

## Students, Prepare Your Rockets for Launch!

The third annual national finals of the Team America Rocketry Challenge will take place Saturday, May 21, at Great Meadow in The Plains, Va.

The top 100 qualifying teams, selected from an initial field of 712 teams, will compete in the finals of the world's largest model rocket design and launch contest.

The event is sponsored by AIA and the National Association of Rocketry (NAR) in partnership with NASA, the American Association of Physics Teachers (AAPT), and 34 AIA member companies.

A grand prize pool of more than \$60,000 in cash and savings bonds will be shared by the top 10 teams.

NASA is contributing additional prizes, including grants for students to participate in an advanced rocket design program, teacher participation in an advanced rocketry workshop, meetings with NASA engineers, and tours of the Marshall Space Flight Center in Huntsville, Ala.

**AIA Source:**  
**Allison Harvey**  
**703-358-1031**

This year's contest pays tribute to the World Year of Physics in celebration of the 100th anniversary of Albert Einstein's articles establishing fundamental theories in physics.

A special appearance by an Einstein impersonator and a replica launch of Robert Goddard's celebrated rocket will be featured events. In addition, aerospace and engineering program representatives from many colleges and universities will be on

*Students  
continued  
on pg. 4*

## Industry Panel Urges Space Shuttle Fly-Out Plan, Space Station Integration by NASA

NASA must nail down a detailed space shuttle fly-out plan to keep skilled technicians with the program as it heads toward its 2010 conclusion, an AIA-led industry panel has concluded.

In a report released by AIA President and CEO John Douglass as part of the Integrated Space Operations Summit in Nashville, a panel of industry representatives concluded that NASA must also complete the shuttle and International Space Station programs in an integrated fashion to lead seamlessly into a new era of space exploration.

"NASA faces many challenges with the president's exciting Vision for Space Exploration," Douglass said. "Among the most important is creating a smooth

*Panel  
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## AEROSPACE FOCUS



Student teams are looking skyward as the May 21 finals of the third annual Team America Rocketry Challenge near. AIA and 34 member companies are sponsors of this year's event, scheduled to take place at The Plains, Va.

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**Special Insert:  
The Suppliers' Voice**



# WASHINGTON PIPELINE

## Civil-Military Integration: Release the Potential

**There isn't a quick fix to increasing civil-military integration, but the first step is recognizing the situation and changing mindsets that hamper it.**

official policy in the U.S. Code. The provision addressing the issue states that more efficient national technology and industrial policy should be:

- “(1) Relying, to the maximum extent practicable, upon the commercial national technology and industrial base that is required to meet the national security needs of the United States.
- “(2) Reducing the reliance of the Department of Defense on technology and industrial base sectors that are economically dependent on Department of Defense business.
- “(3) Reducing the federal government barriers to the use of commercial products, processes, and standards.”

Rely on the commercial sector. Reduce reliance on government business. Reduce government barriers. So much of this is common sense.

If a part or a piece of equipment is made commercially with good quality and value, why should the military have one specially made? But, as many of us know, this isn't the practice in the vast majority of procurement programs within the federal government. There are barriers in place that undermine integration efforts, and we need to do all we can to change them.

Roadblocks include regulations restricting contractors

Most of us in the aerospace industry know that civil-military integration can go a long way toward reducing redundancy in our industrial base. Pentagon leaders have talked about the concept for decades and even instituted it in some areas. But it's clear that civil-military integration hasn't come anywhere near meeting its potential, and its time officials made real strides to put it in place.

Integration has such potential it's enshrined as

from using sensitive unclassified technology in civilian applications along with the risk of being placed on the U.S. munitions list, a move that could curtail international sales in many cases. Other examples are direct government oversight of production and cumbersome truth-in-negotiations rules, cost accounting standards, and social program requirements. While these requirements have good intentions at their base, they're often redundant and cost more than what they're designed to prevent.

Many impediments were put in place separately with the best intentions. Often they were designed to make sure the government gets a fair deal when it buys military equipment, and other times the goal was reducing costs. Too often new rules aimed at stopping fraud, waste, and abuse have added layers of bureaucracy without accomplishing the goal.

The collective effect has been to stymie communication and cooperation between the military and commercial industrial bases. Air traffic control technology is a good example. The U.S. military uses advanced communications systems that transmit all kinds of data from aircraft to aircraft and from aircraft to the ground. This would be a great application for a civil air transportation system stretched to its limits by passenger growth and facing huge traffic jumps in the future. But, as yet, there's been little application of this modern technology to the commercial sector because of the aforementioned barriers.

There isn't a quick fix to increasing civil-military integration, but the first step is recognizing the situation and changing mindsets that hamper it. We can't let more decades pass with an aerospace industry that is artificially held back.



**John W. Douglass**

A stylized, handwritten signature in black ink, appearing to read 'John W. Douglass'.

**AIA President and Chief Executive Officer**

AEROSPACE INDUSTRIES ASSOCIATION

# WASHINGTON WATCH

## House Aerospace Caucus Discusses International Aerospace Trade

The first of three annual House Aerospace Caucus briefings sponsored by AIA recently took place on Capitol Hill.

