

**ALASKA INDUSTRY COUNCIL MEETING  
MINUTES  
September 12, 2007**

The Alaska Industry Council met at the Alaska DOT/PF Building on September 12, 2007, at 8:00 a.m.

The following agenda items were presented:

<b>Opening Remarks</b>	Jere Hayslett
<b>JRC/Contract Award Update</b>	Jere Hayslett
<b>Chelton Alternatives</b>	Jere Hayslett, August Asay
<b>MOA/AIC Update</b>	Joe Pearson
<b>Operations Update</b>	Jim Hill
<b>Technical Update</b>	Walter Combs
<b>Information Sharing</b>	All
<b>Industry Feedback (Round Table)</b>	All
<b>Information Sharing</b>	All

**Opening Remarks – Jere Hayslett**

Jere opened the meeting by introducing those on the phone. There was a round table introduction for those in attendance and Jere stated that this was a very proud day for those in the Aviation Industry and the FAA as he went over the agenda for today's meeting; highlighting the joint goals achieved over the past year, and gave a heartfelt thank you to everyone who has worked together to make these accomplishments possible.

**JRC/Contract Award Update – Jere Hayslett**

The information pertaining to the Joint Resource Council (JRC) and Contract award offered at the Industry Council Meeting was derived and summarized from the original package presented to the (JRC) in Washington DC. on the 28<sup>th</sup> of August. Jere recapped the information that was pertinent to approved funding of ground infrastructure and support work for the State of Alaska. The following is the schedule for the final investment decision.

- **June 7, 2006 final investment decision (Segment 1):**
  - Baseline key site deployment
  - Return for Final Investment Decision for Balance of Program prior to Contract Award (August 2007 Timeframe)
  - ATO Chief Operating Officer (COO) and Associate Administrator for Aviation Safety (AVS) Designation for Co-ISD Authority

- **February 21, 2007 final investment decision (Segment 2):**
  - Baseline NAS-wide deployment
  - Return for Program Re-baseline of Segments 1 and 2 prior to Contract Award (August 2007 Timeframe)
- **August 27, 2007 final investment decision (Segment 1 and Segment 2)**
  - Baseline FY2009 – FY2014

The next few slides depicted performance gaps, support of agency goals / SMP objectives, business case results, and the benefits summary. The sensitivity analysis was based on altering equipage assumptions for high priced retrofits for ADS-B In, resulting in smaller change in benefits than in costs. A sensitivity analysis was performed for each the Air Transport category and the Air Taxi/GA category.

Slide 10 showed the baselined estimated costs for Segment 1 and 2, as well as the Capstone and SBS CIP for FY07 – FY14.

Estimated Cost	Baselined								Total Baselined (FY07 - FY14)	Total Baselined (FY09 - FY14)
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14		
Segment 1 and 2 F&E Program Plan	\$90.0	\$100.0	\$308.4	\$198.2	\$175.2	\$284.2	\$270.7	\$254.7	\$1,681.5	\$1,491.4
Capstone CIP	\$10.0	\$15.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$25.0	\$0.0
SBS CIP	\$80.0	\$85.0	\$118.2	\$217.5	\$198.8	\$197.0	\$126.6	\$49.8	\$1,072.9	\$907.9
Total CIP	\$90.0	\$100.0	\$118.2	\$217.5	\$198.8	\$197.0	\$126.6	\$49.8	\$1,097.9	\$907.9
Delta: CIP less F&E Program Plan (3)	\$0.0	\$0.0	-\$190.2	\$19.3	\$23.6	-\$87.2	-\$144.1	-\$204.9	-\$583.6	-\$583.6

Slide 11 reflects FY07 actual obligations

Costs in Thousands	FY07	FY08	FY09	FY10	FY11	FY12
Alaska Weather/Airport Costs	\$1,955.2	\$9,910.0	\$22,762.4	\$2,395.2	\$2,351.4	\$6,247.8
Alaska GBT Costs (FAA)	\$4,543.1	\$7,284.7	\$9,391.2	\$0.0	\$0.0	\$0.0
Alaska GBT Costs (ITT)	\$0.0	\$0.0	\$0.0	\$20,888.1	\$9,902.7	\$10,164.8
Juneau WAM	\$3,497.2	\$4,731.7	\$1,556.1	\$2,320.3	\$677.7	\$672.1
<b>Total</b>	<b>\$9,995.5</b>	<b>\$21,926.4</b>	<b>\$33,709.7</b>	<b>\$25,603.6</b>	<b>\$12,931.8</b>	<b>\$17,084.7</b>

