

What is “commercial space flight?”

The Obama Administration’s charter for the Augustine Committee includes “stimulating commercial space flight capability” as one of its key objectives. A number of events have occurred recently that suggest that there is some confusion about the term “commercial space flight” and its current role in NASA’s Constellation architecture.

With the exception of the government-operated U.S. Space Shuttle and the Russian Soyuz, the U.S. government currently procures all orbital space launch services on a commercial basis from U.S. commercial launch providers. NASA and the U.S. Air Force, for example, currently purchase all of its orbital satellite launches from the three U.S. commercial launch operators: the United Launch Alliance (a Boeing-Lockheed joint venture), Orbital Sciences and SpaceX.

NASA’s recent efforts to support commercial space flight seem to have created a perceived and erroneous conflict between NASA’s Constellation Program and commercial crew and cargo services. Commercial Orbital Transportation Services (COTS) has always been a critical component of the Constellation architecture. By utilizing commercial services at commercial rates for servicing the International Space Station (ISS), NASA is allowed to focus its resources and expertise on the exploration of the Moon, Mars and beyond.

Until recently, the COTS program has enjoyed virtually universal support on the Hill and with the Office of Management and Budget (OMB). In the FY 2008 NASA Appropriation Report, the U.S. House of Representatives even included language “encourage[ing] NASA to consider exercising its option for... COTS Capability D (crew transport) as soon as possible.”

Should NASA decide to proceed with a new COTS Capability D (COTS-D) program, the competition would presumably be open to all potential U.S. contractors. The primary difference between a commercial COTS-D program and the way NASA has traditionally procured human space flight services is in how the launch services are contracted. Specifically, unlike with cost-plus contracts traditionally used by NASA for development programs, the commercial COTS contracts are fixed-

price and milestone-based, which means contractors are paid only if and when milestones are met. This type of contract minimizes the risk to taxpayers and the government.

Commercial space companies have been providing satellite launch services to the U.S. government for the past 20 years. NASA’s COTS contracts and the recently awarded ISS Commercial Resupply Services (CRS) contracts are simply an extension of this successful partnership.

As the government has proven in other markets such as aviation, biotech and the Internet, a small government investment at the early stages of an emerging industry can result in enormous economic dividends. These dividends come in the form of job creation and increased international competitiveness; all while the government gains real industry partners that will continue to innovate and grow to meet future its future needs.

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