"Space Industry Task Force Update"

Panelists:
GARY LOCKE, Secretary, U.S. Department of Commerce; and Co-Chair, Task Force on Space Industry Workforce and Economic Development
CHARLES F. BOLDEN, JR., Administrator, National Aeronautics and Space Administration; and Co-Chair, Task Force on Space Industry Workforce and Economic Development
ALAN GRAYSON, United States Representative from the State of Florida (D-Orlando)
SUZANNE KOSMAS, United States Representative from the State of Florida (D-New Smyrna Beach)

Moderated by
FRANK DiBELLO, President, Space Florida

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Orlando Airport Hyatt Hotel
Orlando, Florida
MR. DiBELLO: Good morning, everyone. I want to welcome each of you and thank you for joining us here today, especially in what we realize has been very short notice.

We're pleased to host this meeting, the purpose of which is to enable an important dialogue and enable your participation and input that hopefully will facilitate economic development strategies and plans and help transform our regional economies and address what are impending workforce needs.

In February, through his budget recommendation, the President put forth a new direction for the nation's space program, which was further clarified in his address to all of us on April 15th.

We face a number of challenges in this region centered around the transition of the nation's civil space program to a new era, the emergence of new commercial space industry, the heightened interest by our nation's Department of Defense in new space applications, and the need to transform the Kennedy Space Center and Cape Canaveral Air Force Station to provide capabilities that
our 21st-century space program will need.

For us, it is also vital to preserve and refresh key assets that are essential to our nation's space future -- our capable and skilled industry workforce, R&D capabilities, and the space infrastructure -- and to preserve these through this transition. And while the challenges are significant, they also provide opportunities for us as a region that when managed strategically will allow us to emerge even stronger than before.

Avoiding the potential dispersion of the U.S. human space flight capable workforce and its add-one effects are foremost in our discussions as we plan for the future, and I can tell you that we are not alone in our concerns during this transition time. The need to transition the workforce quickly into new businesses with skill sets that are adapted to many of the new job creation opportunities that we see on the horizon and are seeking will enable success in keeping our critical skills, and the solutions that are necessary will be achieved by all of us through partnership and collaboration among Federal, State, and local leaders working together to achieve regional solutions to the building of a 21st-century economy and the
region's economic well-being.

At this time, it is my pleasure to introduce

Department of Commerce Secretary, the Honorable Gary Locke.

Secretary Locke was appointed by President Obama as the
thirty-sixth Secretary of Commerce and sworn into office on
March 26th, 2009. He also serves as Co-Chair of the Task
Force on Space Industry Workforce and Economic Development
with NASA Administrator Charles Bolden.

At the Department of Commerce, Secretary Locke is
helping drive and implement President Obama's ambitious
agenda to turn the nation's economy around and put people
back to work.

He is the first Chinese American to hold this
post in a President's Cabinet. His grandfather emigrated
to China -- or emigrated from China to Washington State,
and his family knows the struggle that many immigrants face
in establishing themselves in a new country.

Prior to his appointment as Secretary of
Commerce, Secretary Locke helped U.S. companies break into
international markets as a partner in the office of Davis
Wright Tremaine, and he co-chaired the firm's China
practice and was active in international government
As a popular two-term Governor of Washington, the nation's most trade-dependent State, Locke broke down trade barriers around the world to advance American products. He helped open doors for U.S. businesses by leading trade missions to Asia, Mexico, Europe, and international trade has been a hallmark of his career and the background that he brings to the Department of Commerce.

Please join me in welcoming U.S. Secretary of Commerce Gary Lock.

[Applause.]

SECRETARY LOCKE: Well, thank you very much, Frank, for the introduction, and thank you for the great work that you are doing as President of Space Florida. I'm really pleased to be sharing the podium with Congressman Grayson and Congresswoman Kosmas and also Administrator Charlie Bolden, and he and I are co-chairing the Task Force that we'll be talking a little bit more about.

But it's really great to be here with so many business and economic development leaders in an area that is really synonymous with American innovation and scientific discovery. The science conducted in the Florida
communities that are connected to America's space industry have added immeasurably to our understanding of the world and of the world beyond.

In the process, your industry has driven economic development throughout the region but also helped spin off countless private sector innovations from memory foam mattresses to advanced computing and, even as the President indicated in his last visit here, to the drink, Tang.

I came here today to talk about how this region can build on that legacy of innovation and continue to provide economic opportunity, good-paying jobs for its people well into the 21st century.

I know that for many people here in Central Florida, that promising future might seem very, very distant right now. The region has endured some of the worst of the economic crisis that has afflicted the entire nation has to offer. A lot of homes have been lost. Businesses have closed their doors. The unemployment rate has been running at some 2 percentage points higher than the national average, and, of course, the region is now facing the impending retirement of the Space Shuttle program, which will cause even further job losses and
The Space Shuttle retirement, of course, was announced many, many years ago, even before President Obama even announced his candidacy for the United States Presidency, but that doesn't make it any easier on the NASA workers and their families or the businesses that depend on those NASA families for work.

Before I leave here today, I hope all of you will walk away with one unambiguous message. We are committed to this region, and the measures that President Obama took to restore our national economy are beginning to work, and we're developing a very ambitious and targeted plan to revitalize the Space Coast region.

First, let me talk a little bit about the national economic picture. This morning, the Bureau of Labor Statistics reported that in May, the U.S. economy added some 431,000 jobs. It marks the fifth consecutive month that the American economy has added jobs, excluding temporary Census positions, nearly a half-a-million in total. This comes on the heels of April's increase of 290,000 jobs, which was the largest monthly increase in 4 years. Now, the figure this morning that was announced,
431,000 jobs, includes mostly Census, government employment figures, but, still, there was an increase in the private sector jobs.

And, of course, the unemployment rate has dropped to 9.7 percent, but what we're seeing is that right now, behind these figures, we're seeing more companies increasing the hours of their workforce. So many more American workers are working longer hours, which is good, but we want that to be translated into more people eventually being hired instead of just having the workforce doing more.

Of course, a lot of the workforce is still doing three-quarter time, half time, and now they're starting to put those workers to higher, higher or longer hours, and that's good, and then, eventually, we'll see higher employment or more employment instead of just using the existing workforce for longer periods of time.

While all of these numbers are promising, we will not reverse overnight 2 devastating years of recession, a period in which we lost some 8 million jobs.

