

STATEMENT OF JENNA DORN, DIRECTOR, OFFICE OF COMMERCIAL SPACE TRANSPORTATION, U.S. DEPARTMENT OF TRANSPORTATION, BEFORE THE SPACE SCIENCE AND APPLICATIONS SUBCOMMITTEE OF THE HOUSE SCIENCE AND TECHNOLOGY COMMITTEE, MARCH 29, 1984.

MR CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

ON BEHALF OF THE SECRETARY OF TRANSPORTATION, I WOULD LIKE TO THANK YOU AND SENIOR REPUBLICAN MEMBER LUJAN FOR HOLDING HEARINGS ON THIS IMPORTANT ISSUE.

THE EARLY INTEREST AND LEADERSHIP OF THIS COMMITTEE AND REPRESENTATIVE AKAKA FOCUSED ADMINISTRATION EFFORTS THAT LED TO A DECLARATION OF POLICY BY THE PRESIDENT LAST YEAR ENCOURAGING PRIVATE SECTOR ELV'S. DOMESTIC COMMERCIAL ELV'S ARE VIEWED AS A COMPLEMENT TO THE GOVERNMENT'S SPACE TRANSPORTATION SYSTEM. WE EXPECT THAT THE PARTNERSHIP BETWEEN THE PRIVATE SECTOR AND THE FEDERAL GOVERNMENT RESULTING FROM THE PRESIDENT'S POLICY WILL PRODUCE A STRONGER ELV SPACE LAUNCH CAPABILITY FOR THE UNITED STATES.

ON JULY 4, 1982, PRESIDENT REAGAN MADE IT CLEAR THAT HE WANTED PRIVATE ENTERPRISE TO HAVE A STAKE IN DEVELOPING THE SPACE FRONTIER WHEN HE CALLED FOR "AN AGGRESSIVE, FAR-SIGHTED SPACE PROGRAM", INCLUDING PRIVATE-SECTOR INVESTMENT.

THE PRESIDENT RE-EMPHASIZED THAT COMMITMENT IN HIS STATE OF THE UNION ADDRESS IN JANUARY, WHEN HE OBSERVED THAT THE MARKET FOR SPACE TRANSPORTATION COULD EXCEED THE FEDERAL GOVERNMENT'S CAPACITY TO PROVIDE IT. HE MADE IT CLEAR THAT HIS POLICIES WOULD RECOGNIZE THE NEED OF PRIVATE COMPANIES INTERESTED IN PUTTING PAYLOADS IN SPACE TO HAVE READY ACCESS TO PRIVATE-SECTOR LAUNCH SERVICES.

LAST MONTH, THE PRESIDENT ISSUED EXECUTIVE ORDER 12465, DESIGNATING THE DEPARTMENT OF TRANSPORTATION AS THE LEAD AGENCY TO CARRY OUT THIS MANDATE. THE LEAD AGENCY CONCEPT IS DIRECTLY TRACEABLE TO REPRESENTATIVE AKAKA'S ELV BILL, AS TAKEN UP BY THIS SUBCOMMITTEE. I WOULD LIKE TO DESCRIBE FOR YOU THE PROGRESS WE HAVE MADE UNDER THE EXECUTIVE ORDER AND WHY LEGISLATION AT THIS POINT WOULD BE INADVISABLE.

SINCE SECRETARY DOLE APPEARED BEFORE YOU LAST NOVEMBER TO DISCUSS THE LEAD AGENCY ROLE, SHE HAS CREATED AN OFFICE OF COMMERCIAL SPACE TRANSPORTATION, WHICH REPORTS DIRECTLY TO HER. THIS OFFICE HAS QUICKLY BECOME THE FOCAL POINT FOR GOVERNMENT AND INDUSTRY CONTACT REGARDING ELV'S.

SINCE TAKING ON THIS NEW ASSIGNMENT, THE STAFF OF THE OFFICE OF COMMERCIAL SPACE TRANSPORTATION HAS BEEN ACTIVELY INVOLVED IN IMPLEMENTING THE DEPARTMENT'S CHARTER TO ENCOURAGE, FACILITATE, AND COORDINATE ACTIVITIES RELATED TO COMMERCIALIZATION OF ELV'S. WE HAVE ESTABLISHED OUR CONTACTS IN THE INDUSTRY AND IN THE SEVERAL AGENCIES THAT HAVE MAJOR INTERESTS IN SPACE TRANSPORTATION AND LICENSING.

OUR JOB IS BEING MADE EASIER BY THE HIGH LEVEL OF INTEREST AND INVOLVEMENT AMONG SENIOR OFFICIALS IN THE FEDERAL GOVERNMENT. MEMBERS OF THE CABINET AND ADMINISTRATOR BEGGS OF NASA HAVE BEEN QUICK TO MOBILIZE THEIR AGENCIES IN SUPPORT OF THE PRESIDENT'S COMMERCIALIZATION POLICIES. SIMILARLY, THE CAREER STAFFS OF OUR SISTER AGENCIES HAVE ALSO DISPLAYED A HIGH LEVEL OF ENTHUSIASM AND A RESULTS-ORIENTED ATTITUDE. NASA, THE DEPARTMENTS OF STATE, DEFENSE, AND COMMERCE, AND THE TRADE REPRESENTATIVE'S OFFICE HAVE ALL BEEN VERY COOPERATIVE AND HELPFUL IN PROVIDING SUPPORT TO US IN THIS ENDEAVOR.

