

## **SATs Partnering RFI Town Meeting**

NASA Headquarters, Washington D.C.

November 14, 2000

The purpose of the meeting is for Federal Government managers to meet with interested parties to describe its Request for Information regarding the possible formation of a public/private alliance to undertake joint technology testing within the program designated as the Small Aircraft Transportation System. The Federal managers located at the NASA Langley Research Center (NASA LaRC) are responsible for formation of such a possible partnership. Among those managers is a special team designated the SATS SATS Partnership Design Team (SPDT) with responsibility to secure feedback from parties interested in the SATS Program.

Mike Durham called the meeting to order at 9:00 a.m. by introducing the SPDT team members.

Presentation #1: Mike presented an overview of the National General Aviation Roadmap, the SATS vision and goal, proposed research projects, potential enabling technologies. .

Presentation #2: Paul Masson of STARNet presented an description of the shift in Federal technology investment approach, from top-down programs implemented solely the Federal Government to programs jointly planned and implemented between the Federal Government and partners from states, private sector corporations and academia.

**Question:** AGATE and GAP to what degree do those programs fall under this concept. Neither AGATE nor GAP developed under a roadmap such as this. The plan for AGATE/GAP was heavily conceived first. The difference was not only technology but also the business portion. Is this any different?

**Answer:** In AGATE and GAP the government acts as manager of the alliance. In this case we do not want to be the manager of the alliance.

**Question:** What is an example of this different approach for SATS?

**Answer:** In Aeronautics there is something called Rotorcraft Industry Technology Association. They went through a planning effort with NASA and FAA they did a shorter roadmap. They, industry formed the Rotorcraft Industry Technology Assoc. (RITA). They presented a single interface back to NASA and they formed with FAA and NASA a joint office. This was a 50/50 cost sharing in a planning pot. This was composed of NASA/GAA and Industry members of the 5013C. The proposals fit within the strategy but fit within the commercialization within the three years.

**Question:** How many participants in RITA?

**Answer:** 4.

**Question:** Based on the description provided above, why is this different than the old NASA model of top down controlled planning? What is the proposed difference?

**Answer:** There is no fixed NASA "plan" for the Alliance. NASA has called this meeting because there is no industry venue at which to initiate a dialogue with all possible parties. NASA wants a detailed planning activity that includes industry for 03 experiments and 05 demonstration. In terms of pre-plan it does follow old models. There are some legitimate differences learned under the AGATE program that the Government learned we need to change. We are looking for a shift in the "old model" into a new manner of engagement.

**Question:** This single entity seems to be a total shift to an entity that is not the government. How long is it going to take to form something like this?

**Answer:** There is no guarantee that this can be pulled off. We want to present our ideas and get feedback on the issues.

**Participant Comment:** Ohio Aerospace Institute was involved in the second phase of RITA. Support NASA's point. It was a bit of a messy process to get started but as long as the feedback comes from industry it does work. It's a much better and cleaner way of doing business.

Presentation #3: Mike Durham reviewed the RFI objectives and the definitions for a vertically integrated single public/private interface/partner.

**Question:** Would the single partner manage all the program not within the Government fence.

**Answer:** There will be specific tasks laid out in the program plan. NASA is not expecting a person to manage all in the fence tasks. For example the planes in 1244 hangar and work that will be required. There are some that will be closely coordinated and co-located. NASA is looking for a single interface entity to coordinate non-Federal work.

**Question:** From the program management perspective who will really be running the show.

**Answer:** We are looking for two levels of engagement, first a high level Board of Directors which can provide strategic coordination with our senior staff and second, coordinate performing organizations task work. The government is looking for a partner to determine tasks, organizations, etc.

**Question:** You talk about managing at the project level, how do you envision roles of organizations such as the Virginia Space Grant Consortium to put together regional plans?

**Answer:** NASA is looking for a partner to engage state and local aviation authorities to undertake tasks such as coordinate SATS program tests at state locations.

**Participant Comment:** It appears that this will cause some difficulties with how the funding works. It is unclear how this will be implemented, since it appears to imply the possibility for competitive tasking.

**Participant Comment:** Competitive tasking occurred within AGATE.

**Question:** It appears that the plan is to permit the partner to act as financial manager for some tasks within the SATS program? However, this was tried in AGATE and was not well received well in NASA because they felt they will lose too much control. Are there some that don't want this to occur at Langley for the SATS Program?

**Answer:** Yes there are some but we are learning how to influence our final outcome, but there is basic management support for partnering with an organization which will receive Federal funds to carry out a variety of SATS technical tasks and tests. This is in no way a continuation of AGATE.