Now, as the President said this week, quote, "It's not going to be real recovery until people can feel
it in their own lives," end quote.

But this is a start, and we are moving in the right direction, and this recovery hasn't happened by chance because the President took very aggressive steps to stabilize the financial system, to keep people in their homes, to pass a Recovery Act that created demand in our economy when local governments, consumers, and businesses couldn't or wouldn't spend.

These steps have not always been popular, but it was the right thing to do, and it has made a measurable difference in people's lives.

Here in Florida alone, the Recovery Act is responsible for giving some $3.5 billion in tax cuts to 7 million working families in Florida, has provided 1.2 million Floridians with expanded, extended unemployment insurance, and that unemployment insurance is used to pay the bills, to buy groceries, and to pay the rent or the mortgage.

Meanwhile, the Act has funded some 700 transportation projects in Florida valued at some $1.7 billion, and those construction workers shop in malls, eat in restaurants, buy cars, remodel their homes, and support
many other businesses.

These investments have helped Florida weather one of the most difficult economic periods in its recent history, and now as we begin to emerge from this recession, we need to charge a new economic path. America cannot return to the pre-crisis days when we relied on bubbles, debt, and financial speculation, or middle class families saw their wages flat for an entire decade while things like college tuition and health care costs skyrocketed.

We simply must build a stronger foundation for growth and prosperity, and that's exactly what this President aims to do, from overhauling our health care insurance system to make it more affordable and to provide more health care, to ensuring greater accountability on Wall Street and stronger protections for consumers to prevent those very abuses in the future that the financial sector lapsed into that caused much of our current economic woes. The tough choices that we made will have long-term benefits.

In the months ahead, we're going to have to build on that economic foundation with investments in the skills and education that we all need to compete, and we're going
to have to put money into investments in a 21st-century infrastructure, like high-speed rail and high-speed Internet; investments in research and technology like clean energy that can lead to new jobs, new exports, and new industries. And, finally, we're going to have to keep empowering local communities to take control of their own destiny to identify their strengths and to capitalize on those strengths to build a better future. That's the guiding principle behind President Obama's plan to spur long-term recovery on the Space Coast.

To begin with, the President is ensuring that the Kennedy Space Center and all of NASA have resources that they need to pursue new avenues of discovery. The President has proposed to increase NASA's budget by $6 billion over the next 5 years with goals of developing path-breaking technologies, increasing the program's reach and reducing the cost of deep space exploration, and creating thousands of new jobs.

But the President is also targeting resources specifically to Central Florida with a $40-million multi-agency Task Force on Space Industry Workforce and Economic Development, and I'm co-chairing this Task Force
with NASA Administrator Charlie Bolden, and we're going to be working closely with colleagues throughout the Federal Government and local leaders to expand the region's economic base, to identify emerging opportunities, and to ensure that the region's aerospace workers have the training and the resources that they need to be an integral part of the region's new economic strategy.

What will this strategy look like? Well, it's going to be largely shaped by folks in the room here today. You know what your strengths and weaknesses are. You know what investments can have the most impact, and you have a vision for this community. So this Task Force will not be imposing some solution from Washington, D.C., but instead will be conducting a very aggressive outreach to this region's non-profit organizations, business and labor leaders, State, local, and Tribal government leaders. Anyone who has a say in this region's economic development, we want at the table.

And once the Task Force has gathered the best ideas from throughout the region, we owe the President an action plan by August 15 on how we will spend this $40 million to further the economic development of this region.
The work of our Task Force is also going to be supplemented by some $15 million in a new grant from the Labor Department that will provide displaced NASA workers in the region with career guidance, job training, and continuing education programs.

A lot of resources will be coming to this area in the next several months, and that will build upon the already-substantial investments that the administration and the Commerce Department have made in Central Florida just within the last year.

The administration has also made a very substantial investment in Central Florida's transportation infrastructure with a $1.25-billion Recovery Act funding for America's first high-speed rail line.

At the Commerce Department's Economic Development Administration -- and John Fernandez who heads that up is here and will be participating in the panel in a few minutes, but, under the Economic Development Administration, we've got an array of promising investments in the works already underway.

We're helping the Titusville-Cocoa Airport Authority expand Bristow Academy, its renowned helicopter
pilot training facility.

We've invested $1.5 million to expand an R&D facility for the photonics industry at the University of Central Florida.

We're helping build a new biosciences research facility at Port St. Lucie, and we have invested $13.2 million in the new University of Florida; Gainesville, Florida, innovation hub.

Now, at first glance, these efforts might not seem to have much in common, but rail lines, technology incubators, R&D labs, workforce training facilities, these are all important building blocks of economic growth, and Central Florida with its highly skilled world-class aerospace workforce has an uncommon set of strengths to build upon and to use in expanding its economic base.

So we're looking forward to working with all of you in the months ahead as we all work to focus on the very same goal, creating high-skilled, high-wage jobs, and growing Central Florida's economy, and we have much that we have to do over the months ahead. There is going to be -- there are certainly a lot of families that are struggling and who are worried about the future, but we are committed
to this region.

I want to thank you for inviting me and taking
time out of your busy schedules to meet with us today as we
talk about some of the ideas as we move forward. We will
be able to and happy to answer any questions that you might
have in just a few minutes.

But, first of all, let me now turn it back over
to Frank who will introduce our next speaker, NASA
Administrator Charlie Bolden.

[Applause.]

**MR. DiBELLO:** Especially in the interest of time
and because the gentleman that I'm about to introduce has
such a distinguished background, I am simply going to bring
him up to the podium.

We have had the pleasure of Administrator Bolden
attending events and displaying his support for Florida on
numerous occasions, but we're very, very proud that he's in
the job at this time and is doing a great job. He brings
both astronaut background, administrative skill, and a
passion not just for space but for education and all of the
things that we look at as ingredients for our future.

So that's the most nontraditional introduction,
but clearly one that's --

[Applause.]

**ADMINISTRATOR BOLDEN:** Thank you. Thank you all very much.

And, Frank, thank you very much. You're the first person that's ever done what I asked with an introduction that says keep it brief, and the only thing you didn't do was talk about my three granddaughters, but that's all right. But I got that in.

[Laughter.]

**ADMINISTRATOR BOLDEN:** Let me thank Congresswoman Kosmas and Congressman Grayson for being with us today also. It's important to have you here because I know how dedicated both of you are to the region.

