

**Prepared Remarks for JSC All Hands  
Mike Coats, Director, Johnson Space Center  
October 12, 2010**

Good morning:

I hope everyone had a good holiday weekend. While I hope many of you enjoyed the weather by spending some time in the yard, or BBQ'ing, or just getting some well-deserved rest, we had a very successful weekend with the docking of the new Soyuz TMA-01M space craft.

Soyuz commander Alexander Kaleri, flight engineer Oleg Skripochka and our own Scott Kelly docked with the ISS Zvezda command module on Sunday night. They joined Shannon Walker, Doug Wheelock and Fyodor Yutchikin onboard the ISS.

This was the first automated approach for this new Soyuz spacecraft and again, our successful international partnerships continue to make the hard stuff look easy.

We've had a lot going on in the last few weeks, with three major events that affect us here at the Johnson Space Center.

First and foremost, the President signed the NASA RE-Authorization Act yesterday, and our Texas delegation played a big role in getting this bill through.

We have historically enjoyed strong bipartisan support from virtually our entire Texas Congressional delegation, and it is very much appreciated.

This is important legislation that charts a new course for space exploration, science, technology development and aeronautics. It passed with a unanimous vote in the Senate and well more than the 2/3 vote required in the House of Representatives, and I view it as a tremendous vote of confidence in NASA, and all of you.

The Authorization Bill does several things: extends the ISS operations through at least 2020; fosters commercial space transportation; gives direction to NASA on a heavy lift launch vehicle architecture to take astronauts beyond LEO; and directs NASA to develop a multi-purpose crew vehicle for use with our new space launch systems.

It invests in green aviation and supports Earth science and NASA education programs.

It represents a new path in space, and I look forward to the leadership role the Johnson Space Center can and will play in our future.

While the Authorization bill gives direction for NASA, the next step is the Appropriations process. We don't know when the Appropriations Bill will pass. With elections in November, the next Congress will address the Appropriations process. So until then, what do we do? Well that leads to the second big event, which was the passage of the CR, or continuing resolution.

The purpose of a CR is to avoid a shutdown of the Government due to lack of appropriations. Now this happens almost every year – in fact since 1955, there have only been 3 years when we didn't have a CR. Generally, Congress passes a CR by October 1<sup>st</sup> to fund the government for some number of weeks. In election years, a CR generally funds the government to a date past the election. The CR went into effect last week and carries us through December 3<sup>rd</sup>.

Usually a CR seems transparent to everyone, but the challenge this year is that we have a new direction in the Agency's mission, as we see in the Authorization Bill.

CR's don't just provide funding; they also set the terms and conditions under which that funding will be allocated. The Authorization Bill is operative law for reference during the current CR period. Our CFO, Dot Swanson, is working

closely with HQ and our procurement, legal and program managers to ensure that we continue to manage NASA resources appropriately during the CR time period.

The third significant event for JSC was the impact on our workforce when several companies delivered two-week layoff notices that went into effect on October 1<sup>st</sup>.

Here locally, we've had 1200 people laid off in the last 12 months. 700 of those are related to Shuttle retirement. Approximately 200 are related to Cx. We understand that others are awaiting further guidance from NASA.

In addition to the planned layoffs from Shuttle retirement, layoffs also emerged as a result of potential termination liability for the Constellation Program, which requires some contracts to set aside money to cover contract close-out costs in the event contracts are terminated prior to completion of the original agreed-upon scope of work.

The Constellation Program also had to make additional reductions in their monthly burn rate to meet the projected FY 11 budget levels. This had a major impact on our Contractor community, and they had to implement the hard choices which led to additional lay-offs.

So three big events: the passing of NASA's Authorization Bill, the passing of the Continuing Resolution, and the impacts on our workforce. So where do we go from here, what does this mean to YOU as a JSC team-member?

One of my favorite quotes is from Abraham Lincoln. He said "the best way to predict your future is to create it". It's not easy for our JSC folks to sit back and wait for direction—you wouldn't be working here if you weren't self motivated to go out and make things happen.

While we won't be doing quite what we have been doing, there is opportunity in the Authorization Bill, signed yesterday by the President, to do some really exciting things, so we intend to do everything we can to drive our own future.

The 'core' of who we are and what we do will not change, and we remain pre-eminent in the world at what we do. Some realities shape our future, such as contracting budgets and modified scope... but our core competency here at JSC is human space flight. The nation expects us to maintain that core competency, and we will.

We are being proactive, and we are fully engaged with the rest of the HSF leadership. Here are some of the things we are doing; with much more to come...I'd like to update you on some of the activities going on around the Center.

My Senior Staff leadership team met for 2 days last month to discuss our go-forward plan for the Center. I have chartered several action teams to work the details of the strategies we discussed at the retreat.

- The first is an Affordability and Innovation Team, headed by Steve Altemus, our Director of Engineering, to look at ways to engage and use our highly-skilled workforce in meaningful ways to implement the direction given us by the Authorization Bill.
- The second is a team headed by Jeff Hanley to review our senior Leadership team's roles and responsibilities; they have already proposed several options for reorganizing JSC to focus our expertise and experience on new business opportunities.
- I have also formed an Executive Council to look at core competencies at the Center and strategies to position ourselves for the future. At the retreat we agreed that a smaller subset of the Senior Staff could be more efficient and effective in developing strategic options for JSC. So the Directors of

Engineering, Flight Crew Operations, and Mission Operations are working with my 9<sup>th</sup> floor office as members of the Executive Council.

