



PACA Pulse

WINTER 2013

PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION OF NEW MEXICO

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PACA Makes a Big Difference for Engineering Students

By Carol Yarnall, Education Committee Chair

During the 2012-13 school year, PACA-endowed scholarships allowed the three major New Mexico universities to award a total of \$3500 in engineering scholarships to five students. PACA members should be proud of the positive impact their organization has had on the lives of these young soon-to-be engineers. We will invite the winners, profiled below, to our monthly luncheon meetings this year so they can network with working engineers as well as provide PACA members with the opportunity to meet the next engineering generation.



Taylor Harris, New Mexico State University, Richard W. Davis Endowed Scholarship

Taylor, a 2008 graduate of Goddard High School, will graduate from NMSU in May with a degree in aerospace engineering. He has always wanted to work for NASA and will pursue this goal following graduation. Taylor also has an interest in using his education to work overseas by serving those who are less fortunate. This is the second PACA scholarship Taylor has received. "PACA's generosity is one reason I will be able to graduate completely debt free; thank you! My biggest passion is my involvement with my campus ministry as I greatly enjoy growing in my love for God and seeing my friends do the same," he stated.



Christopher Dang, New Mexico Tech, Bobby Haddock Memorial Endowment Scholarship

Christopher is a sophomore majoring in electrical engineering and plans on continuing his education into graduate school. "I plan to use my knowledge and skills however I can to hopefully realize progress in the world. I was originally planning on working on greener, sustainable energy systems, but after studying electrical engineering, I've learned there is much more to electrical engineering than I first realized." He is currently involved in the NMTSAT project which is New Mexico Tech's first satellite undertaking.

The following three students all received the *University of New Mexico General Samuel C. Phillips Endowed Scholarship*



Christina Brown

Christina, Valedictorian of the Creative Educational Preparatory Institute Class of 2008, will complete a B.S. in mechanical engineering in May. "This past summer I was under the weight of several unexpected financial burdens which put stress on my academic and professional life. Receiving this scholarship has relieved me of some of that stress

continued on following page

PACA Engineering Scholarships *continued*

and I am now more able to focus on my studies and prepare for graduation. For this I cannot thank PACA enough," she stated. As Christina's interests vary widely at this point, she plans to enter the work force for a year before attending graduate school. "It is my hope that real world experience will aid in narrowing my concentration to make the most of graduate school," she said. Christina served as a freelance photographer for UNM's newspaper, The Daily Lobo.



Steven Gomez

PACA's scholarship helped Steven complete his final semester as an undergraduate. He received a B.S. in civil engineering this past December, graduating *summa cum laude*. His goal is to obtain a Masters in civil engineering and a Professional Engineering license and he is well on his way. He is a

teaching assistant to the Head of the Department of Civil Engineering in the Geotechnical Engineering lab this semester and will continue his research in the following semesters. "This seemed like an excellent opportunity to fund my Masters," he stated. Steven grew up in Carlsbad and has been heavily involved in extra-curricular activities. He held the Presidency of UNM's American Society of Civil Engineers and served as a resident advisor. "PACA's assistance truly drives my ability to excel beyond the college textbook, out across the U.S.," he said. Steven hopes to join the Peace Corps in serving a third world country.



Christopher Sharp

PACA's scholarship also helped Christopher complete his final semester. He received his degree in mechanical engineering and applied mathematics in December 2012. His goal is to obtain a Masters in mechanical engineering and he will probably continue on for a Doctorate. He would like to teach either

math or science at the college level or work with biofuels and alternative energy, more specifically, wave energy. "Many people seem to have a fear of math and science. I would like to work as a teacher to instill a love and appreciation for these subjects. I have had several teachers who, because of their passion for the subject and their love for teaching, have impacted my life and that of my classmates. I want an opportunity to pass this passion on to others," Christopher said. He has worked as a math and physics tutor and was an active volunteer with the Christian High School Leadership Camp.

Congratulations to the scholarship recipients! •

Upcoming Luncheon Speakers

■ **March 19 - Col. William T. Cooley, AFRL/RV and Lt. Mike Nayak, Space Development & Test Directorate), KAFB**



Col. William T. "Bill" Cooley is the Director of the Air Force Research Laboratory Space Vehicles Directorate and Commander at the Phillips Research Site on Kirtland AFB. He leads a team of 914 military, civilian, and on-site contractors who comprise the nation's center of excellence for military space science and

technology, research and development, as well as advanced technologies integration and demonstration. His organization manages an annual budget of \$378 million focused on enduring Air Force space missions: communications, position navigation and timing, missile warning, space situational awareness, and defensive counter space.