Again, I want to thank you, Frank, for hosting this and moderating, but, especially, I want to thank my friend, Gary Locke, for what you continue to do for us in the nation but particularly here in Central Florida, and it's exciting to have the opportunity to work with you on this Task Force.

The other two people that I want to thank, because they are the worker bees, anytime you put a Task
Force together, you have the Chairs who come together now and then, and then you have the workers. And the workers for Gary and me happen to be Assistant Secretary John Fernandez, who is sitting right here, third to my left, and all the way down on the end, my Associate Administrator for Mission Support, Woodrow Whitlow, and they have been hard at work for a couple of months now. Hopefully, when we leave here today, you will understand that we really have been hard at work doing fact-finding and trying to get to the point where we can really make a difference here, but we want to hear you, and I echo what Gary said about we need to hear what your concerns are and where you think we can go.

I am really pleased to be here -- again, let me say that -- to talk about changes in our NASA programs but also, in particular, to talk about the President's plan and how we're going to phase out the Space Shuttle and end the Constellation program.

The impact of those changes across the country and what NASA is doing to work with that is what we want to try to present to you today.

It's most appropriate that we gather here in
Central Florida to outline NASA's activities, to mitigate these end-of-program impacts, and how we address the long-term solution of economic diversification in those parts of the country that count heavily on human space flight program for economic health.

The Kennedy Space Center continues to be critical to our country's ability to advance its space exploration goals and as a major contributor to this region's economic health. The President's 2011 budget proposal includes an investment of $1.9 billion over the next 5 years to modernize the Florida launch range and transform the Kennedy Space Center into a facility that is worthy of leadership in this nation's 21st-century space programs.

It's intended to set the foundation for NASA's current and future operations at KSC and to enhance the capabilities of KSC and the U.S. Air Force Eastern Range for civil, commercial, and national security customers. It's also intended to spur economic development in the Central Florida area.

I am pleased that the President's efforts are taking the broad view of this entire region in generating innovative thinking to foster economic development at all
levels. We are confident that NASA's contribution to the solutions we seek will have wide-reaching benefits for all of Central Florida.

The highly skilled civil service and contractor workforce team is one of NASA's greatest assets, and their hard work and talents have enabled America to be the world's premier space-faring nation. That's why we've been developing plans for more than 5 years now to help transition the Shuttle workforce to the next phase of their careers, realizing that there will be no quick fix to this challenge but at the same time striving for a long-term solution.

NASA established the Space Shuttle Transition Liaison Office in 2009 to assist local communities affected by termination of the Space Shuttle program. Specifically, the office staff provides nonfinancial technical assistance to the communities and identifies services available for other Federal, State, and local agencies to assist in mitigating impacts of the end of the Space Shuttle era.

They also gather and disseminate information about opportunities available through these agencies. The office has wide-ranging impacts. It builds on an existing
network of NASA human space flight centers, Johnson Space Center, Kennedy Space Center, Marshall Space Flight Center, and Stennis; prime Shuttle contractors such as ATK, Lockheed Martin Space Systems, Pratt & Whitney Rocketdyne, United Space Alliance; and workforce development organizations from Florida, Louisiana, New Mexico, Texas, Utah, and California.

The Space Shuttle Transition Liaison Office staff has developed contacts with the Departments of Labor, Defense, and Commerce to explore resources available to our communities. They use a variety of mechanisms, face-to-face meetings, telecons, websites, et cetera, to exchange information and best practices.

Locally, the Kennedy Space Center has been very proactive in implementing workforce transition activities. We've opened up four workforce transition offices since March 1st, 2010, including one that is co-located with the Brevard Workforce Office. Their services include helping employees with Federal website navigation, résumé writing, and interview skills training. To date, 324 employees -- and 97 percent of those have been contractors -- have been counseled in these offices. In partnership with Brevard
Workforce, Kennedy has conducted training for over 350 employees, offering classes for civilian and military employees in interviewing skills and in understanding the Federal employment process.

NASA is compiling a contractor workforce profile to plan transition activities and continue to attract employers with placement opportunities.

Over 900 employees participated in a virtual job fair that was held from May 17th through the 31st this year. Kennedy leadership established a KSC Workforce Transition VOICE website.

I had to go look up "VOICE." All of you know what VOICE is? Go look it up. All right. Some people know.

But we established a KSC Workforce Transition VOICE website on March 1st, 2010, and that has had over 5,000 hits to date. The site has information of job fairs, a link to a virtual job fair, information on June 2010 on-site job fairs, listings of Federal and industry employers who are participating in the fairs, how to prepare for the fairs and instructions on how to get transportation to these fairs.
Currently, 10 Federal and 20 private sector employers are registered for a June 24th, 2010, job fair. A June 25th Job Off-Center Fair is targeted at current and displaced KSC employees.

We also conducted a Goddard Space Flight Center showcase, May 6th through the 7th, up in Maryland, with the goal of hiring 300 employees before September 30th.

The United Space Alliance coordinated several events with Federal and other private sector employers and partnered with NASA on a Federal employer event. These efforts addressed the short-term issues of employment opportunities for our nation's space workforce. The long-term solution is to spur economic growth and diversification in the areas affected by ending the Space Shuttle and Constellation program and to ensure that the workers are suited to perform new work that results, as Gary talked about during his comments.

This is why Commerce Secretary Gary Locke and I are here today, to emphasize the commitment made by President Obama to invest $40 million to help transform the economies of the Space Coast and prepare workers for opportunities of tomorrow. Our plan is to devote
approximately $30 million to spur regional economic growth in the area surrounding the Kennedy Space Center and $10 million for job training activities in this area.

I am pleased that the President's efforts are taking the broad view and generating innovative thinking to foster economic development at all levels. I am confident that NASA's contribution to the solutions we seek will have wide-ranging benefits for our country and all of Central Florida.

I look forward to talking with you and hearing your ideas on how we move forward from here. Thanks very much for coming out today, and thanks very much for allowing us to be here with you.

[Applause.]

MR. DiBELLO: We are going to try and move quickly into a discussion period.

As I mentioned, the primary purpose of today is to connect with stakeholders in the region and to give you an opportunity to participate and provide input to the Committee, but, before we get into that, I do want to introduce two other people who are sitting up at the panel.

