. THACKER: The purpose of the testing is to make
11 sure they've got the minimum qualifications and skills and then
12 we do the hands-on afterwards. The community college has the
13 entry-level program, industrial mechanics maintenance program.
14 Trying to hire a journeyman to work in the plant at this level.
15 We figured out early on, and the past rate was probably three
16 out of ten. I'd test ten people and get three to pass the entry-
17 level test.

18 MR. SOBCZAK: That's another factor.

19 MR. NOYES: We don't have much experience in
20 testing. Maybe we don't get 75, maybe we only get 35, but at
21 some point, we've got to get up to 75.

22 MR. THACKER: You've got to weed out the ones that
23 don't have the minimum skills.

24 MR. NOYES: In the draft budget, I asked one
25 organization that may wind up being a Center of Excellence, and

1 I asked what did it look like, and they provided me with that
2 information, and testing is the line item, and this committee
3 needs to say we can make available not less than \$300,000 per
4 year for testing on these three things, and could be available, for
5 instance, for Rachel to do at that level, but at some point, we
6 need to help and partner at the test facility.

7 MR. THACKER: And I had, at one time, 19 plants at
8 one time. We learned that you have to test just to get to a
9 manageable number of people that you can work with.

10 MR. NOYES: We knew we were going to have to
11 attract a supply chain, we can't demonstrate that people can
12 pass.

13 MR. THACKER: My task as far as recruiting to give
14 those plant managers a number of candidates, or I can be an
15 electrician in your plant and handle it and we can get people that
16 can strap the tools on and go to work right now. To get to that
17 point, we found out early on.

18 MR. SOBCZAK: Do you have certifications you like in
19 that area?

20 MR. THACKER: We require a Journeyman's Card.

21 MR. SOBCZAK: A Journeyman Card from what?

22 MR. THACKER: The State's Journeyman's Card,
23 electricians and mechanics.

24 MR. SOBCZAK: Are you aware that NIMS has a
25 program? Are you familiar with that one?

1 MR. THACKER: Yes.

2 MR. SOBCZAK: Do you like it?

3 MR. THACKER: It's fine.

4 MR SOBCZAK: Are you aware that NIMS has one?

5 MR. THACKER: Yes.

6 MR. SOBCZAK: And you say you're familiar with that?

7 MR. THACKER: Yes.

8 MR. SOBCZAK: We can go around and around forever
9 with certifications, it's a must have, and we're going to have
10 more companies like Rolls-Royce and Airbus, all these potential
11 people that are thinking of coming over here.

12 MR. THACKER: You've got to have that certification.

13 MR. MARSHALL: One of the benefits of working on a
14 good environment.

15 MR. THACKER: I've learned in one of the tasks
16 through Goodyear was being unionized so I could work in a union
17 facility. One of the things that I've learned, as I said, is that all
18 of these trades have apprenticeship programs and they give you
19 somebody with a certificate that's gone through all kinds of
20 training.

21 MR. SOBCZAK: We're going to do this with industry-
22 recognized practices. We want to go to Airbus and say we've got
23 100 of these guys and so forth.

24 MR. NOYES: Tell your supply chain companies that
25 we can produce X number of people who are certified.

1 MR. THACKER: If they know you've got the workforce
2 that can do this work, that's certainly helpful.

3 MR. NOYES: This is actually a line item, this one
4 hypothetical budget. A hundred students, a thousand dollars per
5 student, that's what this one says. Is that the right number,
6 because I don't know? What it suggests is that if this is the right
7 number and we could plan on \$300,000 being available for
8 testing Three Centers of Excellence.

9 MR. THACKER: You've got to be able to weed out.
10 You'll be spinning your wheels. Not everybody is going to make
11 it.

12 MR. SOBCZAK: The question is or that question was
13 asked earlier, what if some poor guy had a Level 3, and that's
14 the beauty of having independent testing and verification. You
15 can take the test at Level 3 or 2, so we don't have to start at the
16 beginning. And it's kind of an open-entry type of thing. It's a
17 third party verification. We've got to find out is this cost
18 effective?

