



Official Minutes
ALASKA AEROSPACE CORPORATION
Board of Directors Meeting
May 12, 2016 - Anchorage, Alaska

1. Call to Order

Chairman Dr. Robert McCoy called the meeting of the Board of Directors of the Alaska Aerospace Corporation (AAC) to order at the AAC Corporate Office in Anchorage, Alaska on May 12, 2016 at 9:00 a.m.

2. Roll Call

Roll call was taken and a quorum established.

The following Board members were present:

Dr. Robert McCoy; Chair, University of Alaska Fairbanks Geophysical Institute

Dr. James Johnsen, President, University of Alaska Statewide System

Lindsay Knight; Owner, Kodiak Athletic Club

Bruce Abel; CEO, Don Abel Building Supply

Robert Doehl; Deputy Commissioner - DMVA

Via Telephone:

Dr. Ronald M. Sega; Director, Systems Engineering at CSU

Drue Pearce, Vice Chair; Senior Policy Advisor, Crowell & Moring

Representative Louise Stutes (Alaska State Legislature), Non-Voting

Also present were Craig E. Campbell, President and CEO; Mark Greby, Sr. Vice President and COO; Matt Steele, Vice President, Business Development ; Judith Godin, Finance Division Lead; John W. Cramer, Finance and Administration; Barry King, Director Range Operations (telephone); Barbara Bruggenkamp, Administrative Manager; Tom Klinkner & Leila Kimbrell, Legal Counsel, Birch Horton Bittner & Cherot. Attending from the public was Russell Sell, PRL Logistics.

3. Approval of the Agenda

McCOY asked for a motion to approve the agenda, Knight motioned, Abel seconded, hearing no objections the agenda was approved with unanimous consent.

4. Approval of the Minutes

McCOY asked for additions or corrections to the minutes of the February 11, 2015 Board Meeting. Hearing none he called for a motion to approve, Knight motioned, seconded by Doehl - minutes were approved.

5. Old Business

a. None

6. New Business

CAMPBELL introduced Russell Sell from PRL Logistics, noting it is a positive step to have an individual from the public at our meeting. Sell said they provide logistic capabilities, moving parts and materials with a global reach and they are interested in the next generation of Alaska Aerospace Corporation and how they might fit into our future plans.

a. Executive Session Legal Review

CAMPBELL noted the memo from our legal counsel regarding Executive Session. Klinkner reiterated compliance with Statues regarding Open Session content. The past practice has been to cited the statue, instead of that we need a more specific description. The format of the motion to go into Executive Session will list the topics to be discussed. A script will be prepared for the Chair and the person making the motion to follow to convene into Executive Session, making it clear the board understands why it is going into Executive Session. Klinkner created the wording to read with the topics identified in the motion and will do this for each meeting.

PEARCE joined the meeting at that time.

7. President and Chief Executive Officer Report

a. MDA PSCA Site Visit, 16-22 February 2016 Project Update

Missile Defense Agency staff has conducted a number of site visits to Kodiak. In February, Admiral Syring toured PSCA then returned to Huntsville to meet with Alaskas' congressional delegation. They recently announced they would award an "Indefinite Delivery/ Indefinite Quantity" sole source contract to AAC for the Ballistic Missile Defense Systems (BMDS) program. The contract is five years extendable for one year. Campbell is proud of the staff, especially the PSCA team; they hosted several visitors and demonstrated what we can do for their program. MDA announced they are coming back to Alaska and we will be moving quickly. They plan to get started this summer.

MCCOY said congratulations. Campbell noted it has helped in the dynamics of our company, last year we were going through the privatization study and the proof is in having something. Campbell has sent letters to the congressional delegation thanking them for their hard work. Senator Sullivan intends to visit Kodiak, he is on the Senate Armed Services committee and sees a vision for PSCA long term.

b. AFSPC/CC PSCA Site Visit, 25 April 2016

In October, Dr. Sega and Campbell met with General John Hyten, Commander of the Air Force Space Command. General Hyten has been trying to change Air Force Space to utilize more commercial and small vehicles. We wanted to show him we have commercial and small, and it fits what he is attempting to accomplish. He came to Alaska and spent two hours with staff video conferencing with Kodiak from our office. When it comes to the Air Force, we are at a turning point. With the type of rockets and satellites they are pushing, we have General Hyten's focus, and coupled with the meeting I briefed with General Greaves we have an opportunity to capture Air Force business. We will be reengaging with Albuquerque and Colorado Springs to confirm as they develop the programs we are included.

