

## Federal Government Corporation

**Rationale:** A Federal Government Corporation combines the flexibility of a business with the public purpose and public duties of a traditional governmental organization. The authority to charter a Government Corporation derives from the Necessary and Proper Clause of the U.S. Constitution. Government Corporations have been used as instruments of national policy because of their efficiencies arising from commercial market forces, their flexibilities with regard to encumbering regulations, and their ability to access financial alternatives. Congress currently charters approximately 50 Government Corporations. An average of one Government Corporation per year has been created since World War II.

It is appropriate to use a Government Corporation when:

- There is an absence of a commercially competitive market for the goods or services;
- There is a need to continue services to an unprofitable market;
- It serves public and private purposes;
- There is likely a continuing demand for its goods or services;
- The operation is to be primarily business-like or can benefit from application of business-like operating principles; and
- An end objective is to obtain a substantially self-financing status.

The purpose of the Government Corporation Option is to create a customer-centric organization whose mission is to meet International Space Station (ISS) Utilization Management objectives, and specifically, to:

- Advocate and advance user needs;
- Establish science, technology and commercial focused leadership that is research outcome and outreach focused, research-knowledgeable, community recognized and respected, and able to synergize and leverage academic and industry research requirements;
- Eliminate existing NASA organizational barriers that inhibit utilization;
- Simplify interfaces and processes;
- Generate alternative revenue sources; and
- Minimize Agency workforce and competency impacts.

**End – State Description:** The ISS Government Corporation is envisioned as a non-profit, federal government-owned and controlled corporation established by Congressional legislation to manage ISS utilization endeavors. The organization is empowered to provide public and private services through its charter and the Government Corporation Control Act. The Government Corporation serves as the “one-stop-shop” for ISS users by representing and advocating for the science, technology and commercial user community and serving as the knowledgeable expert of ISS interfaces for the users. The Government Corporation provides efficient integration services for the users and facilitates access to, and use of, the ISS vehicle as a research platform.

**Key Aspects:**

- The Government Corporation is a Congressional enabled, not-for profit organization.
- A Charter that establishes high-level policies, direction and guiding principles provides guidance.
- The Government Corporation has the ability to perform inherently governmental and appropriately governmental functions, as desired.
- The Government Corporation has the ability to engage in sponsorships and self-promotion.
- A Board of Directors comprised of key members appointed by the President and confirmed by the Senate governs the Government Corporation. Additional chartered members can include NASA executives and other executives from positions within the National Science Foundation, the Department of Commerce and other relevant government agencies. Other members are recruited from leadership positions within the academic, industry and financial communities.
- Daily operations are managed by a relatively small, high caliber and experienced executive management staff, comprised of a mix of permanent and transitional government, academic, and industry personnel. The executive management staff is empowered and charged by the Board of Directors.
- The Government Corporation has the ability to interface with and negotiate directly with the ISS International Partners.
- The Government Corporation is established as the “one-stop-shop” for ISS users by representing and advocating for the science, technology and commercial user community and serving as the knowledgeable expert of ISS interfaces for the users.
- The Government Corporation has varied forms of funding including direct Congressional appropriations, Inter-Agency transfers of funds, revenue production, government guaranteed loans and private investment.
- The Government Corporation can be authorized to receive multi-year appropriations, and be excluded from Gramm-Rudman-Hollings and similar legislation.
- Government Corporation staffing can include special appointees, federal and/or state civil servants, academia, and industry personnel.
- The Government Corporation can be exempt from Civil Service rules and regulations.
- The Government Corporation can use the Interagency Personnel Act (IPA) to utilize NASA (and other Agencies, as appropriate) civil service personnel. Use of civil servants within the Government Corporation would require no special Congressional action and would preserve Civil Service benefits and position. Use of civil servants within the Government Corporation can maintain Agency technical and managerial expertise and competencies while providing “bridging” to new Agency initiatives.
- The Government Corporation can employ direct Service Agreements with NASA to provide technical expertise in functional areas dependent upon matrixed discipline-oriented expertise.
- The Government Corporation can be exempted from compliance to the Federal Acquisition Regulation and the Freedom of Information Act.