19 And, Rachel, maybe you can speak to that. Where I
20 came from, we had one college, nobody else wanted to take it
21 on, and we were set up, and they were doing all kinds of
22 certifications.

23 DR. FOWLKES: Whatever license you have to take,
24 you log on, and then it starts, and that's what we're doing and --

25 MR. SOBCZAK: But you log on with Proctor.

1 DR. FOWLKES: Yes. It's a very structured
2 environment.

3 MR. SOBCZAK: Some of these people that will be
4 doing these requests for proposals, they may not know that, but
5 it would be useful to let them know how this works and what can
6 be expected. What's the operation budget for an operation like
7 that?

8 DR. FOWLKES: We have one part-time staff person
9 that does that and we use the computer lab. We have to meet
10 the specifications on each of the licensing companies, and they
11 each have their own requirement and you have to be in the room
12 to monitor what's going on, and they determine how much space
13 is between various test takers and that type of thing.

14 MR. SOBCZAK: Is there such a facility?

15 DR. FOWLKES: There's one in Roanoke. It's relatively
16 inexpensive.

17 MR. SOBCZAK: I would submit maybe we add that
18 item or if somebody wanted to do a proposal, we're assessing
19 that.

20 MR. FOWLKES: It would be easy to add that.

21 MR. SOBCZAK: With that in mind, I'm thinking.

22 DR. FOWLKES: It's a revenue generator. We're not
23 at the point to have the volume of testing to cover all of our
24 expenses. We have to know the overall costs when we use our
25 computers. You can't have anybody come in and out to use the

1 computer. There's a lot of security involved.

2 MR. MARSHALL: Last time we talked about the
3 criteria for these requests and when you talk about partnership,
4 whoever submits an application has to demonstrate to have
5 partners available online, and that should be a fundamental
6 component of the application.

7 MR. SOBCZAK: Good point.

8 DR. FOWLKES: The Virginia Department of
9 Professional and Occupational Regulations, and that's where you
10 go to find the different levels of skills and trades that have
11 licensure. They would be helpful in looking at further shortages
12 of where the various areas are, who's taking tests for these
13 licenses.

14 MR. SOBCZAK: Who is that?

15 DR. FOWLKES: The Virginia Department of
16 Occupational and Vocational Regulations.

17 MR. NOYES: I understand they can tell us where we
18 can go now. We have to build this facility in the footprint. If
19 these folks tell us to go to Cherry Point, that's going to --
20 I know we have one in Danville, or we've got to work with
21 Danville Community College, and maybe that would be the
22 location for the test center, and maybe that's the right place.
23 And if it is, it ought to be eligible for this effort.

24 The online thing, Rachel can help us with that. We
25 can build into the budget X number of dollars per test if that's

1 what it costs, where you read from the 10 down to the 3.

2 Another thing the group said was don't reinvent the
3 wheel. There is no test center for welding now in Virginia
4 because I've got to go Baltimore or West Virginia and I don't
5 want to go there in the winter.

6 UNIDENTIFIED: ABB, 80 or 90 welders on staff, and
7 they bring somebody from Raleigh to do the testing on site at the
8 plant.

9 MR. NOYES: That's great. Maybe ABB would be
10 willing to advise us on having one in the footprint because it
11 costs money, it'll cost us some money to do this over some
12 period of time, return on investment, so we won't have to go to
13 Raleigh or Baltimore or West Virginia.

14 MR. MARSHALL: We have a person on the staff that
15 can handle that.

16 MR. NOYES: We will go there and look at that
17 operation and I said how much does it cost, and I don't know
18 exactly what it costs. But if this is something important, we have
19 to put it in the budget. This could be a cash cow for folks. Then
20 we might consider what it would take to be self-sustaining.

21 MR. SOBCZAK: Have we got contacts with these
22 people and are they willing to come out? These are the types of
23 recommendations that your committee can make, funds available
24 this year, and use the RFP to advise our applicants, maybe you
25 want two million for the test facility. You have two years of

1 budget from the Tobacco Commission, and one with a second
2 year anticipated, and we won't make it unless we get the second
3 year funding. Just like the mobile units, maybe a year or two.
4 The figures are in that Boston Consulting Group Report, \$3.3
5 million, whatever that figure was, I think that's the total,
6 including operations.