**Question:** How does this compare to the RITA structure and Board Control?

**Answer:** The RITA Alliance forms a very large steering committee, which overlaps with NASA and the FAA. This steering committee reviews all projects and makes a strategic decision on allocation of funds to support technical work in any given year. In the case of NASA, the Agency does not have a "veto" but instead votes with its dollars. This means that if NASA has such significant concern about a task, NASA can choose not to fund that individual task. Of course, the same thing happens for private sector partners.

**Question:** How exactly are the decisions going to be made on allocated resources within the program? The AGATE experience is a model in that industry will probably put in more money. Need an agreement where not one side can dominate the other, as opposed to AGATE that was a dictatorship.

**Answer:** We are after a truly collaborative process. The purpose of this session is to get exactly that type of feedback. If you have a structure in mind then propose that. No decision will be made today. In reaction to these ideas you have a specific organizational structure to achieve this then please tell us what we have to do that.

**Question:** If there are competitive tasks, will the winners of those tasks report to the Government or the single entity partner?

**Answer:** NASA's current model is to agree on a task plan with the single partner, which in turn may or may not issue tasks on a competitive basis.

**Question:** Does this structure mean that the single partner will be for all the deliverables? Does this mean that the Government will write them a check and they will owe the Government the deliverables?

**Answer:** We expect the single-entity to have agreements with the separate organizations. Assuming this entity forms it's up to them how they do that. There lots of ways to do this. There are many different organizational models.

**Participant Statement:** It seems that most alliances don't work, especially when the teams are working in separate locations or isolated teams. It may be necessary to organize the teams into an integrated product team structure.

**NASA Response:** NASA agrees with this approach and has considered requiring the project to co-locate NASA and the partner personnel together at the same facility.

**Question:** How much of the overhead is shifted from the Government to the partner

**Answer:** There is no particular Government design or intent to shift overhead to the partner entity. There would only be the normal amount of overhead necessary to manage any technology development and testing project?

**Question:** How does the competition work within the membership? Would it be wide open with members coming in and out?

**Answer:** Competition within the membership is not a Government issue, per se.

**Participant Comment:** It is important to include the FAA in this alliance. If NASA doesn't include FAA, there is no point in proceeding to form the alliance or the program.

Presentation #4: Mike proceeded with the charts on Conditions for Partnering, and requested most Q&A to be held until the end.

NASA stated that a resource list governing partnering agreements will be posted on the web site.

**Question:** What is the issue relative to the ability to receive funding from other "research resources"?

**Answer:** NASA is looking for a partner to work with which is capable of undertaking a wide range of GA related technical work, and secure support from an equally wide array of sources. While this normally would be a 501(c)(3) tax classified organization, it can also be a 501 (c (6) organization, depending on how it manages the funds internally.

**Question:** Regarding the restriction on interlocking Boards, are overlapping boards also prohibited?

**Answer:** No.

Presentation #5: Mike Durham presented the proposed time line.

**Question:** What is your expectation about the actual forming of the partnership? For example, what would constitute a “commitment” from potential members?

**Answer:** NASA's current thinking is to anticipate at least a letter of intent from a significant critical mass of potential partners.

**Question:** Will the comments you received on or before 12/8 be public?

**Answer:** Yes. The questions and answers will be posted on the web site.

**Question:** Why does the RFI require organizations to change their Board of Directors?

**Answer:** The RFI does not contain a statement requiring organizations to change their Board of Directors. The RFI contains a proposed condition of the potential SATS partner: namely, that the Board of such a partner cannot be controlled by the Board of another organization. This will assure the Government that their partner is committed to achieve SATS objectives rather than the objectives of another organization.

**Question:** Why can the RFI refer to Board issues at all given that the RFI is subject to the Federal Acquisition Regulations?

**Answer:** The RFI is a Request for Information, and is not a solicitation for proposals or an offer by the Government. The RFI refers to a public notice requesting comment and feedback on the SATS partnering approach.

**Question:** If GAMA decided to be the single entity then the GAMA board cannot be the controlling board, but could some of GAMA's Board members could be on the Board of the partnering organization?

**Answer:** Yes, as long as they did not constitute "control" over the partnering organization.

**Question:** Do you expect the agreement between NASA and the entity is cooperative, contract?

**Answer:** We are opening up in this meeting what the attendees feel are your issues and preferences. We have in no way chosen the mechanism.

**Participant Comment:** This partnership could be construed as a joint venture and may have to be registered with the Department of Justice.

**Question:** What conditions are there regarding foreign owned organizations?

**Answer:** There are currently no specific conditions regarding foreign owned organizations, since the Government has not yet chosen its business vehicle for the SATS partnership. If you think there is an area that may require foreign cooperation required please let us know.

