

The Heritage Foundation **Backgrounder**

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PRIVATE LAUNCHERS CAN EASE AMERICA'S SPACE VEHICLE CRISIS

(Updating Backgrounder No. 500, "What Next for NASA,"
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The loss of the Challenger Space Shuttle has resulted in such a severe shortage of space launch capability that U.S. companies are turning even to the People's Republic of China to launch American satellites. Worse, the remaining three orbiters in the Shuttle fleet, Atlantis, Enterprise, and Columbia will be grounded until design flaws can be corrected, exacerbating the problem of the Challenger loss. The shortage threatens to rob the U.S. of its leadership in space exploration and development and could undermine national security. Moreover, when the Shuttle fleet again becomes operational, it is likely that it will be unable to meet the ambitious goal of 24 launches per year. The result: the current backlog of launch requirements will grow.

The National Aeronautics and Space Administration (NASA) contends that it expects the Shuttles to fly again by July 1987, reaching a rate of six to seven launches in the first year, nine to ten in the second year, and 12 to 13 each year thereafter. Based on NASA's current manifest, which lists payloads scheduled to be flown by the Shuttles, it would take until mid-1992 to catch up with its scheduled launches--provided no new payloads are added. Yet other launch requirements surely will appear, especially since the current manifest includes no launches related to deploying the proposed orbiting Space Station or the Strategic Defense Initiative. Clearly, an alternative launch capability is needed.

Acquiring this is relatively easy, at least technically, since three fully developed and well-proven Expendable Launch Vehicle (ELV) systems--the Atlas, Delta, and Titan rockets--are available. But funding will impose enormous problems because of the need to balance the federal budget. As serious will be the strong resistance from

NASA to the development of launch systems that might eventually compete with the Space Shuttle.

One means of overcoming some of these difficulties is to privatize the ELV systems. Private firms are prepared to reopen the production lines for these unmanned rockets and to provide a launch alternative. More important, private capital is available to finance an ELV capability. NASA therefore need not divert funds from its critical research and development activities. And ELV privatization would allow a private sector space industry to emerge in the U.S., giving added impetus to the commercialization of space.

For ELV systems to be privatized, a number of steps must be taken by the Reagan Administration. First, it must declare that the government will not compete with private firms for commercial launches. A major constraint on the development of private space launch capability has been the fear among potential investors that they will have to compete with subsidized government launches, where the federal government could undercut the private sector prices. Given the huge subsidy inherent in commercial launches performed by the Space Shuttle, this is a legitimate fear. NASA should not be allowed to undercut private launch companies with taxpayer dollars.

The second step must be a firm commitment to launch government missions on private ELVs when possible. This would be similar to the airmail contracts given to airlines by the Postal Service in the early days of commercial aviation, and would be consistent with the "contracting out" policy which the Administration applies in other areas.

Finally, the Administration should move rapidly to sign contracts with firms that wish to build ELVs. Transpace Carriers, Inc., for instance, is a private firm that has invested over \$5 million in negotiating to purchase the Delta rocket system. But despite the commitment, and two years of talks, the company still has been unable to obtain a final agreement from NASA and the rights to the hardware. Such delays chill potential private investment.

Privatization of the existing ELV systems can alleviate significantly the space launch crisis. It can do so without taxpayer dollars. Moving rapidly forward with this strategy would not only address the immediate crisis, but lay the foundations for a strong, new American industry.

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