Col. Cooley, an Albuquerque native, was commissioned in 1988 through Air Force Reserve Officer Training Corps and graduated from Rensselaer Polytechnic Institute, Troy, N.Y., with a degree in mechanical engineering. In addition to his continued technical education, which culminated in a doctorate of philosophy in engineering physics, Col. Cooley's professional military education includes Squadron Officer School, Air Command and Staff College, and National War College.

Lt. Mike Nayak is as a satellite flight test engineer with the Space Development & Test Directorate at Kirtland AFB and a graduate of Embry-Riddle Aeronautical University, the world's largest, fully accredited university specializing in aviation and aerospace. In partnership with Embry-Riddle and its students, Lt. Nayak is involved in designing and building a satellite for the purpose of detecting satellite and rocket debris littering space.

Embry-Riddle was awarded an \$110,000 grant for use over the next two years from the Air Force's University Nanosat Program for the design phase of a higher education teaching competition program. Started in 1999, the University Nanosat Program has involved dozens of academic institutions and more than 5,000 students. According to the Air Force, the objective of the program is to train tomorrow's space professionals by providing a rigorous, two year, concept-to-flight-ready spacecraft competition and to enable small satellite research and development, integration and flight testing.

Nine other universities, including New Mexico State University, were selected for the competition. The winner (to be announced in January 2015) will receive the additional funds needed to actually construct a low-cost satellite and

Upcoming Speakers continued on following page

Upcoming Speakers *continued*

launch it into space to gather data regarding the direction and speed that the debris is traveling. Embry-Riddle's satellite, named Arapaima, would send the collected data, along with photos, back to a ground station. Scrap satellites orbiting the earth threaten collision with functioning satellites impeding their purpose all the while creating yet more space junk and jeopardizing future space missions. An eventual future project would result in a satellite that could affix itself to nonfunctioning objects and destroy them.

■ April 16 – Major General Scott D. West, Air Force Operational Test & Evaluation Center, KAFB



General West reports directly to the Air Force Chief of Staff regarding the test and evaluation of more than 76 major programs valued at more than \$650 billion being assessed at 12 different locations. He directs the activities of more than 750 military, civilian, and contractor personnel. As a member of the test and evaluation community,

General West coordinates directly with the offices of the Secretary of Defense and Headquarters U.S. Air Force while executing realistic, objective, and impartial operational testing and evaluation of Air Force, coalition, and joint warfighting capabilities.

General West entered the Air Force in 1982 and has held a variety of positions in operations, staff and support duties including command experience at the squadron, group, wing and numbered air force levels. Early assignments included duty as a USAF Weapons School instructor pilot and USAF School of Advanced Airpower Studies student. General West has served on the Joint Staff and Air Force Secretariat, and commanded an air and space operations center.

As Chief of Staff of NATO's Joint Warfare Centre, his key responsibilities included battlestaff training for ISAF and ISAF Joint Command staffs, NATO Response Forces and senior representatives of the Iraqi Ministry of Defense, Ministry of Interior and Prime Minister's Office. As Vice Commander of 13th Air Force, General West supported the Commander in his responsibilities for the command, control, and execution of air, space and information operations across the full range of military operations in the U.S. Pacific Command area of responsibility, and led Pacific Air Forces' Air Component Coordination Element in Operation Tomodachi in Japan. General West is a command pilot with more than 2,500 flying hours, including combat in Operation Southern Watch.

He holds a Bachelor of Science degree in civil engineering from The Citadel, Charleston, S.C. and a 1985 Master of Business Administration degree from Barry University,

■ May 21 – Dr. David A. Hardy, Director, Directed Energy Directorate, Air Force Research Laboratory, KAFB



Dr. David Hardy leads the Air Force's center of expertise for directed energy technology, developing and transitioning research technologies into military systems. The directorate provides pervasive, world-class directed energy and imaging research technologies for users across the Air Force and the Department of Defense. He is responsible for

more than 800 military and civilian scientists, engineers, contractors, and support people and an annual budget exceeding \$300 million. He manages numerous state-of-the-art research laboratories and testing structures at Kirtland AFB, and several unique facilities which include the Starfire Optical Range at Kirtland AFB; a testing site at the U.S. Army's White Sands Missile Range and the Air Force Maui Optical and Supercomputing Site in Hawaii.