**Question:** Can the Government discuss who owns the output of the entity or dissemination of information?

**Answer:** In the design there is not pre-conceived design for who owns the intellectual property. Please answer and share concerns about who receives and controls the intellectual property.

**Participant Comment:** Would like the IP questions to be answered early in the process.

**Question:** It appears that we have been asked to suggest a collaboration and not sure what we would be collaborating on. Will the technical detail be available?

**Answer:** We hope to have this done by the end of February. We will have a detailed set of milestones but with the caveat that we are forming an entity so it will not be nailed down until we can work with our partner.

**Participant Comment:** The issue is the level of detail of the technical plan and translating the boundary ranges of skill sets. The problem is 60 percent of the people that should be at the table are not here.

**Participant Comment:** Maybe an airport authority may need to be the lead. For the follow on town meeting try to identify those other groups that need to be represented at such a meeting.

**NASA Comment:** The most important aspect is that the Government is not that organizing champion.

**Participant Comment:** This is a heck of a lot of effort, so where is the return on the proposal work? The fact is there is a major time and investment just to get to the solicitation process.

**Participant Comment:** The AGATE alliance has 70 members including trade associations in response to a request for letter of intent from membership they received a lot of phone calls about what is it. Tried to describe the operational capabilities. They want to know how they fit – what is it. When we need to spend money to get to a proposal that may not happen. What’s in it for them in this RFI is not there.

**NASA Response:** Please provide us with comments about what changes need to occur in the partner conditions, timing, etc. to make this feasible for the partnership. Again, the Government is seeking your issues and concerns, and the RFI does not represent a "fixed" offer or approach.

**Facilitator Comment:** Provide comments to the Government with an estimate of the cost required during the formation process.

**Question:** Have you considered a formulation and implementation type of phase A and B where multiple entities and decide what is the best.

**Answer:** There is a two-phase part of the program, one finishing in 2003 and the other in 2005. Preliminary plan has experiments in 2003 with specific technologies being developed and a down select for the 2005 demonstration.

**Question:** Is there any business model available that prevents information on product standards or guidelines from being public after a certain amount of time?

**Answer:** There are models in place in which the information can be protected for up to five years. There are models that go beyond the 5-year protection, but these are very rare and require specific legislative language.

**Question:** Is there a partnering model available that would allow this single partner to commercialize the research results as a product and market it for their own benefit?

**Answer:** There are multiple models, including ones where the single partner holds the revenue, but also ones where the revenue is passed to the members.

**Question:** Is there a partnering available in which the research results can be licensed?

**Answer:** Yes, but this model is very rare.

**Question:** Do you anticipate including the key government folks beyond NASA program management, such FAA and state regulators that need to be part of the team to solve critical issues such as air traffic control, noise?

**Answer:** Our legislative language states we will fully engage the FAA.

**Participant Comment:** It is important to engage the FAA for areas such as Part 135 regulations. In addition, certification of airfield facilities and addressing weather and runway requirements will require involvement of local authorities. There will be all kinds of state and local rules for how you get into and out of those airports.

**Question:** What is the current budget available for the SATS Program? What is the breakdown of that budget?

**Answer:** Mike Durham cannot currently release the details of the budget, but is in the final steps of getting internal approval for release of the details. The appropriations language provides for \$9 million for one year, and calls for 75 percent to be competed in fair and open competition, while industry and state organizations are encouraged to team and collaborate. The budget plan should be through management and should be able to relay the details in January.

**Question:** Do you have flexibility to take the SATS line item money and spend it on other programs?

**Answer:** There is no specific statement of NASA's authority to spend the SATS funding on other programs, but it is not foreseen because of the need to report to congressional subcommittee the SATS program progress.

**Question:** Can the SATS Program funding be carried over to another year?

**Answer:** Legislatively we have 2-year money but Code R has aggressive costing metrics that makes us show 83 percent at the end of the first year.

**Question:** How do you see the funding for the single entity coming about – overhead, fixed fee?

**Answer:** There is no NASA "plan" regarding the overhead rate, rather NASA expects to establish the details of a plan with its partner, which will address the overhead issue.

**Question:** Is it correct to assume that the technologies are in place and this is a demonstration program?

**Answer:** Not all of the technologies are at the same maturity level. Most are behind TR level 3 (maturing of the technology).

At the end of the session, a statement was made to check for the current publicly available SATS plans on the Government SATS web site: <http://sats.nasa.gov> .

RFI responses and questions can be faxed into the Government at FAX number 757-864-8864. The Government asks for questions by December 4<sup>th</sup>.

Please see SATS web site for details on the follow-up RFI Town Meeting to be held in Hampton , Virginia on December 6<sup>th</sup>.