**Strengths and Weaknesses:** Table 1 below identifies the strengths and weaknesses associated with the Government Corporation Option as articulated in the sections above.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• The power and authority of the Federal Government with the operating flexibility of a private business</li> <li>• Direct access and visibility to Congress and the capability for self-promotion and revenue production</li> <li>• Assimilation of leadership with a common objective and focus on research</li> <li>• The ability to smoothly and safely transition functions and personnel without disrupting ongoing operations</li> <li>• Preservation of Agency competencies through the use of the Inter-Agency Personal Act and direct service agreements with NASA Centers</li> <li>• Direct participation of civil service without loss of benefits and position</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a Charter written by Congress whose final content is not controlled by NASA</li> <li>• Potential for delays in congressional authorization</li> <li>• NASA budget reduction for those functions moved to the Government Corporation</li> <li>• Potential for human capital re-entry inefficiencies</li> <li>• Removal of functions from NASA may reduce the Agency's ability to leverage expertise across Programs and Projects in a timely fashion</li> </ul>

Table 1. Government Corporation Option Strengths and Weaknesses

**Transition Strategy:** The Government Corporation transition strategy is envisioned to be a three-phase approach comprised of Consolidation, Transition, and Maturation.

The Consolidation Phase begins with NASA working with Congress to initiate the legislation necessary to create the Government Corporation. Simultaneously, NASA consolidates all ISS Utilization Management functions under the leadership of a single NASA organization. For this proposal, it is called the ISS Utilization Management Consolidation Office, or "IUMCO." The IUMCO performs two major functions:

- Leading and managing ongoing Utilization Management functions and pursuing continued improvements and efficiencies in Program and technical execution; and
- Leading and managing the planning and establishment of the Government Corporation, and the eventual transition of functions to the Government Corporation.

The Transition Phase begins with Congressional establishment of the Government Corporation for ISS Utilization Management (GCIUM). An incremental transition of functions from the IUMCO to the GCIUM takes place based on a plan established by the IUMCO during the Consolidation Phase. NASA contributes personnel to the GCIUM via pre-planned IPA arrangements and direct service agreements to ease the transition of

expertise as well as to provide a way of preserving NASA competencies in areas where new Programs are not yet able to provide jobs in specific functional areas.

The Maturation Phase is characterized by the GCIUM managing and performing the majority of ISS Utilization Management functions. The GCIUM maximizes performance by improving business lines, establishing efficient service agreements, attracting and leveraging capital investment opportunities, and promoting and enabling science, technology and commercial research.

The federal government corporation transition strategy and schedule is depicted in Figures 1 and 2.

