

MISSION SUCCESS[®]

BULLETIN

December 13, 2001 MICHOUD OPERATIONS



Award Fee Scores

April 1, 2001 – September 30, 2001

6th Buy Production	Very Good	88.32 %
MAF Operations & Maintenance	Excellent	95.1 %
Friction Stir Weld	Excellent	90.5 %

Award Fee ratings still strong

Michoud Operations recently received notification from NASA Marshall Space Flight Center of our award fee scores for the period from April 1 through September 30, 2001. The Performance Evaluation Board assessed our ratings as follows: on 6th Buy Production, 88.32 with a rating of Very Good; on MAF Operations and Maintenance, 95.1 with a rating of Excellent; and on Friction Stir Weld, a 90.5 with a rating of excellent.

These scores reflect Michoud Operations' professionalism, dedication, and hard work during this period. Through your efforts we produced ET hardware that met production schedules and design specifications, reduced the number of Non Conformance Documents, and made significant progress on BX-265 qualification.

NASA recognized management for the special development studies program, the paperless manufacturing project, completion of Kaizen/lean manufacturing events and for exceeding small/small disadvantaged business

goals.

During this period, we emphasized process improvement activities, and our efforts yielded tangible results. The board acknowledged significant accomplishments in the implementation of digital x-ray and friction stir weld.

Opportunities for improvement do exist, including the elimination of vendor technical problems and escapes, and closer attention to detail on our part.

"My congratulations and appreciation to you for a job well done over the last award fee period," said **Ron Wetmore**, vice president, External Tank Project.

"Our focus for the upcoming period is to continue efficiency improvements and lean manufacturing with measurable results. We must continue to deliver all tanks on time, and complete the installation and activation of the Friction Stir Weld trainer tool as well.

"I look forward to another outstanding year on the ET project."

Recognition Plan to be initiated

NASA and Michoud Operations have established an employee recognition plan that will target 15 percent of the hourly and 10 percent of the salaried workforce with cash amounts ranging from several hundred to over \$2,000 each year.

Salaried employees and members of the International Union of Security, Police and Fire Professionals of America are eligible for participation. The plan has been offered to the UAW.

"This is an appropriate way to reward significant individual contributors to the success of the ET project," noted **Ron Wetmore**.

Employees will be nominated from their department for accomplishments in the areas of safety, process improvement, quality performance and schedule.

The first recognition awards will be distributed this month.

Bush taps O'Keefe to head NASA

In his first U.S. Senate confirmation hearing since being



Sean O'Keefe

nominated to head NASA by President Bush, **Sean O'Keefe** said it was time for NASA to get back to basics.

"Let's get the house in order, the basics in

Continued on Page 4

New Performance Recognition System replaces Performance Appraisal Review

One Company/One Team is a culture that Lockheed Martin is trying to brand throughout the corporation, and this begins with ensuring that Human Resource practices and procedures are generally consistent from company to company.

Thus, the corporation introduced a new employee appraisal system called the Performance Recognition System or PRS, which replaces many of the employee evaluation and rating systems currently in use by other business units.

The first thing the new system does is help employees do a better job in terms of setting goals and objectives, addressing attributes, and aligning that package with corporate and company goals. The Performance Recognition System also encourages open discussions between employees and their supervisors, facilitates frequent and specific feedback on performance, helps employees develop career path goals and provides information for employee recognition and rewards.

“What makes this form different from other appraisal systems is that a team of ‘functional’



employees at corporate worked together and developed what they thought was a fair and equitable method of assessing and recognizing performance,” said **Maurine Lee**, manager, Organizational Development and Training.

Like the old PAR system, PRS has three distinct phases during the performance cycle: setting goals and objectives, performing to expectations and assessing performance.

However, what is new for PRS are the five categories rating employee performance: exceptional, high contributor,

successful contributor, basic contributor and unsatisfactory.

The company’s goal in creating this new scale is to ensure an appropriate differentiation among categories that accurately reflect each employee’s contribution and performance.

“Based on the definitions describing the five categories, most employees will perform at one of the three ‘contributor’ levels,” Lee said.

For those who know about jobs in other parts of the company and are looking to transfer, the employee will be at ease knowing that PRS is the same in Orlando as it is in Sunnyvale and around the corporation. So there is consistency, thus keeping with the *One Company/One Team* culture.