CAMPBELL believes there is interest, noting we have had both General Greaves and General Hyten visit here. Campbell and Steele are traveling to Los Angeles and meeting with Space Missile Center staff. It is the most positive sign we have had in my tenure here with the Air Force wanting to talk to us about how we could be part of the program.

McCOY commented that General Hyten is the first four-star general in a while that "thinks small" and he has for some time. He will be a good friend and strong advocate.

c. Alaska 29th Legislature Second Session Review

Last year the Governor took us out of the budget. It is zero this year, and we have concurred with that direction. We were asked to testify before the Senate Finance Committee. I gave a prepared statement, I wanted to tell a complete story so I started out with who we are and then took on our critics. I appreciate the Senate is willing to have us testify so we can get the record straight. There were three or four Legislators questioning us from the House floor with letters and other forms. I went specifically to their issues and debunked them. One was that we have never made money, truth is we have brought over a half billion dollars into the state through federal contracts, construction contracts, and launches. The last launch in Kodiak had contract value of \$2.9M, in addition SMDC, Miltec and subcontractors were in Kodiak renting motels, cars, and buying food. We broke it out on the per diem rate for the number of people on the launch and we brought over \$3M into the Kodiak community in 90 days.

CAMPBELL said our future looks good, and assured them we are on the right track. We support zero state funding from the Governor, we gave back \$22M for medium lift because we were not going to get it built in the time required. I said the board had passed a privatization recommendation that the Governor is still considering, we and you the board have done everything we could to position ourselves favorably with the Governor and Legislature. I believe it was well received in the Senate, there was not much follow up. After the testimony, we answered questions on PERS and no other feedback was requested.

DOEHL asked if there was concern that the House would request a similar statement or comments. Campbell said no, he was surprised the Senate did because we are not in the budget and most of the critics are in the House.

CRAMER added they had been contacted after the Senate testimony to provide Campbell's testimony to the House and Co-chair of Finance. There were some in the House making comments and it stopped when we provided the written testimony.

CAMPBELL did not need to testify in front of the House as some of the opponents take that as an opportunity to create the answers they want. We simply provided them the testimony from the Senate and put it on our website so everybody could see there is no misconstruing what they thought they heard.

DOEHL said the Senate Finance Committee decided to look at all public corporations holistically to see how they are structured. The house did not have a parallel effort, they did not single out AAC, they were just looking at how well all the corporations work.

ABEL said he had read Campbell's comments, and found that they were well crafted. Campbell added since we are not State funded he didn't think we would have the opportunity to speak at all, so when the request came out, we asked the staff what is the message we want to deliver? Not just to Senate Finance, but also about Alaska Aerospace and stopping some of the critiques.

McCOY added that he will often watch Gavel to Gavel and occasionally AAC is mentioned and somebody will go on and on with negative comments. Then a person will say "no, that's not right" – it is important to clear the air and put the facts on record and maybe this will stop. Campbell said the one person who did get up and speak countering the negative was Representative Stutes, she said "you are not right" and it stopped him. Campbell believes it is working but we still have citizens in Kodiak and in the Legislature that will never be convinced. However, we cannot allow that to be the dominant message we need to get out the good information now.

d. Hawaii/Alaska Joint Focus Group Meeting – 19 February 2016

Two years ago, the Joint Focus Group between Hawaii and Alaska was formed. The primary participants are Jim Crisafulli, Director with the Office of Aerospace and Luke Flynn, Director of University of Hawaii Space Flight, Dr. Robert McCoy and Craig Campbell. The purpose has been finding ways to collaborate on Aerospace opportunities to bring to the Pacific that both our states can benefit from.