7 Let me bring it up here. The RFP, you have to
8 recognize what all this costs. It's going to be different at the
9 different centers. Some folks will have donated equipment and
10 that counts. Some will have donated faculty. Bruce and I met
11 with the Southwest Virginia manufacturers and they said we will
12 train the trainers because we have people that know how to
13 operate the kinds of equipment that you're talking about,
14 whether Goodyear had something on that or ABB, and all of
15 those can be legitimate in kind contributions. It's going to be
16 different at the three Centers because different fundraising and
17 that sort of thing. We need to set a parameter of not to exceed.

18 MR. CAPPS: It seems to me that maybe some limits
19 and then divided by three, otherwise people would shoot for the
20 moon.

21 MR. SOBCZAK: Some people will consider themselves
22 special, I guess, and they'll need more.

23 MR. NOYES: During my seven years, people come in
24 and ask for more than was available in the budget but will take it
25 over time.

1 MR. SOBCZAK: One of my favorite ways to see that is
2 the million and five to seven will be awarded, and then you have
3 the conservatives divided by seven or go forward and divide by
4 five.

5 MR. NOYES: Depending on which centers or the
6 center you recommend may not be any facility costs. It can be
7 different, and if you divide it by three, every one of them is going
8 to come in whether they need it or not and then figure it out and
9 then as the community colleges said last time, give us four
10 million and we'll figure it out.

11 DR. FOWLKES: I think there's another approach. We
12 have Centers of Excellence across the region, and I think of
13 Danville Community College as one for the moment, and you've
14 invested a lot of money into upgrading the technical program and
15 equipment. In my way of thinking, we already have working
16 closely with them there, so that partnership is in sync and the
17 community college is what we're looking for. To me, that's the
18 beginning of a Center of Excellence. I'm talking about practices
19 now. If you have 30 million or 24 million or whatever it is, is
20 there a way to identify across the region where we have pockets
21 of excellence and enhance those pockets of excellence? If we
22 talk about the basic level to get people in the door and train
23 them and see if they have the skills to make the next level. Let's
24 take them down the interstate and another ramp that might be
25 the next level up and invest in that next level up to make that

1 work. So why would you want to be thinking about new facilities
2 and new operation if there's a way --

3 MR. NOYES: We're not talking about new
4 construction.

5 DR. FOWLKES: That helps me understand.

6 MR. NOYES: We can't be ready in 2017 to even
7 entertain --

8 DR. FOWLKES: I'm thinking of where you already
9 have existing facilities and to make better use of that. Where
10 there are gaps, we need to tie these people together. When
11 somebody enters a technical school who's good in math and
12 science and direct them into an apprenticeship for some type of
13 work relationship early on through a community college and try
14 to capitalize on a good thing, the good system that we have and
15 make it work.

16 MR. NOYES: We fully expect all the community
17 colleges to be involved in this, at least as a foundation. We fully
18 expect that, and we have a program outside the Centers of
19 Excellence, a support staff.

20 DR. FOWLKES: You all have some other programs the
21 engineers produced in Virginia, and you've already started a
22 strong engineering program at the community colleges and is a
23 component, we need more students, get more students in those.
24 One of the ways that I think that students come to this program
25 is because of an internship. There are some things like a paid

1 internship, and I know General Dynamics does, and they employ
2 them.

3 MR. SOBCZAK: We have to stay focused on these
4 skills that we're talking about.

5 DR. FOWLKES: Starting out, but coming out with an
6 engineering degree.

7 MR. SOBCZAK: According to the Boston Consulting
8 Group, Virginia produces enough and they need to be tweaked to
9 advanced manufacturing, and it's clear we've got to stay focused
10 on these fields and these jobs.