Dr. Hardy, a member of the Senior Executive Service, was previously Associate Director for Space Technology, Space Vehicles Directorate, responsible to the AFRL Commander for the oversight of all the organization's space science and technology investments, as well as for the senior civilian management of the Space Vehicles Directorate's science and technology portfolio.

Dr. Hardy also worked as the AFRL's Senior Space Experimentalist responsible for the advancement of all major space flight experiments, and served as Chief, Battlespace Environment Division, within the Space Vehicles Directorate. In addition, Dr. Hardy has acted as the Chief Technical Adviser, Requirements Directorate at Headquarters Air Force Space Command.

He holds a B.S. degree in physics, magna cum laude with honors from Duke University; both a M.S. and Ph.D. degrees in space physics and astronomy from Rice University; and a M.S. in strategic studies from the Air War College at Maxwell AFB. Dr. Hardy has published more than 125 papers in national and international journals and has been directly responsible for the development and flight of more than 35 scientific and operational space flight systems. •

We meet the 3rd Tuesday of each month at **Tanoan Country Club** (Rolling Hills entrance east of Eubank off Academy). Registration begins at 11:30 a.m. followed by lunch at noon. Members are admitted free and the guest fee is \$15.

To RSVP, register online at www.pacanm.org. Include your name, guest's name, and menu selection. Please RSVP by noon on the Friday before the week of the meeting. •

Legal Insights: Establishing Contractor Compliance Programs, Part I

By Ross Crown

This three part article examines the establishing of contractor compliance programs. The current requirements for compliance programs were established effective December 12, 2008 when the Civilian Agency Acquisition Council and Defense Acquisition Regulations Council jointly issued a final ruling amending the FAR entitled "Contractor Business Ethics Compliance Program and Disclosure Requirements." Given the major changes brought on by the new ruling, confusion reigned in the contractor community as to how compliance programs should be implemented. In the four years since the final ruling was issued, these compliance requirements have become better understood.

Although in many instances, a compliance program is mandatory, even where it is voluntary under certain contracts or for certain contractors, a compliance program is a good idea. Not only can a compliance program prevent or minimize the consequences of wrongful conduct, the existence of a compliance program is likely to be deemed by both the government and the courts as a mitigating factor in assessing a contractor's exposure to criminal, civil, or administrative sanctions. In *U.S. ex rel. Hefner v. Hackensack University Medical Center*, 495 F.3d 103 (3rd Cir. 2007), for example, the federal court of appeals addressed a False Claims Act (FCA) action against a university medical center. The relator alleged the medical center was reckless because it did not have a compliance system in place. After reviewing the record, the court concluded that the medical center did have compliance procedures and that the mere failure of a system designed to catch errors does not establish recklessness. Moreover, the court found that lack of recklessness was also demonstrated, at least indirectly, by the medical center hiring an outside consultant to help improve its compliance practices.

While compliance programs are an important shield when facing government investigations or an FCA complaint, contractors adopting a compliance program do need to ensure they actually comply with their own program. A contractor who ignores its compliance program is probably in a worse position than a contractor who has no compliance program at all.

The government also encourages the development and maintenance of compliance programs by considering them to be a cost of doing business. Thus, these expenses are generally allocable and allowable as indirect contract costs.

A contractor compliance program consists of three basic elements: (1) a code of business ethics and conduct, (2) internal controls, and (3) mandatory disclosure requirements. The first element, a code of business ethics and conduct, is the subject of Part I of this article. The other two elements are addressed in Parts II and III, respectively. These components should be assembled together in a contractor compliance manual that is accessible to and used by company management.

Code of Business Ethics and Conduct

Contractor codes of business ethics and conduct are addressed in FAR 3.004(a). This provision requires that the clause at FAR 52.203-13 entitled "Contractor Code of Business Ethics and Conduct," be inserted in solicitations and contracts if the value of the contract is expected to exceed \$5 million and the performance period is 120 days or more. The clause recites that within 30 days after contract award, unless the contracting officer establishes a longer time period, the contractor is to have a written code of business ethics and conduct in place. This code is to be made available to each employee engaged in performance of the contract. In addition, the contractor is to exercise due diligence to prevent and detect criminal conduct and otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law. FAR 52.203-13(b) (1) & (2). Contractors are also to include the

substance of this clause in subcontracts that have a value in excess of \$5 million and a performance period of more than 120 days. FAR 52.203-13(d).