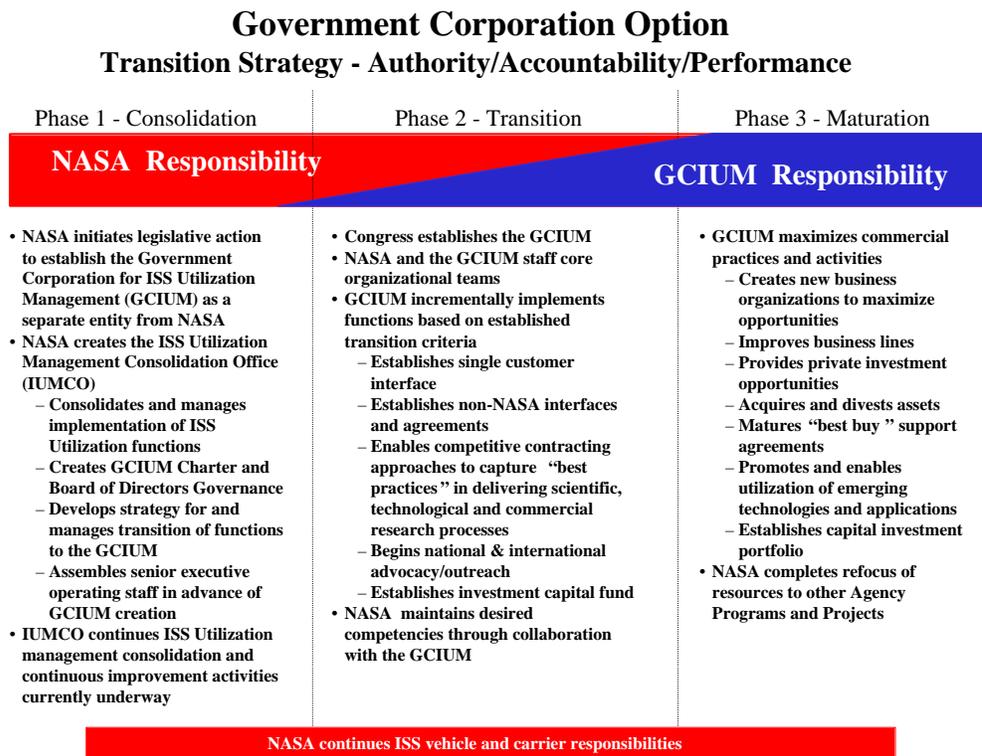


Figure 1. Transition Strategy for the Government Corporation Option

## Government Corporation Option Transition Strategy - Phasing/Contracts/Functions

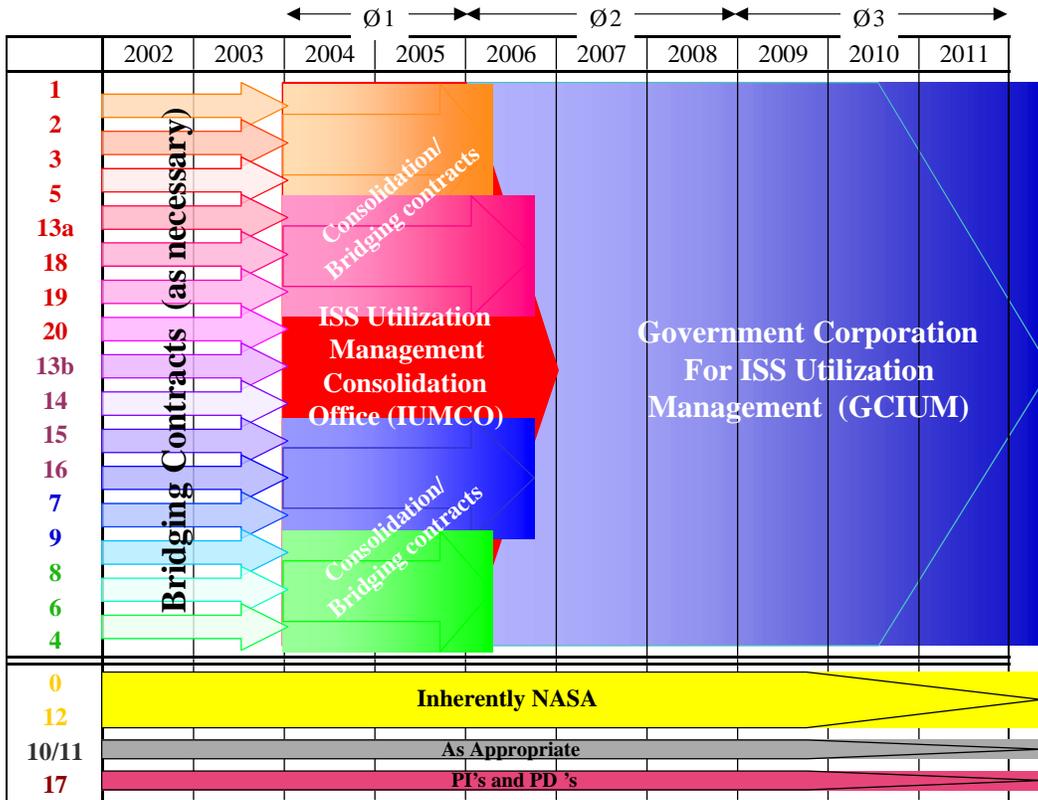


Figure 2. Transition Schedule for the Government Corporation Option