The transition period for the Performance Recognition System runs from October 2001 to March 2002, then will run annually from April 1 through March 31. Employees should now be submitting their objectives and development plans using the new system.

For more information on PRS, check with your supervisor or go to the internal website: <http://prs.global.lmco.com>.

Michoud receives awards for energy conservation and waste reduction

Noticed a little pink piggy staring at you in your office area? Oh yeah, he’s a reminder of over-indulgence all right, not from what you think, but for wasting energy. You’ll find this little guy wherever lights or equipment are left on after work hours and on weekends.

He’s courtesy of the Hog Catchers – a group of employees tasked by those clever folks from the Energy Conservation Committee who are



dedicated to reducing wattage waste in an office area near you.

Think that leaving your computer, lights or office equipment on isn’t a big deal?

Felix Rosiere, Facilities energy manager, says “the energy wasted from computers, equipment and lights left on after hours at Michoud in one year is enough to power 140 average size homes for a month.”

Michoud’s energy conservation efforts were recognized recently at a White House ceremony for the

2001 Presidential Award for Leadership in Federal Energy Management.

But there’s more that can be done. “The one area employees have control over is their office space,” says Rosiere. “So we are concentrating our awareness campaign in that area. We chose a humorous approach to get more folks on board.”

Oops, we did it again. For the fourth time, Michoud has been

selected for the Governor’s Pollution Prevention award for waste reduction efforts. **Jennifer Wall**, environmental engineer, reports that over 1 million pounds have been recovered since April 2000, but that amount could be increased by 60%. Unsure what to recycle? Contact Wall at 7-1018.

Jump-start those New Year’s resolutions and start conserving energy now.



Felix Rosiere (left), Facilities & Environmental Operations, and NASA resident manager John White display the certificate NASA presented to Rosiere for contributions toward the Presidential Award for Leadership in Federal Energy Management. Rosiere attended a recent White House ceremony honoring NASA for saving and reducing energy costs.

DCMA presents Small Business Program award to Michoud

Michoud Operations recently received an unprecedented fourth consecutive Small Business Program award for outstanding work in its Small/Small Disadvantaged & Woman-Owned Business Programs. The Defense Contract Management Agency (DCMA) presents the award annually to a contractor in the Birmingham Region who exceeds all Small Business goals in its prime contracts. From left are Julie Strategos, Lockheed Martin corporate vice president, Supplier Relations; Wayne Wright, Michoud manager, Small Business Programs; and Jim Brown, assistant small business director, Birmingham Region-DCMA.



It’s gift-giving season – know the guidelines

At this gift-giving time of year, don’t forget about the rules on giving and receiving gifts.

“We need to be careful to avoid situations that could create even the appearance that favorable treatment was sought, received or given in exchange for business courtesies,” said **Brian Sears**, corporate director, Ethics Services.

Generally, employees may not

accept gifts or business courtesies valued at \$100 or more from any person who does or seeks to do business with Lockheed Martin.

“It’s okay to accept an advertising or promotional item such as a pen, cup



or water bottle with the company’s logo from a vendor,” said Sears. “But other gifts should be declined or returned.”

When giving gifts, never offer a customer/supplier a gift or business courtesy – when accepting the offer could cause the recipient to violate the gift rules of his or her organization. For more information, see Policy CPS-008.

9/80 schedule to shift January 1st corporate-wide

A number of recent announcements continue the corporate Human Resources transition process.

In order to coordinate the common Friday off across the entire Lockheed Martin corporation, Michoud Operations will switch its Track A and Track B 9/80 Fridays off effective January 1, 2002. As a result, Track A employees will have both December 28 and January 4 off, while Track B employees will have December 28 (costed as a holiday), January 4 and 11 off.

Since External Tank production support will be required for January 4, employees should check with their management for complete details of the transition plan.

A new corporate salaried overtime policy will also become effective January 1. Currently, exempt salaried employees are only paid overtime for authorized work in excess of 45 hours during a given pay week. The new policy provides an important exception to this rule.

After the first of the year, all authorized overtime hours worked on a scheduled off day – whether it is a 9/80 Friday off, a weekend day, other scheduled day off or on a company holiday – will be paid at the employee's straight-time rate. The five-hour overtime gate will no longer apply on these days.