Three meetings have been held, the last one in February in Hawaii, our primary topic is the small lift spaceport. The focus has been primarily the Hilo area on the Big Island. We are working with their office to find the best way to bring this to fruition with the least amount of politics. If the community supports us we should be able to advance with some type of equatorial development on the Big Island. We entered into a contract with the Hawaii Island

Economic Development board to conduct an initial study for us. Hopefully it will be the frame work to tell us what we need to do to be successful in proposing to develop a launch site in Hawaii.

Concurrently with that, the office of Aerospace Development in Hawaii requested \$100,000 from their legislature for spaceport development. It did pass, cooperatively with some money and study work behind it. In the next few board meetings, we will have a better idea of where it is going.

The Joint Focus Group are working with the Hawaii Space Flight Laboratory on the Super Strypi program. Last October that launch did not go well, but the program is still alive. Sandia is interested, as are a few private companies and a couple other ranges are looking at commercial development of the rocket. They plan to have another launch of the Super Strypi. Everybody is moving forward to make the corrections to the motor so that they can do a second launch. The rail and range worked fine, it was the rocket. If the next rocket works, they probably have a good program and they will advance. Campbell noted we want to be part of the commercialization of the Super Strypi in providing polar capability from the PSCA. We will continue tracking the program, working with Hawaii and others to see where the success point is to help bring it to Alaska.

McCOY asked if there was any more information about the cause of the failure. Steele answered there had been nothing official.

e. Alaska Aerospace Corporation 2016 Business Plan (Northern Economics)

A business plan was developed by Northern Economics. The first draft was how many launches AAC will have, projected revenue, expenses and if AAC will make money. We said we are trying to diversify the company. It is not just about launches, it is about spaceport operations, launch teams, equatorial, unmanned aircraft systems, data distribution and imaging satellites. We revised it, and it demonstrates in their study that we should reach profitability in 2018. It is for discussion because I have used that business plan that uses evolving assumptions, especially now that we have the MDA contract. What we could not tell them as they were developing the plan occurred after the plan was written. We will get that to you and I will put it on the August Agenda. Greby added the assumptions are moderately correct and overly conservative now.

f. Equatorial Site Selection Evaluation Update

Joint focus group with Hawaii, (the Hilo site) is good on the Big Island south of the airport on private land. We are not going forward with it until we get the study from the Hawaiian Economic Development Board as to what the process would be and compare it against other sites. We have also been looking at Florida, Puerto Rico, Guam, Saipan and Antigua.

KING and Campbell visited Kennedy Space Center and their interest is to put out a second availability to offer lands at the Cape for commercial so they can have non-Federal Range operations. They have identified two sites on the northern side of the Cape on the shore line close to Space X launch facility and the Space Launch System two gigantic facilities very close. We are looking at it, but we are not sure it works. It is also complex on a NASA range, trying to insert a non-Federal range on a NASA Facility that use an Air Force range. This has a number of challenges, but we are going to continue. If you took all the politics out it is a great spot – it launches to the right place. However, there are other compounding issues we have to study further before we commit to go to Florida.

We have not gone to Puerto Rico, but there is interest on Roosevelt Roads. It is on the South East side of the island right on the shore, so if you launch from Roosevelt Roads you would launch south of the Virgin Islands. Campbell is not sure if we will pursue that, and we are looking at aerial photography and determining the opportunities there. Puerto Rico also has financial challenges and risks. I am not sure I want to go there yet, especially if there are other options.

Guam and Saipan – King and I visited and both have possible launch sites. We have a consultant working with us on the development, similar to Hawaii. Guam is doing a major build up with the military, and it has significant infrastructure development happening so there is an opportunity to be part of that to lower your cost if everybody is already mobilized. There is land on the North East side of the island, Anderson is on the very North end of the island and just East and South of that there are open areas that are Commonwealth owned. Saipan on the North side of the Island has a plateau that goes right to the water, no neighbors just a landfill. Steele added we had a major customer come to us and express interest in us pursuing operations in Saipan. We are getting interest in alternative sites and this one may pair with something we are doing at PSCA as well so it could be an exciting opportunity.