11 DR. FOWLKES: Going back to the engineers, not
12 everybody starting in the community colleges follows through
13 with what they initially started with. They have 12 credit hours
14 in basic engineering in that particular program and out of a group
15 of 20 maybe three or four went on to a four-year degree. That
16 left another core group of kids and they didn't have anything to
17 do in between going back to a mid-level point. We've got those
18 programs right now going into the Southwest, and I'm not sure
19 how many are doing that. We've got a group of people there
20 who have already expressed an interest but need to be taken to
21 another place.

22 UNIDENTIFIED: They're going into the industrial area.
23 They've got the nucleus and we bring them in, 20 hours of school
24 and 20 hours of full-time jobs. We bring in about 10 every year.
25 We want to expand to 30 maybe.

1 MR. THACKER: That's what I'm trying to do, but it's
2 difficult to get them, but we are trying to bring this program in so
3 they can work for whatever field they're qualified, so they go for
4 20 hours of school and 20 hours of work.

5 DR. FOWLKES: That model works. If you think about
6 a big bull's eye as the target and the bull's eye in the middle,
7 that should be the job. Talking about myself as a special
8 educator. We're all around the rim and we're not in the bull's
9 eye.

10 MR. THACKER: We're talking about expanding from
11 10 to 30 because we're 49 years old, and 70 percent of my
12 maintenance workers are going to retire in the next three years.
13 I've got to do something because I can't go out and hire people
14 or enough people to replace everybody that's leaving, and I've
15 got to do a program like this.

16 MR. SOBCZAK: I call it the perfect storm. If the
17 training has been neglected or the technology, of course, has
18 changed.

19 MR. THACKER: From my industry, machining is not
20 an issue. I have 116 mechanics, 80 electricians, 65 fitters, 10
21 welders, six oilers, six machinists, five supervisors.

22 DR. FOWLKES: That's really a good point because if
23 you look across the Tobacco Region, Southwest, and Southside,
24 and machinists, and I know that's driven CCAM. You're talking
25 about how you're going to sustain the company in our region and

1 to help the companies already in our region, because we don't
2 need to put all our eggs in the three areas that Boston Consulting
3 talked about.

4 MR. SOBCZAK: We do with this program.

5 MR. NOYES: We have another program and in the
6 history of the Tobacco Commission, never has turned down a
7 request through the Education Committee where private industry
8 said urgently need help.

9 MR. THACKER: Even in this program, and you're
10 talking about a mechanic who can cover almost everything you
11 need in this program or that I need in that program. If you can
12 get almost everything you need in this program.

13 MR. NOYES: Bruce said that's the tougher of the
14 credentials and maybe a combination of the two.

15 MR. THACKER: I think most industries in the southern
16 part of Virginia are like me, they're not going to need machinists,
17 we can get what they need in this program.

18 MR. NOYES: The supply chain for certain companies
19 need those and this program and it's absolutely wonderful that
20 an element of a machine mechanic meet some demand that
21 you're going to have. We hope there's a lot of that, just like the
22 folks when Bristol Compressors, they're going to be able to do it,
23 and existing industries are going to absorb, I think, a significant
24 number of graduates. This number of people credentialed this
25 way will attract new business. The fact that the program can

1 also support existing industry is even better, but it's not designed
2 just for that.

3 MR. THACKER: You've got to look at the workforce
4 and say can you supply what I need.

5 MR. SOBCZAK: Aerospace, automotive, and heavy
6 machinery.

7 MR. NOYES: There's no conflict. This is having your
8 cake and eating it, too, for existing industries because you've got
9 the capacity of this program to help and the Commission is not
10 going to walk away from its competitive round, never having
11 turned down applications where there's an industry that's
12 identified and no reason to think it's going to happen in the
13 future.

14 MR. CAPPS: The internship program is a valuable part
15 of an application, and I think that revolves around these
16 partnerships. I don't think the RFP should necessarily be
17 optional. As was said earlier, Tim, I believe, said we're going to
18 set the bar high, and what that says to me is that the most
19 successful proposals will be the most creative or thoughtful
20 proposals and those that can accomplish the goal in the most
21 innovative and effective way. To me, that's what separates the
22 winning proposals and the ineffective proposals. I guess what
23 I'm saying is that I don't think everything should be highly
24 defined, the RFP, and I think there needs to be room for
25 flexibility and creativity and people taking the resources, trying

1 to figure out the most effective way to accomplish the goal that
2 we set.