The FAR does not say exactly what must be included in a code of business ethics and conduct. Indeed, the FAR Councils have noted that the specific issues that should be addressed in such a code may vary depending on the type of business. Generally speaking, a code of business ethics and conduct should address operational matters such as —

- Product quality and safety
- Fair competition practices
- Accurate recordkeeping
- Equal opportunity and proper hiring practices
- Appropriate relations with customers and suppliers
- Dealings with foreign officials
- Political activities
- Conflicts of interest
- Handling of classified, proprietary and other confidential information
- Reporting violations of law

The code should also include a point of contact for questions.

Each contractor will, however, need to design a customized code reflecting its particular organization and the nature of its contracting activities. Contractors may find it advisable to retain legal counsel or another type of independent consultant to assist in crafting the code. Not only would this allow for an objective perspective on the contractor's practices, engaging an outside expert will help demonstrate to the government and the courts the contractor's commitment to compliance. •

Ross is a partner in the Albuquerque office of Lewis and Roca LLP. This article is intended for general information only and should not be construed as legal advice or opinion. Any questions concerning your legal rights or obligations in any particular circumstance should be directed to your lawyer.



President's Corner *By Patricia Knighten*

As I write my final President's Corner, I look back on the many activities of the past year while I also look ahead to the list of things I intend to complete by the end my term as President.

Of major significance this year is our very intentional success in being a visible, present voice for our industry at the Roundhouse in Santa Fe and in the Aerospace community in New Mexico. Shortly after this newsletter is published, I hope we are looking at two major successes in the New Mexico legislature which are meaningful to our members concerning a Spaceport informed consent law and directed energy gross receipts tax. Space Flight Informed Consent bills SB 240 and HB 308, have each passed its own house. The Governor's Office officially confirmed that she will sign the informed consent bill once it reaches her desk. Meanwhile, the US Department of Defense Energy Gross Receipts HB 223 and SB 354 are moving through their respective houses with unanimous DO PASS recommendations. PACA will continue its support to see these bills enacted into law.

We are on the verge of launching a new PACA website. As the transactional elements are being built, I envision—besides a current and fresh look and feel—an enhanced website that will provide improved functionality in facilitating registrations as well as deliver event announcements and general information in such a manner as to induce enthusiasm and interest.

We are finalizing the Standing Rules and Bylaw revisions that are part of our operational succession assurance. We plan to finalize the changes before the next PACA Board of Directors election. Part and parcel to Standing Rule and Bylaw updating, is the assembling of a slate of nominees for PACA officers. The seven voting BOD members, which are also Officers of the BOD, are: President, Immediate Past President, Vice President, Programs, Small Business, Secretary, and

Treasurer. The only BOD positions that are pre-determined at each election are the President and Past President, as both positions are continuance of role commitments in the year prior, and the Treasurer is a two-year term.

There are a number of PACA committee chairs and committee members. Those positions and participation opportunity can occur at any time. I invite all PACA members to get involved and participate on committees, for it is very important to have new people becoming familiar with our operations. Standing committee chairs are Briefing for Industry, Legislative Liaison, Spaceport Liaison, AFRL Liaison, Membership, Sponsorship, and Webmaster. Committee members participate in BOD meetings for discussions, contribution of ideas, and committee activity status reports.

Finally, as I write this, we are subject to federal sequestration. Discussions abound as to the impact of that on our industry, both our customers and employers, as well as each of us as individuals. Whether it is sequestration or budget cuts, we know that federal and defense contracting is experiencing a financial strain, of which we do not know the duration and outcome. For our members, and many businesses in this heavy federally funded state, it may be important or necessary to diversify and look to alternative business opportunities. To that end, we have provided a diverse slate of speakers this year to help our members gain information about the initiatives within New Mexico universities, manufacturing, and the commercial industry via the Association of Commerce and Industry, and even a special event with the Canadian Trade Consulate Aerospace Division. I hope these topics have been valuable to our members and I would certainly appreciate your feedback and ideas for topics or activities that we have not even considered.