As communicated in the 2002 benefits enrollment package, corporate will eliminate the Vacation Buy plan option, effective at the end of the year. In its place is a new Vacation Advance program that will permit employees to take an advance on their vacation of up to 40 hours per calendar year.

Vacation Advance will be implemented in the spring of 2002. Until the new process is in place, Michoud Operations employees may take up to 40 hours of unpaid time off – with advance approval from their manager – to accommodate



Senators see how the External Tank is made

Joe Marcus, vice president, Production Operations, gives U.S. Senators Mary Landrieu (D-La.) (left) and Barbara Mikulski (D-Md.) an overview of the facility during their recent visit to Michoud Operations. Afterward, the senators toured the External Tank production line and new technology area. Sen. Mikulski chairs the Senate Appropriations Subcommittee, which oversees the NASA budget.

any plans established in anticipation of having the Vacation Buy plan.

Vacation Buy had a low participation rate and was eliminated for several reasons. When the corporation went to the monthly vacation accrual system, it was no longer advantageous for participating employees. The IRS requires any accrued vacation to be taken first. Many of those enrolled received payouts from the program rather than the desired vacation time. In the latter case, the participants may have been better off putting their money into some form of interest-bearing account.

Finally, as a convenience to employees, service awards will be shipped directly to individuals' homes. Recognition of those significant employment milestones, however, will continue to take place in the workplace.

O'Keefe

Continued from Page 1

order and let's get the fundamental baseline for the International Space Station. As soon as we have that in place, we can start thinking about what expansion potential is there."

O'Keefe, deputy director of the Office of Management & Budget, reiterated his goal of sound financing before committing to more scientific research and more astronauts on the space station.

When asked about the possibility of reducing Space Shuttle flights, O'Keefe said he was uncertain about the exact number of flights necessary to maintain the program.

If confirmed this month, O'Keefe, a New Orleans native and Loyola University graduate, said he would start to work at NASA in January.

NCAM Gears Up for Composite Opportunities

As engineers and technicians at Michoud worked diligently several months ago to complete two key components – the fiber placement machine and autoclave – of the National Center for Advanced Manufacturing (NCAM), miles away in Washington the mood turned to celebration as the Department of Defense (DoD) awarded Lockheed Martin the largest contract in history to build the Joint Strike Fighter.

NCAM's autoclave and fiber placement machine are essential hardware required to fabricate composite parts for the JSF, as well as other high tech manufacturing and aerospace applications.

Several weeks ago, the autoclave passed the Operational Readiness Inspection and was fired up to cure its first full scale test article, a composite strut developed at Michoud under the Independent Research and Development (IRAD) program. Fabricated at NASA's Marshall Space Flight Center, the strut demonstrates new composite materials and processes.

"This is the beginning of a new era at Michoud," explained Eric Enright, staff engineer and IRAD principal investigator. "This strut is lightweight, has highly loaded strength, thick laminate and demonstrates ground breaking

technology. Our goal is to improve properties while reducing costs."

Also in November, Ingersoll Milling Machine Co. technicians completed the reassembly of the massive fiber placement machine.

Finally, with the robotic head in place, technicians introduced electrical power to the machine. Systems and mechanical checkout will continue this month, followed by acceptance testing in January. By February, with the machine fully functional, operators will be instructed and fiber placement of IRAD articles will commence.

"A real discriminator from a competitive point of view is that this machine is the only one built specifically to fiber place domes with barrel sections," said Barry Keegan, Facilities engineer. "This key feature lends itself to the types of aerospace shapes that we specialize in.

"With the NCAM facility nearly complete, our job now is to develop the new technologies for the next generation tanks and related hardware," explained Keegan.

Meanwhile, NCAM's Spring 2002 courses through the University of New Orleans are expanding. New class titles include Plasticity and Boundary Value Problems. People of all educational backgrounds are welcome to sign up.



Inside the autoclave, Bill Frey (left) fastens sensors to the composite strut as it is prepared for the curing process.