To my immediate left is Congressman Alan Grayson
who is with the 8th Congressional District and who clearly
grew up and was educated in the Bronx but has become a
staunch Floridian and defender of the space industry, and
we want to recognize him and give him an opportunity to
address you.

CONGRESSMAN GRAYSON: Thank you.

For more than a generation, we have welcomed
people from all over the country and all over the world to
Central Florida, and for the last 2 years, we have had the
honor of welcoming the highest administration officials in
our government, the President, the Vice President, and now
with some frequently Members of the Cabinet. And it is my
pleasure to welcome today, the Secretary of Commerce for
the second time in just a few weeks to Central Florida, and
to emphasize how important that is to us.

One of the fundamental reasons why we obtained a
billion-dollar grant from the government is because
Secretary LaHood came here when those grants were being
processed. He told us what we needed to do in order to
qualify for that grant, and he listened to us and saw our
enthusiasm to be a mover and shaker across the country in
high-speed rail. It made a difference because we were able
to get that money and put an essential piece of new
infrastructure into Central Florida.

For a generation and more, we have also been the
home of man in space and have created an excitement around
the country and around the world to see our adventures to
going space, to explore, to see what's out there, and
it's something that is very much a part of our human
character to want to do that, to see what's beyond the next
hill, to climb the next mountain, and ultimately to see
what's in space.

And it's been wonderful for us in Central Florida
to be right at the center of that, again, for more than a
generation and very important to us and our national
character, because we are not a country of one language.
We are not a country of one religion. We are not a country
of one race or one ethnicity. We are a many, varied
country, and country that's very diverse, and the one thing
that we have in common, the one thing that brings us
together is excellence, being number one. And for us in
America and for us around the world, there is nothing that
symbolizes that more than the space program.

You can go into a museum in the midst of Burundi
in Central Africa, and in the midst of there, in that chaotic area, if you go into the National Museum, you will find a rock from the Moon, a gift from our space program. All over the world, people look to America as number one, and there is no better example of that than our space program, and that's been true for more than a generation. And we have to keep going. We have to keep going.

I hope that NASA will commit that in the future, manned space flight will begin in Florida, that every launch that takes place, whether it's a government launch or a commercial launch, will be one from Florida.

I have never actually heard a quantification of the investment that's gone into Central Florida in the manned space program, but I know it's in the billions, probably tens of billions, maybe even hundreds of billions. We hear so often about the need for the government to avoid waste, fraud, and abuse. What greater waste could there be than to take that investment in Central Florida amounting to tens of billions of dollars and to throw it away.

And it's not just an investment in plants. It's
not just an investment in facilities or in launch pads or in equipment. It's an investment in people, in all of us. We have an expertise that's been developed and should not be wasted.

So, looking to the future, I hope that we'll see more than just retraining of the people who are working in Central Florida in the space program. I hope that we'll see an extension of what we've already seen, an extension into the future of America being number one and Central Florida being at the heart of that.

Thank you.

[Applause.]

MR. DiBELLO: Fourth to my left is another individual that needs no introduction certainly to this group, but Congressman Suzanne Kosmas from the 24th District, the Congressional 24th District, which covers Brevard, Orange, and Volusia, is no stranger. She's been a role model --

ATTENDEE: Frank, turn your mic on.

MR. DiBELLO: Sorry.

Has been a role model as a mother, a small business owner, and a civic and social leader, and we're
very, very pleased to have her representing and defending an industry that we all cherish.

Congressman Kosmas.

**CONGRESSWOMAN KOSMAS:** Thank you, Frank, and --

[Applause.]

**CONGRESSWOMAN KOSMAS:** Thank you.

I am, as usual, honored to be here and very proud and honored to represent the Space Coast in Washington, D.C. The challenges before us are big, but we will, as Alan says -- we will prevail with excellence.

And I want to take a moment to thank the administration for the focus they are putting on the Space Coast and our transition period that we are going through.

I thank you, Secretary Locke, for being here again, just a month ago, and now seeing the International Travel Act focused on bringing international visitors to this country. It was unveiled here in Central Florida, and so we thank you for your attention to that as well as to this very important issue that we're facing today.

Charlie Bolden, it's always good to see you.

Normally, I see Charlie when there is a Shuttle launch or there is a hearing in Congress and he is being
forced to testify before us on certain initiatives. We're glad to have you here, Charlie. I want to take this opportunity to put in a pitch for one of the orbiters, when the launches are done, to remain at Kennedy Space Center as --

[Applause.]

**CONGRESSWOMAN KOSMAS:** We have generations, as Alan referred to, of people who literally have Shuttle launch in their DNA, and we think there is no more appropriate place to dedicate to the legacy of the Shuttle program than the Kennedy Space Center here in Central Florida. So I couldn't resist the urge to make that public pitch.

We are all here today for the same reason, because we want to see this American leadership in space exploration expanded in any way that is possible to do that. We understand, and, again, we thank the administration for the focus they have put on Central Florida and on the opportunities that we have here.

The most important task that we have, I think, is to ensure that we are able to retain our highly skilled and professional workforce here in Central Florida because,
without it, it will be impossible for us to continue to be
the leader in space that we have enjoyed for generations,
as referred to by Congressman Grayson. We need that
workforce in order to ensure that that will be our future
in space exploration and manned space exploration, and in
order to retain them here, we need all the tools in the
toolbox.

As you heard, the Secretary of Labor was here
earlier this week with a $15-million grant to Workforce
Brevard designed to assist and helping to find job
opportunities, retrain and re-skill if necessary. That's
one piece of the toolbox.

Other tools that we are going to need will emerge
as this Task Force -- and we are very blessed to have a
Cabinet-level Task Force coming to this area to help us
resolve our issue here. It's important to the nation.
It's important to us locally and to have this Task Force
come here and engage with you, because what we are looking
for is the local community, the local business community,
the counties, the cities, the State, all of you to have
input into how do we move through the transition to ensure
that we do retain our leadership in space exploration and
that Central Florida remains the home of manned space
exploration for the world and that America retains our
supremacy.

I've been working for many days since I got
elected a few -- 16 months ago or something like that to
ensure that the focus was here and that it was clearly
understood that we have a valuable resource and that we
have a team of people here ready to pull together to ensure
that we maximize everything that's being offered through
this program being announced today by the Secretary of
Commerce.