Recommendations and options will be presented to the whole Senior Staff for review and comments.

—You'll recall that I created the Tiger Team back in February to help negotiate the upcoming budget and content within the various proposed bills. This team did a fine job navigating us through the last 8 months, and now that the Authorization Bill is signed and appropriations bill will follow, the Tiger Team has disbanded. I want to thank those who participated – many of which now continue to serve on the Executive Council I just mentioned.

You may have heard about the HEFT Team, or Human Exploration Framework Team. This team was chartered by the NASA Administrator to provide credible and transparent analysis of human spaceflight to help inform decisions made by the NASA leadership. HEFT began in April 2010, chaired by Steve Altemus, and is proceeding in phases; the second phase is underway now, led by John Olson at HQ. The near-term objective is to provide "decision packages" to NASA leadership for consideration, that integrate the options, decision priorities, and architecture implications of potential decisions.

I want to thank Steve Altemus for his efforts in the first phase of HEFT.

Steve and his team did a remarkable job, and the groundwork they laid will help the next phase of HEFT work to tighten up the architecture, look at the design reference missions, and dig deeper to create level 0 and level 1 details. There is also a separate team looking at issues such as acquisition strategy and management approaches. (Mark Geyer and Dale Thomas are members of HEFT phase 2).

At JSC, we have some events scheduled that I would like you all to be aware of and make sure your teams are also aware:

Tomorrow and Thursday, October 13-14, we are working with AIAA to host a Commercial Human Spaceflight Symposium at Gilruth; this is another example of opening new avenues for collaboration.

Yolanda Marshall is leading our effort to build non-traditional partnerships. We participated in a summit with the Greater Houston Partnership a few weeks ago that initiated a whole calendar of activities, including hosting key industry leaders at the Johnson Space Center, to introduce them to our core capabilities and begin discussions for future collaboration.

I'm leaving today for a two day NASA Senior management retreat in Langley Va. Charlie Bolden will have a televised address Thursday afternoon to discuss the results of our discussions.

Now, all of us in this space business are realists, and I'm not going to sugar coat it: we will have more layoffs as the Shuttle program winds down and we fly the last mission, whether that is February or June of next year. We'll have to wait until Congress and the President give us our final appropriations budget before we know if additional changes are necessary.

Our shuttle transition team and HR team continue to work with the community leaders and with the Texas Workforce Commission to support our workforce during this time of change. We have two upcoming events:

- October 15<sup>th</sup>—Space Economy Houston Career Fair from 9 a.m. until noon at the Hilton.
- October 22<sup>nd</sup>— Houston Hiring Conference at the Embassy Suites off the Katy Freeway.

All of these are posted on our Workforce Transition website.

I know that change is hard. The shuttle has been the cornerstone of HSF for almost 40 years. I was here three years before the Columbia first flew, and had the honor of serving as Astronaut family escort for John Young and Bob Crippen during that

first shuttle mission almost 30 years ago. We applaud the amazing success of the shuttle program, and thank everyone who has participated in this national legacy. But it's important to remember that the end of the shuttle is not the end of human space flight.

We have three more launches ahead of us – with STS-134 in just a few weeks. This is an exciting mission, not only for the delivery of the PMM on station but also our newest astronaut – Robonaut 2, who will be joining the crew. R-2 was designed and created at JSC by our engineering robotics team, who partnered with General Motors – see – we're already doing successful non-traditional partnering!

The Authorization bill provides for many new opportunities for NASA as a whole – the new path in technology development, robotics and science programs as well as the continued development of a human spacecraft – and I know that our Orion team will continue in their goal to see a successful flight test in 2013 – which will give JSC new opportunities as well.

Our amazing International Space Station will soon celebrate its 10<sup>th</sup> anniversary of human habitation in space. With the new Authorization we look forward to it extending to at least 2020. This is an opportunity for science and education to

fully utilize our national and international laboratory and the new knowledge that will develop will add to the significant impact of our space economy for our nation and the world.

As we look to the future, we know that the restructuring of the Constellation program has significant impact on JSC. But it should be noted that the knowledge we have gained from Constellation is vast. The success of the Ares 1X, the Pad Abort test, the PDR, the recent motor firing test and the many lessons learned will benefit future programs and continue to help develop human space flight. I couldn't be prouder of the work of Constellation program, the Cx leadership and the civil servant and contractor workforce at JSC and other centers who, through their dedication, have successfully delivered all that was asked of them.

We have challenges, and we are facing change. But such challenges are what JSC has been all about. With everyone's help, we will not just adapt, but we will lead, as we always have. Lead by our resolve, our example, and our vision of what's possible. We honor our heritage, while we create our future.

I want to express my appreciation for your continued commitment to our Space Program. I appreciate the way we operate at JSC with an open-door and open-mind. I value your input and ideas and want to encourage open dialogue.

- At this time, I'd like to open the floor up for questions.