Key JSF Facts

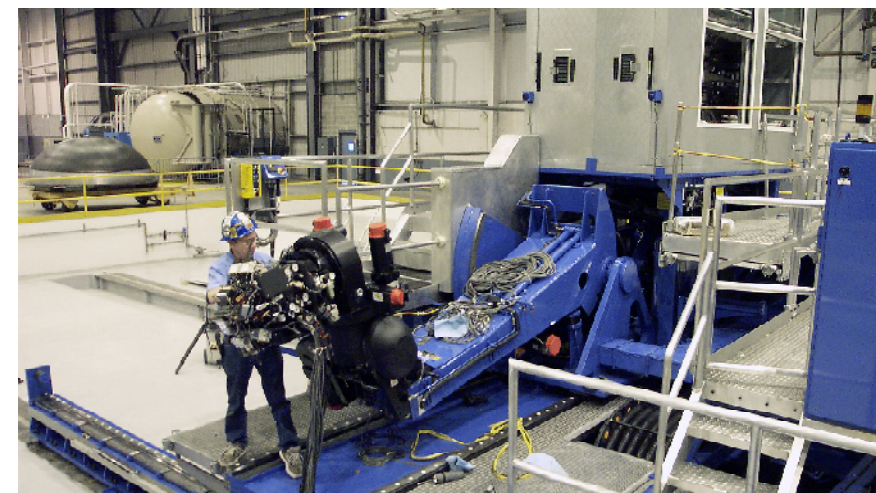
The Lockheed Martin Win

The JSF Team win is the largest DoD award in history. Other members of the team include Northrop Grumman and BAE Systems.

- \$19B cost plus award fee contract for System Design & Development (SDD)
- Initial production of 22 aircraft
- First test aircraft flight - 2005
- First operational aircraft - 2008
- \$200B potential value through life of the program

Michoud Operations' Role

With the addition of NCAM at MAF, the company is positioned to be awarded work on the JSF Program. Michoud will participate on the Integrated Process Team for parts redesign and is baselined to build 22 nacelles during the SDD stage. In the Low Rate Initial Production phase, Michoud will bid on an additional 465 composite nacelles. Following a gradual ramp-up, this work would equate to approximately 55 jobs during full production around 2012.



An Ingersoll technician bolts the robotic head to the new fiber placement machine, marking the completion of hardware installation. The autoclave and 10-foot dome fabricated on this machine before being shipped to Michoud can be seen in the upper left of photo.



MILESTONES

Employees celebrating November & December anniversaries

25 years

W.B. Clifton
Vernice Delaney
Ronald Kennedy
John McKinsey

10 years

Brenda Menefee
Doretha White

5 years

David Barrois
Mark Burke
Robert Cooksey
James Cousin
Dale Crovetto
Warren Danner

20 years

Peter Allen
Cynthia Aucoin
Robert Bell
John Bzik
Gontran Celerier
Gerard Cline
David Deal
Dennis Difabrizio
Donna Hester
Craig Jenkins
M.H. Karl
Gayle Kastner
Albert Labat
Frank Lusk
Horace Mitchell
James Quirin
Carlos Ramirez
Horace Williams

Hollis Davis
Barry Desselles
Eugene Fourcade
Frank Hoffmann
James Huguet
Byron Jones
Randall Kliebert
William Landwehr
Freddie Lewis
Jerry Majors
Vic Miller
Carlos Saavedra
Emanuel Schaubhut
Kevin Schuengel
Jean-Paul St. Amant

15 years

Glen Argabright
Christianna Kooney

May I see your license, please?

The International Traffic in Arms Regulations (ITAR) requires a license for exporting launch vehicle, satellite, aircraft and other technical data. Call Bob Milner at 257-1720 before exporting any hardware or technical data.

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Fall Fest funds help Children's Hospital

Roger Gorman (left) of Children's Hospital accepts a check for \$5,057.92 from Marion LaNasa (center), director, Communications, and Ron Wetmore, vice president, External Tank Project. Each year employees raise money from game revenues at Fall Fest to help sick children.



Michoud/partner school assist food bank

Michoud Operations engineer Sandie Campbell (center) and Slidell Junior High students (from left), Tim Nolan, Corey Cochrane, Jason Schmiderer and Charles Herbin take a break after using over 1,100 canned goods to construct the Atlas rocket behind them. The "CANstruction" project gave students a chance to practice their math, teaming and problem-solving skills outside the classroom. The cans were given to Second Harvesters Food Bank.

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