So I'm pleased to be here and pleased to be part
of the program. We look forward to continuing to work with
you, and I thank you again, Secretary, for being here to
make this announcement.

Thank you, Frank.

[Applause.]

MR. DiBELLO: We're here today to discuss issues
and challenges, ideas, and solutions, and we intend it to
be an open forum. At some point during the next half hour,
Administrator Bolden and Secretary Locke will depart for
the back of the room to give the press an opportunity for
some Q&A, but I'd like the rest of us to continue, if we
can, on an open discussion.

To help get that started, I've asked a couple of
regional leaders to address some of the things that are
already going on, to address the issues that we know about,
and I might start with Mark Nappi, who is Senior Vice
President with United Space Alliance, which is one of the
aerospace companies most significantly affected by the
Shuttle transition -- and I believe we've got mics out on
the floor -- but to give us some sense for the kinds of
things that are going on to help guide our discussion.

Mark?

MR. NAPPI: Thanks, Frank.

Thanks for listening to us this morning. I
represent the United Space Alliance. We are the Shuttle
prime contractor here at the Kennedy Space Center, in
Houston, Texas; and Alabama, largely Space Shuttle
operations. We do Space Station, Constellation
development, and recently have been certified to do some
DoD work at an intermediate depot center in Cape Canaveral.

Today, we have about just over 5,000 employees.
A year ago, we had a thousand more than that. At the end
of today, we'll have 3,000 -- or 300 less than that because we'll be completing a layoff. As the plans lay out today, by the end of the year, we'll have roughly a thousand people left. So, hopefully, we -- I completely -- I have gotten the feeling that you understand the urgency of the issues that are in front of us.

I want to talk a little bit about the skills and how they're diversified. We have engineers, technicians, safety and quality personnel, project managers, computer science, human resources, et cetera. These people hold bachelor's degrees, master's degrees, Ph.D.'s and also special certifications. So it's a wide variety of people.

It's a very diversified work group, the average age of 49, with about 7 percent of that workforce that is eligible for retirement or at a retirement age, less than 7 percent.

The high-tech jobs, the salary ranges between 40- and $90,000, and the human space flight team has really established over 30 years. It's resulted in a very unique, passionate and extremely dedicated, highly trained, critical skilled workforce. So it's very important to be able to maintain that.

If you try to summarize the efforts that we think
need to take place, first of all, we could categorize them into two areas. The first one is retaining the core skills. We understand that there is going to be a gap in human space flight, and we must retain that core skill of people in order to pick up human space flight when that time comes. We need to keep those skills proficient.

The second area where we believe is certainly in need of focus is the placement of skills. The follow-on vehicle or follow-on human space flight systems are likely not to employ the number of people that we have today. So we're really looking at reemployment of these skills, again, very high-skilled workforce, and there's a need to find other positions for those people.

So both of these focused areas, retraining and replacement, are going to require an increase of diversification of our business base in this area, and, of course, we have outlined the urgency of that.

So where can we focus? Well, it certainly is important to build off these skills. We have a very highly trained workforce. They're diversified. They're used to working on high-technology systems, complex systems, and critical systems, as in the Space Shuttle and International
Space Station.

They're focused on safety, high quality, innovation, and risk reduction. They have skills in design engineering, reverse engineering, systems and test engineering, manufacturing, maintenance and repair, materials processing, logistics, export compliance, safety, quality and environmental management, and many others.

So where can this expertise be applied? Well, obviously, in aerospace, government and commercial opportunities, and that can be done by expanding KSC's role in taking advantage of the resources that the Kennedy Space Center has.

The DoD in military, we have a depot-level maintenance facility at Cape Canaveral that has an ability to repair hardware. As I understand, Department of Defense has a lot of hardware coming back from the Middle East, and we certainly have the skills and the resources to apply to that hardware in order to get it back in the field again.

There's alternate energy, wind turbine, solar, offshore wave energy, hydrogen fuel cell, et cetera, that these high skills can be applied to.

There's certainly an expertise in risk reduction,
and then global business solutions, we have a strong talent in export compliance through working with international partners on International Space Station, and we also set up remote sites in foreign countries, such as the landing sites for the Space Shuttle.

Emergency response. We're used to responding to hurricanes and mishaps and catastrophic events, and, of course, what would be better than having the skilled workforce that we have involved in education and training of our young children.

So the bottom line, we have a uniquely skilled workforce, wide breadth of skills, and it's applicable to a wide variety of industry, and any industry would benefit greatly from these skills.

We certainly appreciate your commitment to our region, and I thank you for the opportunity to talk to you.

[Applause.]

ADMINISTRATOR BOLDEN: Frank? Frank, may I make one comment?

You know, I cannot resist, what Mark just said. I want to say something about his workforce. It's incredible. They love what they do.
As they will tell you, they are not looking for a job. They are looking for something that will help them make a difference. So one of the things that Woodrow and John and Gary and I are trying to do is not just help you identify new jobs where they can go but things that they can do that will be meaningful. So we do understand that, and I just wanted to make sure that everybody understood that we understand what we're trying to do. But I do want to thank the workforce again because they are absolutely incredible, and they are second to none.

SECRETARY LOCKE: Could I ask a question of Mark?

When you talk about the number of employees you have and you talked about the different locations in which your employees are located, all the way from here to Texas and other locations, of the reductions that are planned, what percentage will actually occur here in Central Florida?

MR. NAPPI: I should have been more clear on that. The reductions I spoke to are only for Florida.

MR. DiBELLO: Perhaps to speak to that also, Lisa Rice, who is President of the Brevard Workforce Development Board, has been both studying these numbers as well as
putting in some -- both training and retraining programs aimed at new employers and new job opportunities.

Lisa, would you give us a very brief report? I know there is so much going on.

**MS. RICE:** Absolutely. Actually, I'm not even going to bother with some of the facts and figures that we have been doing because you guys have heard it, the number of workers and things.

I just want to tell you that we have already trained 967 workers to date because we have been at this since 2007. We have trained them in everything from project management certifications to engineering degrees, from health care occupations to entering into the modeling and simulation field. We have 331 that are in training right now today in those kinds of fields. We have over 4,100 workers registered with us already, and we are reaching out to touch those workers as much as we can.

