

ACTION REQUEST

Subject: Sponsored Activity Agreement between the University of Michigan and Astronautical Development LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor James Cutler is an employee of the University of Michigan ("University"), and a partial owner of Astronautical Development LLC. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Cutler, an Associate Professor of Aerospace Engineering and Atmospheric, Oceanic and Space Sciences in the College of Engineering, and partial owner of a for-profit company called Astronautical Development LLC (the "Company"). The Company wishes to fund a project entitled: "Power System Development" (ORSP #15-PAF06207) in the Department of Aerospace Engineering under the direction of Dr. Cutler. The purpose of this project is to design and test an electronic power system based of RAX and INSPIRE heritage.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately five (5) months. The amount of funding support will not exceed \$8,000. Since research projects are often amended, this agreement includes a provision for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

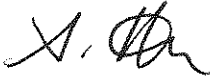
Impact of the Agreement

The Agreement will support an effort by Dr. Cutler to use his expertise and University laboratory, as well as other University resources to continue to develop an electronic power system.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Astronautical Development LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Jack Hu', written in a cursive style.

S. Jack Hu  
Interim Vice President for Research

May 2015