3 MR. SOBCZAK: Categories like partnership, but I
4 would agree there has to be some creativity; otherwise, why
5 would we do it? As far as who's interested in doing this, people
6 sign on yes or no. Like Neal said earlier, some people might not
7 do this, some might not do that.

8 MR. NOYES: At the end of the day, creativity gets to
9 a point where there is no matching funding that can be spent on
10 activities that's a bridge too far, and, of course, it'll take money
11 to do all this, not creativity. I think at some point we need to set
12 some parameters.

13 MR. CAPPAS: Absolutely.

14 MR. NOYES: In terms of what people can apply for.
15 Otherwise, everybody in this room knows exactly what's going to
16 happen.

17 MR. SOBCZAK: The categories will be explained. This
18 is a hundred quotes, and this is one twenty. Just that and a
19 description, an explanation of what that category is, what is
20 sustainability, what are we looking for?

21 MR. NOYES: One of the things that must be part of
22 this and part of the application is a business plan, and that's
23 going to be in this RFP. What's left?

24 MR. SOBCZAK: What is your reaction after all this,
25 what would be helpful? Should we gather some of these costs

1 that we talked about earlier, or do you think this is a good
2 budget? Would it be helpful if I crossed out some equipment, but
3 what would be helpful to this committee to get a grip on what a
4 budget should look like?

5 MR. NOYES: Well, let's say not to exceed, maybe
6 nobody is going to get more than a third. We may pull out some
7 money and not use all ten of the Tobacco Commission's, plus the
8 matching, because if we did, 6.6, or we could say not to exceed
9 6.6 total budget, \$6.6 million. The Tobacco Commission will not
10 use more than 3.3. You have to do something about each of
11 these costs and simply ignore, but that's happened before, too.
12 Somebody will come in and ask the Tobacco Commission for
13 500,000 knowing full well that it'll take 1.2 million to complete
14 the project and we end up being on the hook for 700,000, and it
15 happens all the time. The most recent one was buying some
16 equipment and not having any instructors to run it, came back
17 the next time. The Executive Director had a problem with that.

18 MR. SOBCZAK: What would be helpful? Certainly, I
19 can get some numbers or quotes for equipment and say for tools
20 and we could guesstimate the hours and associated costs for the
21 instructors and we can do some SWAGG that way. What's going
22 to be harder is these power requirements, whether it's Europe,
23 Asia, Mexico, United States, that was a budget I was trying to
24 knock out, just like Neal was explaining. A peak power
25 requirement, and I guess we could get a guesstimation and a

1 business model. Would any of that be helpful? We've got to
2 start somewhere, and this committee has got to be responsible
3 for, this is enough money or not enough money. I don't have
4 any idea sitting here, and I don't know what a semi-tractor trailer
5 costs.

6 MS. RHINEHART: My question to you all as a
7 committee, why tie your hands and say this much should be
8 equipment, and instead why not say this is the most you're going
9 to get, let the people refine the RFP and create a budget.

10 MR. NOYES: That's fine as far as it goes. I don't have
11 a problem with that. But then you've got to say the following
12 must be addressed.

13 MR. RHINEHART: That's right. We want these
14 outcomes and these certificates.

15 MR. NOYES: No, you need to say faculty.

16 MS. RHINEHART: What if you have three COE
17 applicants, we're going to share like our trainers and we can't be
18 teaching at 24.7, I'll do it this month and Southside can do it,
19 whatever.

20 MR. NOYES: That's great. In other words.

21 MS. RHINEHART: Tell us what you want the outcomes
22 to be, and then we'll figure out what's the most efficient way and
23 effective way to get what we want and the best proposals will
24 rise to the top.

25 MS. PFOHL: We can put illustrative budgets in, but I

1 think that RFP, here are the parameters. How are you going to
2 get instructors, what credentials, what's your access to testing,
3 and all those things are important, comparing apples with
4 apples?