I will tell you that I have four -- four people who do direct touches with these workers. That means they have a caseload of about 800 workers each that they're trying to touch. It's difficult. We're doing it, and I have to now give big kudos to NASA because they have come
forward with us, and they are helping us deliver interview workshops, résumé workshops. They're helping us with some of the career counseling pieces that have to happen. It's just been an amazing partnership. I've never seen anything like this. So thank you very much for that.

The 15 million that's coming, I have to give thanks for that, too, because that's going to expand our staff capacity. It will make it easier for us to get to these workers faster. So thank you very much for that piece.

What do we need? Well, we need the ability to grow high-skill wage jobs. We need research and development funds. We need things that can build upon the entrepreneurial training that we've already done with hundreds of these workers who are ready to open up their own job, their own business, I should say, but the problem that they have is that they don't have venture capital. They don't have that angel funder there, and, honestly, they're learning to bootstrap it from the bottom up, but they need some assistance there. They need mentoring, and that takes a coordination of that effort.

We need a regional approach that taps into new
growing markets, international markets. We should be a
global presence here for trade, import, export, trading of
services. I'm not talking even just about the products.
I'm talking about the trading of our engineering services,
our project management capabilities. Heck, I'd even go as
far as to say our workforce development services. We have
a system in this nation that's second to none, and we
should be sharing that kind of information with other
nations who are looking for how do they solve their
workforce issues.

And incentives. We need to encourage businesses
to hire aerospace workers. There is a cultural perception
there that these are workers who have been in bureaucracy
for too long and are not innovative and are not going to
think outside of the box and are not going to work hard.
To anyone who thinks that, I say shame on you. Come out
here. Look at these workers. You will get a whole new
kind of vision with these folks because they do work hard.
They are willing to learn new things. They want to be
innovative, and they want to try new things.

And you're absolutely right, Mr. Bolden, that
they absolutely have a dedication to their job, and when
they look for that new job, they're going to want that same kind of dedication there.

And the last thing that I would say to you that we need to work on, which actually goes to what I just said, is that cultural shift. We need to be able to show the workers that here's the kinds of things they need to prepare for as they're going into that commercial market, and some of that comes from just businesses, being able to express that directly to the workforce; here's what we expect to see.

We've done this with a few companies, and right now we're working to take that to actually a videotaped kind of production where we have businesses directly telling workers, "Here's what it means to work in our company," and just prepping them for that cultural change. And I'll shorten it right there. Thank you.

[Applause.]

MR. DIBELLO: Thank you, Lisa.

The other side of the training and retraining equation is job creation, and I might ask Lynda Weatherman who is the President of the Economic Development Commission of Florida Space Coast to address some of the things that
are going on in the region, and I might add that Space Florida and the Economic Development Commission and the Workforce Board have really been working closely together with other regional economic development organizations, both for long-range growth as well as short-range activities to fill that gap.

Lynda?

**MS. WEATHERMAN:** Thank you, Frank, and I'll be brief in my comments.

My comments are reflective of what, Secretary Lock, you said earlier in -- when you were making opening remarks, and if I could paraphrase what you said, it was -- tell me if I'm wrong, but, basically, you said, you know, we have the Federal Government. There's tools that we could bring to the table, but the end of the day, it's the ultimate role and responsibility of the local government, the local community to decide the future that they want. It's our loss of jobs and our future, and it's under that comments that I want to make my input, if I could. We oversee a comprehensive economic development program, and there's many parts to it, but the one I want to focus on is obviously the business development side. In
an economic development on the business development side, we look at resident industries looking to expand and companies looking to relocate, and I'd like to give you two examples of two successes because I would like us to use that as a template of how we might focus these funds on.

The first one is an expansion from an existing business that we had in there, yet a diversification from the core in the types of work that we've done in the past, and that's when Lockheed Martin anointed KSC and Brevard County to do the CEV work or the Orion work. What was significant about that is because we were able to go on our core strength but as a diversification because, Secretary Locke, it was the first time in the 50 years of the State of Florida we're doing assembly work of a launch vehicle. We know we can do that again.

The second one is Embraer, a diversification from the traditional work that we have, yet highly technical, and building on our aviation. It's the first North American plant to build a Phenom 100 and 200, international company.

So what I'm using these two examples is, if we could use those as templates that would -- for the funding
that would look at -- the source of funding could be infrastructure. It could be bond. It could be financing. It could be on-the-job training. But let's use the successes in the past that will create sustainable jobs within a 1-, 3-, to 5-year period that are direct to market in certain industry clusters, if you will. They could be traditional, too.

So, in closing, because I know we have a -- there's a lot of good input we want, but if we could look at two past successes that amount to almost a thousand jobs -- and there's others, too -- use those as templates to what we need to be able to focus these funding to do job creation and quick return on investment of these important funds that are very limited, and we understand.

And thank you.

[Applause.]

MR. DiBELLO: Thank you, Linda.

I might at this stage invite open discussion either for ideas or comments they may wish to make, and I'll look around the room.

M.J.?

MR. SOILEAU: I'm M.J. Soileau. I'm Vice
President for Research and Commercialization at the University of Central Florida. I'm sort of the geek in the room. You know, you can tell by the tie and the pens in the pocket.

I wanted to mention three projects that we're involved in right now that could have a major effect on what we're talking about here today. The first is to -- at the University of Central Florida which, by the way, is the largest university -- and many people have never heard of it. We have over 53,000 students and expecting 55,000 this fall.

We have at UCF, the Florida Space Institute, which has been an institute in our Electrical Engineering Department, and we have just recently elevated that to a university-level institute and working with the board of governors to expand its function to be a statewide institute.

Florida has four of the nation's top ten universities in terms of enrollment here in Florida with a tremendous amount of engineering and science talent, and the objective of this reconstituted Florida Space Institute is to marshal that talent, to take advantage of, and to
contribute to the new directions that NASA has taken, particularly in the development of new technologies, et cetera, and also to help the State of Florida diversify its space-based economy.

The second project I want to mention briefly is a proposal submitted to actually five agencies, but the lead agency is the Department of Energy, and this is for a regional hub for building science, for conservation efforts in our homes and our businesses.

Participating in that effort is the Department of Commerce, and the EDA is a part of that effort, as well as the Department of Labor. It's a consortium of Federal agencies, and we put together a consortium of universities, industry, and government units in our area to establish this hub on Florida Space Coast. And this project, which is a $129-million project, would focus on development of efficiency efforts in our homes and in our businesses, putting to work immediately the most economically distressed part of Florida's economy, that is, to building a trades industry that would make great use of the engineering talent that's out at the Space Coast and throughout the Central Florida area to develop new energy
efficiency measures and to install those in people's homes and businesses to reduce cost of energy.