The event, hosted by Caucus Co-Chairs Dave Weldon (R-Fla.) and Norm Dicks (D-Wash.), focused on international aerospace trade issues and featured a briefing on the European Union's reconsideration of its arms embargo against China.

AIA International Council Chairman Richard G. Kirkland, vice president of international business development for Lockheed Martin Corporation, spoke on behalf of industry, and Rep. Adam Smith (D-Wash.) discussed several export licensing reforms and aviation

**AIA Source:** market developments that affect the ability of American businesses to confront stiff competition overseas.  
**Pat McCartan**  
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Rep. Mike Conaway (R-Texas) also participated in the policy discussions. Each speaker stressed the fact that expanding aerospace trade markets overseas support high-skill jobs at home.

In closing the session, AIA President and CEO John W. Douglass noted that the aerospace industry leads the manufacturing economy in maintaining a positive balance of trade, posting a \$31 billion export surplus last year.

Foreign markets account for approximately 40 percent of U.S. defense industry sales and almost 70 percent of total domestic civil aviation production revenue.

Washington representatives of AIA member companies, reporters from the aerospace and aviation press corps, and congressional staff members also attended the April caucus briefing.

## Services Acquisition Advisory Panel Looks at Outsourcing Practices

The Services Acquisition Advisory Panel at its second public meeting focused on methods used by the private sector to outsource services and manage resulting contracts with vendors.

AIA Vice President of Legislative Affairs Jon Etherton, who serves on the panel, said the presentations were extremely valuable "because they demonstrated the commercial sector's wide-ranging experience in outsourcing a variety of services.

**AIA Source:** "Developing best practices based on these successful experiences is critical inasmuch as the government is purchasing a larger amount

and wider variety of services than ever before," he explained.

Robert Miller, general counsel for Proctor & Gamble, discussed how the company reduced costs and increased efficiency by outsourcing its IT, facilities management, and accounting services.

Todd Furniss, chief operating officer of the Everest Group, described the methodology his firm uses to help large companies make a business case for outsourcing services.

Panel members plan to draw on successful practices the commercial sector uses for

*Services continued on pg.4*

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AIA's staff will answer your questions and receive your comments on articles appearing in **AIA UPDATE**.

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## AIA Gives Federal Court Brief on Cost Issues in Industry Case

**A**IA has filed a “friend of the court” brief in a federal court case involving Alliant Techsystems Inc. versus the United States.

The association isn’t a party to the litigation but believes that the court’s decision could affect its interest and that of its members.

The brief was filed in response to an order from U.S. Court of Federal Claims Judge Susan Braden for submissions from interested bar associations, trade or industry associations, government agencies, law professors and others to address “whether Federal Acquisition Regulation (48 C.F.R. Section 31, Part 2) and/or Cost Accounting Standard (48 C.F.R. Part 9904) require technical or development effort costs to be allocated as direct costs to contracts or allocated as indirect research and/or development costs.”

Judge Braden said she is also interested in the briefs providing relevant policy considerations.

The U.S. government is seeking to apply the Newport News line of reasoning in United States versus Newport News Shipbuilding Inc. to further establish that independent research and development costs can’t be allowable overhead expenses if the development work is implicitly required in order to ultimately manufacture and deliver the contracted item.

In addition, the government is seeking to further establish the “temporal dividing line” principle enunciated in the Newport News Shipbuilding ruling, which states that once a contract is signed, any development costs expended after that point in time cannot be considered as “independent” research and development.

Both arguments by the government apply to any contractor who does business with the government and seeks to development new products for government use, dual use, or commercial use.

**AIA Source:**  
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## Team America Rocketry Challenge

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**Students continued from pg. 1**

hand, and displays from several AIA member companies will be showcased.

Other features throughout the day will include high-powered rocket demonstrations, the Wright Brothers’ Flyer simulator, and NASA- and industry-sponsored educational exhibits and interactive displays.

For information about attending the finals, contact TARC Coordinator Allison Harvey at 703-358-1031.

**Names of teams that qualified for the finals are posted at [www.rocketcontest.org](http://www.rocketcontest.org).**

**Services continued from pg. 3** acquiring services when making their final recommendations to Congress and the Office of Federal Procurement Policy. Additional presentations are scheduled for the panel’s upcoming public meetings.

The panel has five working groups. Etherton serves as co-chair of the group focusing on government and multi-agency contracting

vehicles, which is currently reviewing the legislative and regulatory authorities for these contracting vehicles and developing an understanding of how the government uses them to procure goods and services.

For additional information on the panel, including the meeting schedule, visit the panel’s Web site at [www.acqnet.gov/aap/](http://www.acqnet.gov/aap/).

## Aeronautics Funding Needs Boost

**T**he fiscal 2006 NASA budget request contains serious cuts to the agency's Aeronautics Research Mission Directorate Vehicle Systems program.

After calling for \$956.7 million in fiscal 2006 in that account in last year's budget plan, the revised budget request seeks only \$852.3 million with funding continuing to decrease to a level of \$717.6 million by fiscal 2010.