5 DR. FOWLKES: Going back again to whatever
6 outcomes you want, what do you want in each of those areas,
7 and how many do you want, and you put that in, and then tell us
8 what you want the outcomes to be, let us tell you how we're
9 going to get there. We could put that together, but the
10 applicants will figure out how we're going to get to what we
11 want.

12 MR. PFOHL: I would suggest a business plan could
13 cover those issues.

14 MS. RHINEHART: Tell us what outcomes you want.

15 MR. NOYES: What outcomes are you thinking of?

16 MS. RHINEHART: You want 75 graduates. You want
17 these types of certifications. And I think you want certain
18 welding certifications and certain machine certifications. If that's
19 not what you want, then you tell us.

20 MR. NOYES: That's what the Curriculum Committee is
21 doing.

22 MS. RHINEHART: Then we can be partners and say
23 you all are, this is the program, and this is your Level 1, and
24 then on the next one, we need a way to approach that.

25 MR. SOBCZAK: That's kind of the approach that I was

1 thinking about. Here is the expectation and the outcomes.

2 MR. NOYES: We're clear on the numbers around the
3 outcome and not clear on the specific credential, and that's
4 something that's being worked on.

5 MS. RHINEHART: That could be determined based on
6 what you, part of it is regional when you said that. You want us
7 to be able to align and meet some of our local employers' needs,
8 but the real goal is creating a workforce for the future.

9 MR. NOYES: I'm expecting that ratio in all the
10 applications.

11 MR. RHINEHART: We need to understand what you
12 consider an advanced skill versus a Level 1 skill, and if you had
13 an idea what your expectations were, that could be
14 communicated, and if not, then we would have to do that
15 research.

16 MR. NOYES: We don't want the applicants to do that
17 because then it'll be all over the map, whatever they want to do.

18 MR. SOBCZAK: The Curriculum Committee can decide
19 credentials and what certifications.

20 DR FOWLKES: And that's your approach --

21 MR. SOBCZAK: That's the approach we've taken.
22 We're going to call out these are the must haves, got to have this
23 and got to have that, and here's the categories we want you to
24 speak to and how to get there. And if you do get there, show us
25 your budget.

1 MS. RHINEHART: You could have things that are
2 required and things that are preferred.

3 MR. SOBCZAK: A suggested budget.

4 DR. FOWLKES: We need to know the amount
5 available and the ROI --

6 MR. NOYES: -- That's fine as long as it covers all of
7 the elements that need to be in there. There should be some
8 variation, too.

9 MR. SOBCZAK: Rachel, we will describe the bull's
10 eye, tell us how you plan to get there.

11 DR. FOWLKES: You keep talking about how we're
12 going to get there when talking about the mobile unit, and I
13 would think that would be one of your priorities, tell us how you'd
14 do that, not just certifications, but certain components that we
15 need to know about that.

16 MR. PFOHL: What I have jotted down, and the RFP,
17 we should say something to the effect that you must fully
18 address sites and equipment, the physical facility, before you can
19 ask us for operating funds, but you've got to address how you're
20 going to cover operating funds and the match before you get any
21 award, because why would we want to invest in the bricks and
22 mortar and equipment? You've got to address that in the
23 operating budget.

24 UNIDENTIFIED: You're talking about two years. This
25 is the first-year application versus the second. Wouldn't you

1 expect the applicant to say in the first year this is what we're
2 shooting to do, and in the second year, we'll finish up meeting
3 these goals, and then the third year, we should be fully
4 sustainable?

5 MR. SOBCZAK: We talked about a work plan, which
6 we have a sample, and it's very basic. Tell us what you're going
7 to do in the first 30 days and 90 days and that gives us some
8 background. If X, Y, Z says we're going to have 17 welding
9 stations installed, at least by that day we can say can we see
10 them, you don't have them, why not?

11 UNIDENTIFIED: You might consider an RFP for
12 contracting. When you release your RFP, you're going to say
13 we're going to have a meeting on such and such a day, or you
14 can have a conference call, and then you can give everybody at
15 least an idea of what you're looking for in your RFP.