**FY07 Figures reflect actual obligations.**

Total investment for FY07-12 = \$112,255.70M

Life Cycle support funding will be provided to Alaska for FY13-25

Jere noted that slide 10 showed \$15 million approved for Capstone and slide 11 showed a total of \$21,926.4 million, which includes the \$15 million for Alaska costs. This is additional funding approved in the JRC, and is committed to use in Alaska by the SBS Program office. By breaking out the safety benefits into Service Volumes the SBS office was able to secure the additional funding for Alaska.

Slide 12 reflected business case results by service volume. There were 29 additional Ground Stations in the Service Volume areas approved for funding.

The next 3 slides showed the proposed coverage per Service Volume for Segments 1& 2 at 1,000 ft. 3,000 ft., and 5,000 ft. AGL. Jere stressed the importance of realizing this is a draft of the coverage that will be provided; meaning that with 29 additional sites having been approved, it will be up to the Industry and FAA team to maximize the safety benefits and derive the best possible coverage for each of the 3 altitudes.

The ADS-B contract award was on August 30, 2007 and named ITT as the prime contractor. ITT has a team of sub contractors which includes AT&T, Thales, WSI, SAIC, PriceWaterhouseCoopers, Aerospace Engineering, Sunhillo, Comsearch, MCS of Tampa, Pragmatics, Washington Consulting Group, Aviation Communications and Surveillance Systems (ACSS) and NCR Corporation. In addition, ITT has partnered with L-3 Avionics Systems and Sandia Aerospace.

Contract Value is as follows:

- **Initial Award of approximately \$207M**
  - **Segment 1 Critical and Essential Broadcast Services Development and Installation**
  
- **Potential Options of approximately \$1.6B**
  - Segment 1 Critical and Essential Broadcast Services subscription charges
  - Segment 2 Critical and Essential Broadcast Services subscription charges
  - Generic Surface, Terminal and EnRoute service volumes
  - Program Management
  - Engineering Services
  - Weather Activations
  - Delivery of data to FAA Command Center
  - Provision of service to other service delivery points
  
- **Total Contract Value of approximately \$1.86B**

Jere went on to explain the program management acquisition strategy. Under this strategy the Performance Based Service Contract for ADS-B, TIS-B, and FIS-B is bulleted below.

- The ADS-B acquisition has been structured as a multi-year, performance-based service contract under which the vendors will install, own, and maintain the equipment; and the FAA will purchase services in the same way the agency purchases telecommunications services today.
- The FAA will define the services it requires and maintain ultimate control of the data that flows between the vendor's infrastructure, FAA facilities, and aircraft. The government will not own the ground infrastructure (which will be owned by the vendor) or the avionics (which will be owned by the aircraft owner).

Next steps for Alaska:

- Continue FAA implementation FY08-FY09
- Modify National Contract to reflect Alaska requirements
- Develop transition strategy with National ADS-B vendor – Ongoing

- Continue to develop schedule for AIC Implementation Plan
- Develop avionics transition plan for SE Aircraft Owners by December 2007
- ADS-B team will return to JRC prior to production decision in the 2009 time frame

For detailed information on these subjects see the September Industry Council Power Point located on the Capstone website at: [www.faa.gov/capstone](http://www.faa.gov/capstone)

### **Chelton Alternatives- Jere Hayslett/August Asay**

The FAA conducted an alternatives analysis to develop a low-risk, cost-effective recommendation by September 2007 to enable 91 aircraft equipped with the Chelton display to receive and display ADS-B In.