The administration's proposed cut further weakens a program already affected by a long period of flat or declining NASA aeronautics budgets, which today totals less than 60 percent of the fiscal 1994 level.

The concern over the proposed cuts to the aeronautics budget is exacerbated by the increased research and development activity of the European Union. Europe's decision to dramatically increase its R&D funding (from just \$45 million in 1992 to \$2.6 billion between 2006 and 2010) poses yet another threat to the United States' global leadership in aviation.

AIA is working to determine a suitable level of funding for aeronautics while ensuring that any new funds don't come at the expense of current NASA space and air traffic management programs.

**AIA Source:**  
**John Provenzano**  
**703-358-1062**

## Emhart Teknologies Joins AIA

**N**ew Haven, Conn.-based Emhart Teknologies designs and creates unique assembly technologies from concept through installation.

Emhart's technology-based assembly products and systems deliver innovative, integrated system solutions to virtually any manufacturing challenge from automotive to aerospace and computers to appliances.

A Black & Decker company, Emhart Teknologies has annual sales of \$600 million, 3,000 employees, and 25 operating facilities and distribution sites in more than 100 countries.

The company maintains research and development centers in North and South America, Europe, and Asia.

Read more about  
Emhart Teknologies at  
[www.emhart.com](http://www.emhart.com).

**AIA Source: Trish Maguder Ward 703-358-1061**

## Denning Joins Civil Aviation Division

**C**ongressional staff veteran Jana Denning has joined AIA's Civil Aviation Division as director of research and development.

Her responsibilities include developing consensus AIA positions on issues related to federally-sponsored research and development and advancing them with government and industry. She will also spearhead the association's efforts to develop a highly skilled aerospace workforce.

Denning spent eight years on Capitol Hill, the last six in the office of Rep. Dennis Moore (D-Kan.) as senior legislative assistant overseeing an array of issues, including defense, education, energy, environment, foreign affairs, homeland security, transportation, and veterans' affairs.

Denning is a graduate of Kansas State University with bachelor's degrees in speech and political science and a master's in speech.

She can be contacted at [jana.denning@aia-aerospace.org](mailto:jana.denning@aia-aerospace.org) or 703-358-1082.

**Panel continued from pg. 1** transition from the shuttle and space station programs and retaining the best and brightest minds to take us to the moon, Mars, and beyond."

NASA chose AIA to spearhead industry input to the ISOS report, which includes suggestions from four government panels. Together the efforts represent technical input to strategic planning for NASA's long-range goals, including sending people back to the moon and on to explore Mars.

The fly-out plan should include a look at whether a skills retention incentive program is needed similar to the Titan IV rocket phase-out strategy, the panel concluded.

The industry board stressed the importance of NASA working closely with the companies involved in all space programs.

Other industry-related suggestions were planning for sustained technology investment, rewarding incremental technology advancements, and encouraging the use of resources, people and facilities in partnership with industry.

Douglass chairs the ISOS Industry Panel, which is coordinated through AIA and includes member and non-member companies.

The report was presented at the summit by Dennis Granato of Northrop Grumman Corporation, Rick Golde of ATK Thiokol, Andy Aldrin of The Boeing Company, William Gregory of Honeywell, and Steven Moore of ATK Elkton.

**AIA Source:**  
**Andrew Barber**  
**703-358-1096**

The complete ISOS Industry Panel report is available on AIA's Web site at [www.aia-aerospace.org](http://www.aia-aerospace.org).

# Air Transportation System Needs Long-Term Commitment, AIA Testifies

**A**IA President and CEO John W. Douglass told congressional leaders that their efforts, combined with the support of the White House, are critical if the United States is to develop a safer and more efficient air traffic management system.

House Aviation Subcommittee Chairman John Mica (R-Fla.) asked Douglass to testify before the panel for insight into air traffic control modernization and the Next-Generation Air Transportation System.

Douglass told the subcommittee that success for NGATS, which AIA is supporting through administration of an institute for industry input, depends on long-term backing and leadership.

“The modernized system will go beyond reducing

delays and congestion,” Douglass said. “It will reduce vulnerability to terrorist attack and provide continuous economic growth. The time for action is now.”

Mica held the hearing to highlight the work of the Joint Planning and Development Office, a multi-agency body leading the effort to develop NGATS.

Douglass stressed that development of the system must start immediately in order to meet demands that see air travel tripling in the coming decades. The system must have a dedicated funding source and unflinching support from elected leaders to succeed, Douglass said.

Officials envision the system eliminating delays with more coordination and communication in air traffic control. It will boost the economy by making cargo delivery more reliable, allowing companies to increase efficiency.

In addition, security will be enhanced with better passenger, baggage, and cargo screening. NGATS would also pay environmental dividends, eliminating emission-causing on-ground delays and fuel-wasting indirect air routes.

Douglass’ testimony is available at:  
[www.aia-aerospace.org/aianews/speeches/speeches.cfm](http://www.aia-aerospace.org/aianews/speeches/speeches.cfm).



**AIA President and CEO John W. Douglass testifies to a congressional committee on the need for a more efficient U.S. air traffic management system.**



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