16 MR. SOBCZAK: That's a great idea.

17 UNIDENTIFIED: This is a long way to come.

18 MR. SOBCZAK: That's a great suggestion, we can do
19 a conference call.

20 MR. CAPPS: I agree with everything that's been said,
21 and that's what I was trying to say. When you talk about
22 thoughtfulness and creativity and we should subscribe to them,
23 those that are applying to determine how they can best
24 determine their needs to achieve the goal.

25 MR. SOBCZAK: That can be an action item, to build

1 our organization around that philosophy.

2 DR. FOWLKES: That'll give you some direction,
3 because listening to them, and we don't need to be all over the
4 board, but to say give us the outcome --

5 MR. SOBCZAK: -- Yes, we need to narrow that.
6 We've got to get certain things from you X, Y, Z, and then you've
7 got to give us that direction and be specific.

8 MS. RHINEHART: Depending on how many applicants
9 you may or may not get, and maybe a short presentation for
10 your Education Committee or whatever group would be vetting
11 these and say you give us a 15-minute presentation.

12 MR. PFOHL: We talked about having some CCAM
13 Steering Committee and Tobacco representatives do some sort of
14 face-to-face meeting.

15 UNIDENTIFIED: Will the curriculum certification, will
16 that be specific as far as the certifications and specifics, or is the
17 certification up to the applicants --

18 MR. SOBCZAK: Through the Curriculum Committee,
19 we'll identify that. We're going to identify the equipment and the
20 type of training needed to go along with it.

21 MR. NOYES: Not necessarily vendor-driven. Different
22 people make the same kind of equipment, and the only benefit
23 with everybody having the same is that you'd be in a stronger
24 negotiating position on cost.

25 MR. THACKER: That information would go in the RFP.

1 MR. SOBCZAK: There's a lot of things we've got to
2 narrow down, and there's too much artistic license, and there's
3 brand loyalty and manufacturing for machines and software and
4 methods, and that can get crazy. We've got to be very mindful
5 of how we're spending this money. We don't need a Ferrari to
6 deliver a pizza.

7 MR. NOYES. Well, it won't specify the vendor for that
8 equipment.

9 MR. SOBCZAK: We've got some different programs
10 out there that we can gauge capacity. We can do the math and
11 gauge capacity and X amount of equipment and X amount of
12 instructors and X amount of students, and we have to do a little
13 Kentucky -- if you will and how many are going to successfully
14 complete and be certified. We'll put out some guidelines around
15 that. How many are going to be certified.

16 MR. NOYES: The Boston Consulting Group gives
17 faculty student ratios for the three different types of programs.
18 It's not going to be rocket science for folks to figure it out. An
19 applicant doesn't know how much an American Welding educator
20 level person costs.

21 MS. RHINEHART: You can find out by calling around.

22 MR. NOYES: Danville, maybe 150,000 for two years
23 for a welding instructor.

24 MR. SOBCZAK: I always like to base it on actual, get
25 a realistic number for these programs.

1 DR. FOWLKES: That equipment at CCAM, what about
2 that?

3 MR. SOBCZAK: The equipment at CCAM is a
4 specialty, and the other is high tech, and depends on the job
5 categories. There's only two machines on that shop floor, and
6 the inspection equipment is another story, and that can be
7 leveraged and certainly have access to that during a training
8 situation. I made it clear we're going to do that. There's a
9 divide between the researcher guy and the workforce
10 development guy, which is me, number one, and we can do that
11 with the trainer. All this is going to be set down here and we
12 have access to use the CCAM facilities.

13 DR. FOWLKES: I think we should take advantage of
14 that.

15 MR. SOBCZAK: Of course.

16 DR FOWLKES: Not trying to reinvent the wheel,
17 considering the maximum investment you already have.

18 MR. NOYES: We need to set aside some money to
19 pay for travel and for something outside the footprint.

20 DR. FOWLKES: For brief periods of time to do training
21 on equipment. I think in any industry people do that.

22 MR. NOYES: Also, people inside the footprint doing
23 that, inside the footprint if there's going to be five machine, train
24 them here rather than outside the footprint. We'll also get the
25 vendors, because they'll come in and train people on how to

1 operate it in return for maybe a purchase order of \$600,000 or
2 something.