That proposal has in it an expansion of our incubator network which, as has been mentioned, the EDA has supported. That network has created over 2,500 jobs and produced more than $200 million a year of economic activity for our region.

So, as this workforce is available, there will be lots of bright people -- we heard Lisa talk about it before -- that are anxious to start the business, and we have a nice established track record in infrastructure both at UCF in this incubator network and in Brevard County as well with the Technology Research and Development Authority ready to assist these people, and it wouldn't take that much investment in order for us to help these very innovative people that are interested in starting their own business. And, as you know, the growth of jobs in the U.S. is almost always dominated by small business. So we're ready to participate in that.

The third project I want to mention is a very highly competitive proposal, which we are submitting a concept paper for Monday morning to the Department of
Energy. It's to establish an industry consortium here in Florida that is devoted to the manufacturing of photovoltaics. It's a very ambitious project to get photovoltaics to grid parity within 5 years, and we think that we can do that with the industry consortium that is being put together.

The initial space would be in the Palm Bay facility, which was donated to UCF just this Tuesday. It's a 100,000-square-foot fab facility, semiconductor fab facility. And, in the next 5 years, we will get to this point of grid parity, and, when we get to the point of grid parity, there are going to be literally millions of jobs created across the country and hundreds of thousands of jobs possible in our State.

Now, I know that's a lot of hyperbole, but, when you think about what it would take to convert 10 percent of Florida's use of photovoltaics, that would generate 300,000 jobs in the State of Florida.

So very ambitious project, the concept paper is going in on Monday morning. We ask you to snatch it out of the pile and fund the sucker. We'll do a good job for you, all right?
[Laughter.]

MR. SOILEAU: And, with that, I'll yield the floor.

[Applause.]

MR. DiBELLO: We'll keep some of this open discussion going for a few minutes more.

Dale, did you have a comment that you wanted to make or a question?

MR. KETCHAM: My name is Dale Ketcham. I am Director of Spaceport Research and Technology Institute at Kennedy Space Center, run by University of Central Florida.

And I guess I wanted to speak to the tools that we're hoping to get from the Task Force as part of your plan because a key component -- I've been here my whole life. I learned to walk on Cocoa Beach years before NASA was even created. I've grown up as a KSC person.

I can remember when the original -- the original, I point out, mission control for human space flight was here at Kennedy Space Center before President Johnson rudely took it to Texas, but that's another issue for another day.

[Laughter.]
MR. KETCHAM: As I said, I'm a KSC person, and KSC has always been the agency's operations center. And that's been great. Our workforce, we're immensely proud of them. They poured their heart into it, but that hasn't been all positive for the State of Florida just being operations.

The result of that is we've got a spectacular contractor, NASA workforce, that's going wonderful work, doing innovative resourceful capabilities, meeting the needs, best bang for the buck in the agency. I'll bet you a dollar on that. But the problem is the work as purely operations has been -- it's isolated. The work product doesn't get beyond the fence. There is no cross-pollination of technology.

The workforce is extraordinary. They're in our communities. They're part of our PTOs, our little leagues, our churches, our businesses, our not-for-profits, but there's very little activity between the fence. And what the President has proposed is extremely exciting to me because I've been involved in economic development either at or with KSC for 30 years, and everything we've been pushing for, for a generation, is available in what the
President is proposing because he's trying to take what NASA generates, the magic of NASA in terms of technology development, and allow that to be better integrated into the economic marketplace, so we can be taking these technologies, spinning them off into the small businesses that generate the new product line, employ people who then pay the taxes that allow us to retire the debt that's stifling our ability to explore the heavens.

And we really want to commend -- if you can give us the tools to follow on with what the President has proposed for NASA, then we can take it. There are a lot of skilled people in this room that have been studying this problem because we know this has been coming for 6 years. We can take those tools and turn them into what the taxpayers have a right to expect this $40 million is going to be used for because, as M.J. said, this place is rife with lasers and photonics and the life science, and the medical city that's growing up, if you can look out those windows and see them coming up out of the grown, extraordinary opportunity in this State.

So we look forward to working with you in developing the right tools that this State can use, so the
taxpayers can be happy with their investment of $40 million.

Thank you.

[Applause.]

MR. DiBELLO: Thank you, Dale.

I'm going to reserve the Chairman's right to make a comment because Dale's comments are right on.

Literally, the State of Florida -- and I've been the beneficiary of a very extraordinary legislative session, but Space Florida has been given a significant level of funding for the State to implement a strategy of diversification from its core capabilities in launch and payload processing and the ground support that goes with that to diversify across a number of other segments that include clean energy applications, many of the areas that you've heard referenced today.

With that investment in some of the tools that we hope to attract, we feel very pleased or very confident that we can achieve the kind of goal that we have set for growth of aerospace in the State, and that is to achieve a three-times growth by the year 2020.

Our biggest hurdles are in this short-term
period, while we go through the chasm, to be able to take the very solid workforce that we've got and be able to apply it to many of these new areas and new opportunities.

I wanted to call attention to Senator Thad Altman from the Florida legislature who is not only a member of my board, so I'm compelled to do this --

[Laughter.]

MR. DIBELLO: -- but he is also one of the leaders that worked with President-designate Mike Haridopolos, President of the Senate, and Dean Cannon in the House to really commit the Florida legislature to a sustained multi-year support of the growth of our industry and the power of space to serve as an economic catalyst for many of the other sectors that represent the knowledge-based economy we want.

Senator Altman?

SENATOR ALTMAN: Thank you, Frank and Secretary. Thank you for taking the time to be here and listen, as well as Administrator Bolden.

We are devastated in this region. We're devastated that the Shuttle is going away. We knew eventually that would happen. It can't fly forever. There
were some that were hoping that maybe, hoping against hope, that it might fly a little longer.

And we're devastated about the loss of Constellation, a major public investment, $9 billion, a vision that everyone had grabbed a hold of, and a lot of very smart people and smart scientists had supported that, and we've lost that. So I think we are grappling for tangibles, tangible work product, tangible visions, tangible programs.