CAMPBELL said we are doing this so we can support the Super Strypi, Electron, Firefly and Alpha. Both Super Strypi and Rocket Lab want to be able to launch polar and equatorial, and both are interested if we could provide both. Under one contract, one team could launch most everything in the Pacific. That is the goal to get the capability to have equatorial and polar.

McCOY noted on the two potential sites in Florida, are you thinking small launch next to the big rockets, right? The big guys don't want the little guys launching until the big guys are gone, there could be months of delays. Campbell said he and King considered that.

McCoy added in Puerto Rico the culture can be worse than Hawaii. People can react to misinformation. Campbell agreed, saying that is why they have not yet done a site visit. Due to the politics and their current financial situation, he does not see a way to deal with the clear issue of just the spaceport. Guam and Saipan were both very encouraging, they both said we would like you to come here, Saipan especially, they have a high unemployment rate and are very eager to work with companies to bring anything to Saipan.

g. Launch Services Company Status Report

At the February Board meeting, you authorized us to establish a wholly owned subsidiary for offering commercial launch services to spaceports worldwide. The idea is twofold, first as we privatize and come off the state employment, we need cost effective personnel that can do the services that are less expensive than state employees are. We also want to offer our services in a number of places. As an example, Camdem County Georgia is looking at developing a spaceport on the East Coast. They have hired an Aerospace consultant to guide them through the spaceport licensing, but they will get to the point where they build and operate it. We want to be able show them we can support their launch capabilities cheaper than hiring their own crew and keeping that crew on the payroll year around.

We believe there is a market out there, such as in New Zealand with Rocket Lab. If we get into Hawaii, Guam or Saipan we need to be able to have a team under one company going to multiple locations that can be sold commercially. We have discussed the opportunities with the FAA office of Commercial Space Transportation, and they like the idea. Now we are working on the due diligence of what it takes to move Alaska Aerospace into being a truly FAA commercialized spaceport with authority to operate these services in locations other than Kodiak.

With our license and certifications, we can market these services anywhere. We will have more information for you at the August Board meeting. We are going to DC the end of May and will be meeting with the FAA reviewing the licensing and certification requirements. They encouraged us to do this. The FAA says, "This will be the first, but we don't think you will be the last". Some of the other spaceports have talked about it but they have not dealt with it. We believe we will have the license by the end of the year. Once again paving the way and being a leader in the industry.

h. National Association of Spaceports Membership

The Commercial Spaceflight Federation has been around for a while and is focused on human spaceflight. A number of us joined CSF as spaceports to help them make it spaceport directed. We formed a subcommittee, Greby was the chair for two years. However, we did not get the support we needed at the CSF board level. When the subcommittee brought reports forward, there were some on the operator side that did not want to have CSF endorsing issues that would support commercial spaceports. They made a few moderations to try to show they are supporting us, but what frustrated me is that we are trying to help their organization get stronger. By having more breadth of opportunities to address to congress to make changes to the civil policy and got push back from the federation and not able to gain consensus.

Greg Rasnake was with the FAA office of Commercial Space Transportation and he has left and formed the National Association of Spaceports. They are focused on getting spaceports in the United States transformed so they are almost like airports. Airports are commercial, low cost, reliable and have standard rules, liability and indemnification is covered, the same

for every user. Rasnake has worked in the commercial space transportation for a number of years, so when he started the organization I volunteered we would be a charter member. I will let you know how this develops. I believe this will do what CFS did not by having a strong national voice on spaceports that we can use on the Hill to help move funding and policy towards commercial spaceports.

i. Alaska Route Production Presentation

C AMPBELL briefed the Alaska Route Productions was filming at Kodiak for Mega Machines Alaska. It premiered on the science channel and we were not on it by choice. We are in the middle of reconstruction and it did not look good there. They needed to film no later than the middle of March, Cramer discussed we would be delaying any filming until the next season, if they come back to Kodiak. It is legitimate and they did some good stuff on weird machines. If they want to come back next year, we will engage them when we have a facility that is operational.