## **Participating Organizations**

Organization	Responsibilities
ATO-E SBS Program Management - <i>Matt Sanders, Chnar Ayala, Diana Castaldo, Arthur Sullivan</i>	Facilitate evaluation
ATO-E SBS Western Service Area - <i>Jere Hayslett, Jim Hill, Jim Wright, Paul Fiduccia</i> AIR - <i>August Asay</i> AAL-52 Contract Officer - <i>Karla Shaw</i>	Provide information for technical analysis; assist in defining requirements for evaluation criteria
ATO-E SBS Program Director - <i>Vincent Capezuto</i>	Review evaluation criteria package
ATO-E SBS Western Service Area - <i>Jere Hayslett, Jim Wright</i> UAA Training Lead - <i>Leonard Kirk</i> AIR - <i>August Asay</i> AFS - <i>John Harrington, Richard Girard</i> Wings of Alaska - <i>Mike Stedman, Don Bach</i>	Score alternatives based on evaluation criteria
ATO-E SBS Program Management - <i>Shahan Stepanian</i>	Develop cost estimates for alternatives



Recommendations made were:

- **Proceed according to current schedule for delivery and certification of Chelton 6.0B software**
- **Contingency**
  - Prepare to initiate process for temporary portable displays if 6.0B software is delayed
    - Develop scope of work for procurement
    - Perform cost/benefit analysis for ADS-B In during the 2008 flying season
    - Set October 12 as trigger date (6.0B delivery planned for October 4)
  - Establish trigger date to begin contract default process with Chelton if necessary
    - Evaluate impact to operators

For a complete copy of this report see the September Industry Council Power Point located on the Capstone website at: [www.faa.gov/capstone](http://www.faa.gov/capstone)

### **AIC/MOA Update – Joe Pearson**

The Agreement Implementation Team (AIC) continues to meet in Anchorage on a bi-weekly basis. The AIC sub groups will have at least one meeting before the October 4<sup>th</sup> meeting to develop a strategy for each team's contribution to the plan. Joe stressed that if there are individuals out there who feel they can make a positive impact on this process the team would welcome their participation at the team meetings or the AIC meetings. Joe reported that he and Jim Cieplak had made an information sharing/educational trip to Washington DC the previous month. The purpose of the trip was to educate Legislative staff and FAA executives about the Alaska Statewide Implementation Plan between the FAA and the signers to the Statewide Plan and the MOA.

### **Operational Update – Jim Hill**

Jim Hill reported on Performance Based Navigation Status, MEARTS Box removal and outreach activities conducted in the previous month, which included a visit from Congressman Hayes in which Jim hosted a tour of ZAN and presented a brief to the Congressman on the activities of the Western Service Area and Alaska. Jim also gave an ADS-B Program office update at the Women in Aviation Conference which was held at the Millennium Hotel in Anchorage.

### **Technical Update - Walter Combs**

Walter Combs briefed the following information concerning the technical status of Segment I Southwest Alaska Phase I and Southeast Phase II infrastructure.

#### **SBS/Segment I (FY 07-10)**

- **Southwest Phase I**
  - 5 Ground Based Tranceivers (GBT's) providing critical services
  - 5 GBT's providing essential services
  
- **Southeast Phase II**
  - **Ground Stations**
    - Approximately 180 aircraft Capstone equipped
    - 10 sites fully operational providing Essential Services.
    - Joint Acceptance Activities scheduled for QAA, QA5
      - Completion expected September 30, 2007.
    - Initial acceptance activities at QAY
      - Completion expected October 30, 2007
  - **Wide Area Multilateration (WAM)**
    - System Architecture under development
    - Site selections complete
    - Site Engineering and Design in progress
    - Contract Proposal under review
  
- **Service Volume 6 (ANC-FAI), 11 (OME), and 13 (OTZ)**
  - Started Deployment of Initial Service Volumes in July 07
  - 23% of the total FAA reported yearly flight hours
  - Surveys completed for 5 GBT's (Kotzebue, Nome, Curry, Anchorage, Fairbanks)

- 4 Automated Weather Sensing Systems (AWSS) (Brevig –Mission, White Mountain, Robert Bob Cutis, Shaktoolik)

### **Round Table**

There were no remaining issues brought up at the Round Table discussion.

### **Conclusion**

The meeting was adjourned.