

National Small Business Procurement Opportunities Training Conf.
July 20, 2011
Talking Points for Vicki Cox

- NextGen remains a top Priority
 - NextGen continues to be a top priority for the FAA, DOT and the Administration
 - The aviation industry is critical to the overall health of our economy
- Changes in the FAA organizational structure are aimed at better positioning NextGen for success
 - The reorganization further emphasizes the FAA's focus on NextGen by placing NextGen directly under Deputy Administrator Huerta
 - It also recognizes that NextGen has matured to the point that close collaboration with many FAA lines of business is essential
 - The move elevates NextGen one level within the FAA organizational structure and will better facilitate NextGen-related collaboration across all lines of business
 - The responsibilities of the NextGen Office have been expanded and lines of authority clarified
 - Part of the recommendation that resulted in the new NextGen organization was that the ATO stand up a Program Management Office reporting directly to the Chief Operating Officer.
 - This office will offer centralized management oversight to the many diverse programs that are part of NextGen.
 - This will ensure that the programs remain close to the operations they're intended to support and will add to efficiency and streamlining within the Agency
- Near and Mid-term Budget Reality
 - In light of the government-wide discussions on deficit reduction, the FAA is anticipating its share of budget reductions despite NextGen being a priority for the administration,

- Real funding constraints for FY 2011, as well as the future funding outlook, could have a very real impact on NextGen implementation
- In addition, operating all year on a continuing resolution has made it difficult to award as much funding to contractors as planned
- It has certainly impacted the pace at which we award funding
- However, we do have plans in place including Project Level Agreements (PLAs) in the works for FY 2011.
- We continue to assess the impact future budget reductions will have on NextGen

- SE2020 Status and Expectations
 - SE2020 *expectations* may have been set unreasonably high with the \$7B ceiling announcement.
 - \$7B was a ceiling set to accommodate growth in the outyears and eliminate the potential need to raise the ceiling in the final year/s of the contract
 - SE2020, was not intended to result in \$700M in awards per year over the life of the contract
 - However – over the past year since the SE2020 awards, we have awarded 106 Task Orders and put \$342M on contract - \$88M or 26% on SIR 1.
 - That's > 1000 contractors with 100 more resumes in process and >3X more Task Orders and > 4X more revenue awarded annually relative to other large support contracts at FAA.
 - The SE2020 contract met the Agency-wide small business goals for both FY10 and FY11.

- Access to Talent Pool
 - Regardless of the budget, there is a key role for contractors in the successful implementation of NextGen, and in particular small business
 - Implementing NextGen requires highly skilled and specialized personnel

- SE2020 was designed in large part to satisfy the FAA's need for flexibility and to provide access to a broad base of talent
 - It is also important to the FAA to avoid any Organizational Conflict of Interest issues
 - As you will hear in a following panel, SE2020 is succeeding in providing the flexibility we are seeking and is stimulating opportunities for small business participation
 - In addition, there are other small business contracts at headquarters and the Tech Center that are focused on NextGen work
 - NextGen cannot be a success without all of you. We rely on industry, and small businesses specifically, to provide innovative solutions to the challenges we face
 - Priorities may change based on external factors (such as the budget), but the focus and our need for support remains unchanged
- Focus for FY 2012 and Beyond
 - The budget outlook moving forward may not be as healthy as expected
 - However, that does not mean we don't have plenty of opportunities, it just means the FAA must prioritize what is most important in the near and mid-term
 - We expect to make more use of SE2020 in the future as we solidify the new NextGen organization as well as the PMO
 - We will continue to look for capabilities and talent in areas such as system engineering, NAS architecture, software engineering, information technology, program management, financial management, human factors and research
 - In a constrained budget environment, we have established criteria to define NextGen priorities - should the need arise. These include maintaining FAA commitments resulting from the RTCA Implementation Task Force recommendations, continuing support for FAA mission areas such as Safety and Environment, and delivering near-term benefits.

- I want to thank you all for your contributions to NextGen and we look forward to continuing to partner with small businesses as we make a NextGen a reality