8. Senior Vice President and Chief Operations Officer Report

a. 32nd National Space Symposium Participation Report

It is held annually in Colorado Springs and is one of the premier events about space and space launch in the world with over 10,000 attendees and 100 participants. We hosted a booth in the main hall. We had formal meetings with 18 customers and potential customers. It is a gathering point, and everybody is at the same place so it is easy to conduct a meeting. Numerous walk-ups and now several are potential customers that were not on our radar screens previously.

b. PSCA Reconstruction Status Report

ZBITNOFF briefed as part of the construction management team. He said they changed the color scheme to Alaska blue, and yellow logo. Reconstruction is on track to be completed by mid-summer. Davis has increased activity significantly with the weather improving, 50 people on site, 2 shifts a day working six and seven days a week. We are anticipating completion this year, well in advance of our next customer coming in.

Recently the state agencies received the Environmental Statement for the August 2014 launch, and the investigation suggests no further action is required. There was concern about contaminants. The process is still going through the State Department of Environmental Conservation and Department of Natural Resources; they validate the federal government report so they can satisfy state requirements.

CAMPBELL noted we are not advertising because it is not our Environmental Assessment, it is the Federal government and said if the board gets any comments they can now direct them to a document you can reference.

Doehl asked to be copied when it is finalized so they could advise the Governor's office.

The work was performed in accordance with Alaska's Administrative codes and protocols regarding a contaminated site. Campbell said last year we had critics that took pictures after storms hit and scattered the orange fence. Zbitnoff said the orange fence is down, we are in the process of pulling posts and the state lands are open to the public.

CAMPBELL said he is proud of the reconstruction team. BRPH gave us an estimate of what it would cost to reconstruct, about \$30M that is what I told you a year ago. We got Davis on board, did the refined engineering and it is more like \$35M, but that is the real cost and they have done a darn good job managing to that.

We are talking about having a ribbon cutting in July so that it is done enough and looks like a finished product. We will do a open house, maybe ask the Chamber to sponsor it with us so we get the business community out to show its back on line. We would like board members to come down as well, and we will fund that.

CAMPBELL believes the tide has turned, between AAC no longer being in the budget for the governor to have to defend, MDA, Rocket Lab, and actually having a commercial opportunity that will launch from Alaska in 2017. It is a positive story. We have weathered the hard times, and it is back as a good business for Alaska. That is what our goal was and I appreciate the support you have given us to get there.

ABEL asked what the useable life of the facility is. Greby said probably 30 years as you are constantly upgrading. Zbitnoff added we had 15 years on the facility now and you could not see any deterioration, so yes he thinks 30 is about right. Greby said the focus is not the condition or age, it is going to be the change of launch vehicles and technologies that will affect us more.

c. Rocket Lab USA Update

We are on track to provide the Range Safety and Telemetry System with associated staffing for a 4-launch qualification program. It is easier logistically to operate from New Zealand following FAA rules with the result being the FAA will accept these qualification flights for their flight termination system.

Our Range Safety & Telemetry System is scheduled to ship early summer. We have paid for and received payment from the Federal Government to fund shipping there and back. Campbell added that for clarification we are using some of the Federal Appropriation money. Our focus is to get a flight safety system that can be autonomous and get rid of the range safety officer roles.

CAMPBELL said it became clear when he and King were there, that building and operating a range and getting the approvals was becoming much more difficult than Rocket Lab anticipated. They reached out for us to help with what we know. King will be the Launch Director, and we may be adding additional staff as it comes up. Peter Beck, the founder of Rocket Lab is in Washington this week talking to the FAA, it is very lengthy process and it must be accelerated to meet the Rocket Lab timeline. Campbell noted that it is Rocket Lab USA, a USA licensed company operating out of New Zealand.

If this effort is the first one to market, it will get good contracts and there will be polar requirements that require it to come to the states. This is being driven to launch Electron rockets from Alaska. I anticipate three or four a year by 2018.