It has been my pleasure serving you as President, and I look forward to continuing to build the business associations and friendships for which PACA has always been known. •



Patricia Knighten

Spaceport America Extends a 'Thanks' to PACA

By Bill Dettmer

The New Mexico House of Representatives and Senate unanimously passed identical bills (HB 0308 and SB 0240) to amend the Spaceport Informed Consent law. The Senate took its vote on January 30 and the House on February 7. The most important provision is to extend protection to "manufacturers or suppliers of components, services or vehicles" whose products are used by vehicle operators to conduct human spaceflight. Sunset of the law also has been extended to July 1, 2021. The amended law will apply only to participants in spaceflights who have been informed of the inherent risks and signed an acknowledgment. Only a minor technicality remains to complete legislative action. Legislative

procedure requires that either body must formally pass the other body's bill before it goes to the Governor for signature. This final action on many bills is deferred until near the end of the session. The Governor has stated that she will sign the bill when it reaches her desk.

The Spaceport wishes to thank all PACA members who supported the bill, and most importantly those of you who contacted your legislators. Your efforts helped them understand the importance of this common sense measure

in ensuring that New Mexico claims its rightful place on the leading edge of commercial space development.

For more information, visit www.spaceportamerica.com. •



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Welcome NEW MEMBERS



Shawn Dickman
Dickman Technology Consultants

Michael Lawson
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PACA Membership Renewal is Due

PACA annual dues of \$150* are due now. The fiscal year runs from April 1, 2013 to March 31, 2014. You should have received a "dues due" e-mail reminder from PACA Treasurer John Kiegel. Mid-year applications will be pro-rated. You may pay your dues and apply on-line at www.pacanm.org.

For more information, contact Membership Chair **Judy Ruiz** at 254-4329 / vp_mktgpr@kirklandcu.org.

* Dues are subject to change.

PACA Annual Sponsorship Opportunities

Support to the organization in the form of sponsorships helps make PACA a success as well as fund higher education scholarships. Each year, when PACA has available revenue, the association presents cash donations to various universities for scholarship funds to be used by students majoring in engineering or scientific disciplines. So sponsorships of PACA not only provide a means of advertising your company to the right audience, they enable our state's universities to educate the next generation of valued engineers and scientists.

Please contact Dar Johnson if you have questions about sponsorships at 505-400-1639 or d_r_johnson@comcast.net.

PACA Sponsorship levels and benefits:

DIAMOND \$7,500

- Sponsor level (Diamond) recognition on PACA website.
- Corporate logo on PACA signage at luncheons and events.
- Three registrations for the PACA annual Briefing for Industry.
- Recognition included in the quarterly newsletter, PACA Pulse.
- Advance electronic list of BFI attendees.
- Special reserved seating at BFI.
- Addition of company literature or giveaways to BFI Goody Bag.
- *One time each year:* Space for a tabletop display at this luncheon and the opportunity for a five minute corporate overview presentation. The table will be either in the lobby or in the banquet room, depending on the size of the room.

GOLD \$5,000

- Sponsor level (Gold) recognition on PACA website.
- Corporate logo on PACA signage at luncheons and events.
- Two registrations for the PACA annual Briefing for Industry.
- Recognition included in the quarterly newsletter, PACA Pulse.
- Advance electronic list of conference attendees for the BFI.
- Addition of company literature or giveaways to BFI Goody Bag.
- *One time each year:* Space for a tabletop display at this luncheon and the opportunity for a 5 minute corporate overview presentation; the table will be either in the lobby or in the banquet room, depending upon the size of the room.

SILVER \$3,000

- Sponsor level (Silver) recognition on PACA website.
- Corporate logo on PACA signage at luncheons and events.
- Recognition included in the quarterly newsletter, PACA Pulse.
- One registration for the PACA annual Briefing for Industry.
- Special reserved seating at BFI.
- Advance electronic list of BFI attendees.
- Addition of company literature or giveaways to BFI Goody Bag.
- *One time each year:* Space for a tabletop display at this luncheon and the opportunity for a 5 minute corporate overview presentation; the table will be either in the lobby or banquet room.

SMALL BUSINESS SPONSORSHIP \$400: Quarterly Luncheon (One sponsor per quarter for January, April, July, and October meetings and one for the December holiday party).

- Company logo on the PACA website.
- Two guests for the sponsored lunch.
- Corporate logo displayed on the signage for the sponsored luncheon.
- You will be introduced as the luncheon sponsor and be allowed to present a 5 minute overview of your company. Corporate brochures/tri-folds may be placed on the luncheon tables. A luncheon sponsor will not be able to sponsor another luncheon for twelve months.