That's the way we've grown up here on the Space Coast. I grew up here. I remember watching Alan Shepard's first launch. I remember watching Polaris launches, from Gemini -- Mercury, Gemini, Apollo. And we always had that tangible goal. We had that measurable objective. We had that vision, and that's what we're looking at for our new vision in space. A lot of the criticism, there is exciting components to it, but the tangibles aren't there to give people hope and a goal, and that paradigm has proven to work. It's proven to work in the American space program.

I want to thank Congressman Kosmas for her work with Congressman Posey, who have shown true bipartisanship working together and addressed this crisis that we're
facing.

And, Congressman Grayson, you beautifully communicated the vision and the infrastructure that we have built here. We have built a wonderful infrastructure. We're blessed with the geographic location and some specific things related to Earth physics that makes this the best place to launch in the world, but we've built this huge infrastructure, and if we're going to build on that and we're going to be efficient and competitive globally, we need to continue forward.

As well, Congressman, you mentioned the biggest capital is the human investment that we have made here, and it's not just the human investment that we've made -- and people have dedicated their lives toward the vision of human space flight and that very special place that it has in our destiny -- but also all those young, young Americans that are in high school, college, that have that dream to go to school and study physics and engineering, and they want to be a part of this. And we're sort of sending a bad message. We need to keep that dream alive, so our next generation of rocket scientists can have the goal to go forward and work hard.
So, in this program, our task in taking those dollars, I think it's not just a matter of training workers to be mechanics or air-conditioning maintenance workers or whatever. That's not what we want. We don't want that. You know, we want to be a part of that vision. We want to be a part of human space flight and be a part of our manifest destiny to go into the heavens.

And it's my hope that we can tie that with tangible, tangible work product and vision, so we can move forward, so our young engineers, our young scientists, our young astronauts can keep this dream alive and keep us number one in space.

I want to talk a little bit about what we have done in the Florida legislature because the legislature really did step up to the plate. I represent Kennedy Space Center. Senator Haridopolos represents the Cape Canaveral Air Force Station. We split that very special place, no place on Earth like it, no place in the solar system like it. That's where we go into space.

Under the leadership of President-designate Haridopolos, we came to the table. We've invested now over $32 million in this year's budget, in a budget time, $32
million in infrastructure and supporting Space Florida and developing a mechanism by which we can work with the Federal Government to leverage those dollars and to be competitive and to keep our workforce in place and to keep our human space flight vision intact.

I want to add that that's nothing new. We invested in the new Shuttle landing facility hangar. That's built. It's been used by NASA. $30 million in the Life Sciences Center that we built with State dollars that's there, we hope that one day that will be full of scientists where we're doing life science research for long-term-duration human space flight. And, most recently, the $35 million for the renovation of the O&C Building where the CEV would have, could have, may have, possibly something close to the CEV will be -- there will be capsule built that we hope assembled there, and we're very, very proud and honored of the wonderful partnership that we have with NASA here. And Robert Cabana, who has done a phenomenal job, we're excited to work with. We have a wonderful working relationship.

So the additional $32 million, we want that to leverage and to help you and to work toward making this go
as far as we can, and there is optimism and hope. This
dream that we have is just too powerful to let go away, and
I'm confident we can work together and keep the dream
alive.

[Applause.]

MR. DiBELLO: Thank you, Senator Altman.

I'm going to take one more question or comment
from the audience, then call a 10-minute break, so that
Secretary Locke and Administrator Bolden can take some
opportunity with the press.

Then we will reconvene, if everybody agrees, to
continue some dialogue back and forth with the remaining
panel.

Andrew?

I'm sorry. Andrew, hold one second. Let's take
this one over here. Yes, please. Go ahead.

MR. HURST: My name is Phillip Hurst, and I would
like to introduce a project that I am working on that I
think will -- to Representative Kosmas' reference to using
all the tools and that was echoed by a few other people,
this is an interesting tool that may not have been
considered. But I'm with a group that starts cable
channels, the most well known of which are probably the Golf Channel here in Orlando and SciFi Channel.

Our current project is launching a network dedicated to space and its predecessor, aviation, and we think this is a huge opportunity for everybody here in the room by not only getting out to a vast audience of up to 70 million potential homes, great stories about what is going on in space and aviation, which particularly refers to Central Florida, obviously, but we have the tangible benefit of creating potentially several hundred jobs here in Central Florida. Will they be engineering jobs? Maybe some of them, but they will primarily be production, creative sales marketing, that sort of thing, but, obviously, I think the biggest benefit that we can offer is to provide a platform for what everybody is doing here, the importance of space, and we can really help engage people in that. That's what we do.

We've had a lot of success in our past creations of engaging youth, in getting them involved. We're all about doing that.

So I just want to offer that to everybody. We are actively seeking strategic partnerships, and,
Hopefully, this is something that can benefit everyone here. And that's where we are right now.

Thanks.

MR. DiBELLO: Thank you for your comment.

Andrew, go ahead, and then we'll take our -- and make that a 5-minute break for everyone.

MR. NELSON: Thank you, Frank.

My name is Andrew Nelson. I'm the Chief Operating Officer of XCOR Aerospace. We are one of those small, innovative, manned, suborbital space flight companies that are out there who want to do the future, to be barnstormers of space. We want to push the envelope and create jobs, engineering jobs, good-paying jobs, at places like the Kennedy Space Center Shuttle landing facility.

I'm very pleased to see everyone up here, to see Congressman Kosmas and Congressman Grayson supporting this new vision of the future of the Kennedy Space Center.

What companies like ours need, I think was echoed earlier, is that to have economic backing and to have political backing for small, innovative companies like ours is very important. So, to see some of the funds be put into an experienced institutional investment, a fund of
some form that could be then channeled out to the
innovative companies that need investment capital, I think
would be a very good use of funds.

Companies like ours are wanting to create 50, 100, 200 jobs over the next 2 to 3 years, and it's that
diversification of the job base in the commercial realm
that will then still keep those space jobs active.

And I agree with State Senator Altman, who many, many years ago, I think I held a sign for him when he was County Commissioner Altman when I lived in Brevard County back in 1985, that it is important to keep these space jobs active.

And so that would be my 2 cents is to make sure some of the money goes to some professional investors who could pick the right folks to create jobs locally.

MR. DiBELLO: With that, may I suggest -- and we will take a 10-minute break and then continue, so long as the panel has the endurance to do so.