McCoy asked at what point do you guess autonomous would be the only system? Campbell said we hope the autonomous FTS becomes a certified system after the four test launches. Three qualification flights, and on the fifth flight, it can be a commercial autonomous flight termination system. Our contract allows us, once it is a certified Flight Termination System, to use it at our facility as long as it is not used on a rocket that competes with the Electron. McCoy noted this is a historical change and it is a very big deal.

d. FAA LP-3 Environmental Assessment Status Report

FAA Launch Pad 3 Environmental Assessment was released April 8, 2016 after four years; they issued a FONSI – Finding of No Significant Impact. We can launch as specified for a Medium Launch if Pad 3 was built, although we are not going for the medium lift, we have plans for that geographic area and that will be covered by the studies already done.

e. FY2015 Federal Funding Status

2015 Federal Funding is gone, we are into 2016 and coming up on 2017. We are on track to support the \$2.5M appropriation that was focused on hardware and software upgrades to the site. They have brought the underwriters language of acceptance on our flight safety system so we can take it to other sites without the FAA requiring review.

We are upgrading our site security and communication systems, as well as video conferencing, which was installed by an Alaska company. We have billed and received \$845K of our \$2.5M – the balance is well on track to be spent by the end of September and we are working on funding as part of the 2017 Fed Appropriations.

f. Unmanned Aircraft Systems (UAS) Status

We are maintaining a low-level effort to capture Unmanned Aircraft Systems (UAS) business. We have approval from the FAA for a certificate of authorization to fly all of

Alaska and 200 miles of contiguous waters. We are staying engaged waiting for the business to find us rather than spend resources chasing it, as of yesterday three different commercial corporations are potential business for us. We also have a NASA non-reimbursable space act agreement that allows us to partner with them developing these as well as their satellite interfaces with those systems.

9. Vice President for Business Development

a. Business Development Pursuits

One contact awarded and one notice of contract to award. We have submitted three proposals, two of which are being evaluated. We have one proposal in works, and conducted two high level tours of the launch site. Steele attended four conferences/technical meetings resulting in some leads.

b. NASA CYGNSS Antigua Proposal

STEELE and King traveled to Antigua to scout locations and submitted a proposal to NASA for a mission called CYGNSS. We proposed to take assets to the island and track the satellite for the mission. NASA came back and said they had canceled the procurement effort, not that we were not selected, but they decided they were not going to procure those services for this portion of the mission. We requested reimbursement for our bid proposal expenses, which they denied.

CAMPBELL said Steele did the briefing because we had put this in high probability to win, for price and capabilities. They went through the proposal process and it was after the proposal was submitted, NASA cancelled and would not say why. To have it cancelled with no explanation yet they are still progressing with the program makes us question their motives.

c. Minotaur Commercialization Legislation

The last two flights we had were Minotaur rockets using old Peacekeeper motors. Orbital is asking for a policy change on ICBM assets to use them on commercial missions. Currently, they can be used on DoD missions but they cannot use them on NASA or any sort of commercial applications. There are over 600 sets of flight hardware sitting in bunkers for Minotaur launch that are aging. Orbital thinks they can fly them, and the Air Force is interested because they pay the storage bill for them. They asked us for a letter of support for excess ICBM's, they want a hearing on the hill. It could potentially bring launches from overseas back to the US. We support the US government to create a window where these assets could be used commercially, that is an ongoing discussion now in Washington.

CAMPBELL stressed the wording we support, and if we deviate, we could get in trouble. Politically, many are opposed to this process. Campbell suspects Rocket Lab and others are concerned this could get into their market. They do not want to be competing with companies that are somewhat government subsidized.

- **AAC supports efforts by the US Government to create an environment of success by supporting faster processes for procurement of commercial vehicles, as well as using excess government property, so long as the excess government property is competitively bid and does not unfairly disrupt the emerging small rocket launch business**

CAMPBELL said the concern the smaller companies have is a couple spaceflight service companies out of Seattle will bundle several small satellites on one Minotaur. It does not just wipe out one Electron launch, it wipes out 10 Electron launches. We are absolutely supporting the Rocket Lab launches and small because that is the new market. We will not get into the position where we are advocating publicly for a rocket that could also diminish the market of a number of companies that are wanting to use Alaska. It is a balancing act, stick with the wording – yes, we want to support you but you cannot disrupt our other customers we also support. Those words are almost exactly, what General Hyten said, and he said, “That’s exactly what I’m trying to tell congress”.