3 MR. SOBCZAK: Whenever you purchase equipment,
4 you're going to have some amount of training.

5 MR. PFOHL: You can negotiate that.

6 MR. SOBCZAK: The more you buy, the more you get.

7 MR. CAPPAS: A hypothetical operating budget to pay
8 20,000 for professional help.

9 MR. NOYES: I didn't have any idea what we might do
10 or learn, but send me something that makes sense, including
11 certifications and things like that. And if it's a line item, make
12 sure it's clear what you want to do. If we don't tell people
13 they're going to have to put that sort of thing in and account for
14 that, they won't do it.

15 MR. SOBCZAK: Budget considerations are very, very,
16 very important, you tell us.

17 All right, we've covered quite a bit.

18 MR. PFOHL: Any closing thoughts or comments?
19 Anyone here?

20 UNIDENTIFIED: Some of this equipment and how
21 much it costs, considering advanced certifications, and if it's
22 \$2 million, then there's not enough money to put that equipment
23 in every center and considering the geographic problems. Any
24 virtual reality modeling and coding and spray operations. Maybe
25 the virtual models could be made from, some of those

1 simulators are sold for maybe twenty, thirty thousand dollars
2 now. Instead of spending two million, you spend twenty
3 thousand.

4 MR. SOBCZAK: There are software, and VERICUT is
5 one, and you have the machine and it shows you what to do and
6 you put the clamps on, but you can simulate your software and
7 things like that.

8 MR. NOYES: There's money at the Education
9 Committee in the competitive round for Southwest for that sort
10 of thing, simulator, simulators for welding.

11 MR. SOBCZAK: Those virtual welders, I've got to tell
12 you, I tried one at a conference a few years back and I've got
13 some welding equipment in my garage. Then when the line
14 died down, I went over and tried it. It was amazing. Whether
15 it's a construction or body shop, and when you grab that thing
16 and you start doing it, it feels just like a real welder. I was
17 blown away by it. It gives you constant feedback what angle
18 you're putting it on, it either has a picture and freezes that frame
19 just like you had the welded piece made, and it's really
20 incredible.

21 MR. NOYES: The only thing missing is the actual
22 welding piece. Part of the answer to your question is that that
23 would be necessary but not sufficient.

24 MR. SOBCZAK: Great for the mobile unit.

25 MR. NOYES: Yes, ideal for the mobile.

1 MS. NELSON: On the certification, would that be part
2 of the RFP or is that separate?

3 MR. PFOHL: One of the things that occurred to me is
4 that or one of the issues that applicants would have to address,
5 what access to testing do you have or will you create or what
6 type of testing, can you provide to do that? If folks want to
7 come in and apply for a stand-alone testing center now
8 addressing the three core job sectors, I don't see that as being a
9 front and center funding priority at this point.

10 MS. NELSON: It would be testing specifically for
11 welding in the other two?

12 MR. NOYES: Depending on what we learn from
13 getting the applications into the centers, it would be refunded
14 through the competitive round rather through than the Centers
15 for Excellence. I don't know that that's what will happen, but it's
16 possible

17 MS. NELSON: The reason I'm asking you is because
18 we're very well set up to potentially apply for funding like that --

19 MR. NOYES: Bruce and I are scheduled to meet with
20 you and we'd like to talk to you about that.

21 MR. PFOHL: Well, I think we've covered everything
22 we wanted to today and even more. And I thank everyone for
23 making the drive here and it's ashamed we didn't have more of
24 the Committee members here, but I think we've had great
25 conversation, and I thank you all for coming. So, stay tuned and

1 we'll start putting together an RFP and maybe share that
2 electronically and get feedback. And have a safe drive home.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission, Commonwealth Center for Advanced Manufacturing (CCAM), Resources Committee Meeting**, when held on Thursday, November 21, 2013, at 1:00 o'clock p.m., in Abingdon, Virginia.

I further certify this is a true and accurate transcript to the best of my ability to hear and understand the proceedings.

Given under my hand this _____ day of January, 2014.

Medford W. Howard

Registered Professional Reporter

Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014.