10. Financial and Administrative Report

a. FY16 Budget Status

CRAMER said we are on track with 73% of the budget spent and 75% of the year is complete. Campbell added the \$5.16M must be reduced, when it comes to the 2017 budget, we need to get closer to \$4M. To sustain with the market we are talking about, the Electron Rocket, the Super Strypi, they are not \$4M launches those are \$500K. Campbell wanted the board to see that number and know it is not sustainable.

b. Deferred Maintenance Funding Status

CRAMER said of the total \$2.8M funds we received in 2014 and 2015 included deferred maintenance capital money from the State of Alaska. We had the anomaly so some of the items on our list were either destroyed or taken care of through the rebuild process. We are expecting by the start of the new fiscal year all of those dollars deferred maintenance will be spent.

c. FY17 Federal Funding Request Update

In the specific language used in the Senate Armed Services Committee and Senate Appropriations Committee, there is a number of \$10M. That is what we are hoping to see,

and so far all indications are this language and appropriation will move through the process. I expect funding most likely to be approved February or March after the new president is sworn in. We are optimistic the money will stay in and be in the FY17 budget.

CAMPBELL added this is the consensus of our Congressional Delegation and our Representative, they will do the hearings but they are not going to give the current President a budget, they will wait for the new one.

d. Reconstruction Insurance Report

There are several people dedicated to the project. Insurance funding receipts to date is \$24M. We have told the insurers we are treating this as if it was our own money. We are saving substantial money on this rebuild job, as our President and CEO said Kudos to all who have been working on this, it has been a joint effort and it is paying off.

e. Procurement Report

Since we last met in February, we have had 120 procurement actions valued about \$2M of goods and services

f. Personnel Retirement and Resignations

We have had no personnel changes since the February meeting.

g. BlackBridge/Planet Labs Report

There will be more on this later in Executive Session. The Mosaic was completed, people who see it like it. However, as far as sales goes, there has been very little.

11. **Executive Session**

President and CEO request for Executive Session:

I request that the Chair now entertain a motion that the Board of Directors convene in Executive Session to discuss the following topics:

- Business development activity
- Developments toward MDA contract award
- Public-private partnership planning
- Status of joint venture with ENSCO for provision of RSTS services
- Review of potential equatorial launch location
- Planet Lab/Blackbridge contract issues
- Personnel/Organizational issues

McCOY asked for a motion to convene in executive session to discuss the topics requested by the President and CEO.

ABEL moved, seconded by Johnsen that the Board of Directors convene in Executive Session. The session shall include such members of the Corporation staff as the Chair may designate.

Roll Call vote was taken and passed, the Executive Session and shall last approximately 1.5 hours. Thus, the public session of this Board meeting shall resume in this room at approximately 12:30 PM.

KNIGHT motioned, seconded by Abel, hearing no objection the Board of Directors came out of Executive Session at 12:46 p.m. to return to Public Session.

12. Resolutions for Action

a. None

13. Any Other Matters to Properly Come Before the Board

a. None

14. Public Comments

Russell Sell of PRL Logistics Inc. said he was here to learn what we do and he is interested in Alaska Aerospace for future work.

15. Board Member Comments

McCOY extended congratulations to Campbell and said it feels like we have turned a corner, that what he has been working on is coming to fruition and it looks like a bright future and he also likes that it is very diverse.

CAMPBELL thanked Sega, noting it was the second year he attended the Space Symposium. Sega believes the direction ahead is a good one; the actions taken will enable Alaska Aerospace to be an important part of not only national security competitiveness but also economic security competitiveness. The path has a synergy between the public and private activities and it seems right.

16. Proposed Future Board Meeting Dates

a. August 18, 2016 (Anchorage/Teleconference)

b. November 3, 2016 (Anchorage/Teleconference)

A discussion combining an Open House/Ribbon Cutting and Board of Directors meeting in Kodiak for August. Campbell will follow up with available dates/preferences via email.

17. Adjournment

A motion was made by Knight, seconded by Johnsen to adjourn, no objections, meeting adjourned at 1:28