BECAUSE NEITHER THE GOVERNMENT NOR INDUSTRY HAS HAD EXPERIENCE IN PRIVATE-SECTOR ELV LAUNCH OPERATIONS AND THEIR REGULATION, WE TOOK AS OUR FIRST TASK THE SYSTEMATIC INVESTIGATION OF THE LEGAL AND OPERATIONAL ISSUES THAT COULD AFFECT COMMERCIAL ELV'S. WHAT WE'VE DISCOVERED IS THAT THERE IS NO SHORTAGE OF UNANSWERED QUESTIONS OR COMPLICATED ISSUES.

WHILE THE FEDERAL GOVERNMENT HAS RESPONDED, AT LEAST INITIALLY, WITH GREAT CAUTION IN REVIEWING REQUESTS FOR COMMERCIAL ELV LAUNCH OPERATIONS, THE DESIGNATION OF A LEAD AGENCY WITHIN THE EXECUTIVE BRANCH IS BUILDING CONFIDENCE AMONG THE AGENCIES THAT WE CAN BRING AN APPROPRIATE PERSPECTIVE TO REGULATING THIS DISTINCTIVE, IF NOT UNIQUE, ACTIVITY. COMMENDABLY, THE AGENCIES ARE RELUCTANT TO ESTABLISH POLICY OR REGULATORY FRAMEWORKS THAT COULD UNDULY RESTRICT FUTURE INNOVATIONS BY THE PRIVATE SECTOR TO PROVIDE COMMERCIALY VIABLE ELV VEHICLES AND SERVICES. WE AGREE WITH THE WIDELY HELD VIEW THAT A FLEXIBLE AND CREATIVE POSTURE ON THE PART OF THE FEDERAL GOVERNMENT WILL BE REQUIRED TO BE HELPFUL. IT IS THE PRESENCE OF THE LEAD AGENCY AND THE PERSPECTIVE IT ALONE CAN BRING THAT WILL ENCOURAGE A SYMPATHETIC CONCERN BY THE REGULATING AGENCIES THEMSELVES.

WHAT WE NEED TO DO, HOWEVER, IS TO ENCOURAGE THE ESTABLISHMENT OF A PREDICTABLE REGULATORY STRUCTURE THAT PROVIDES CERTAINTY FOR THE INDUSTRY WITHOUT STIFLING IT. AT THIS POINT, WE BELIEVE THAT THE PRIMARY PROBLEM IS NOT THAT TOO MANY AGENCIES ARE INVOLVED WITH THIS INDUSTRY, BUT RATHER THAT THERE ARE FEW INTERNAL AGENCY PROCESSES DESIGNED FOR THE UNIQUE NEEDS OF PRIVATE-SECTOR ELV LAUNCHES. THUS, A BALANCE BETWEEN REGULATORY FLEXIBILITY AND PREDICTABILITY IS THE KEY.

OUR APPROACH TO THIS PROBLEM IS "PROCESS-ORIENTED". WE HAVE FOUND THAT THE TECHNICAL ISSUES ARE THE MORE STRAIGHTFORWARD AND EASIER ISSUES TO ADDRESS. NASA, DOT'S FAA, COAST GUARD, AND MTB, THE DEFENSE DEPARTMENT, AND OTHERS ALL REPRESENT ACCUMULATED EXPERTISE AND EXPERIENCE THAT ARE READY AND WILLING TO GRAPPLE WITH AND RESOLVE THE TECHNICAL ISSUES. PROVIDING A WORKABLE AND STREAMLINED GOVERNMENT SYSTEM FOR RESPONDING TO LICENSE REQUESTS REQUIRES A DIFFERENT KIND OF TALENT AND INEVITABLY, BECAUSE THE PROCESS IS RELATIVELY NEW TO THE GOVERNMENT, A "BREAK-IN" PERIOD DEALING WITH ACTUAL PRIVATE-SECTOR REQUESTS.

OUR FIRST "HANDS-ON" EXPERIENCE HAS BEEN TO FACILITATE THE FEDERAL APPROVAL PROCESS FOR STARSTRUCK'S PLANNED LAUNCH. THIS VERY CONCRETE ACCOMPLISHMENT HAS PROVEN INVALUABLE IN SHAPING OUR IDEAS AND RECOMMENDATIONS FOR STREAMLINING THE FEDERAL APPROVAL PROCESS, AND I WOULD THEREFORE LIKE TO ILLUSTRATE SEVERAL ASPECTS OF IT. ALSO, EXTENSIVE "DEBRIEFING" BY SPACE SERVICES, INC, THE OTHER PRIVATE-SECTOR COMPANY TO UNDERTAKE A LAUNCH, REGARDING ITS OWN EXPERIENCE IN OBTAINING FEDERAL LAUNCH APPROVAL, HAS PROVEN HELPFUL.

AS YOU KNOW, STARSTRUCK IS USING A UNIQUE LAUNCHING METHOD -- TOWING ITS ELV OUT INTO THE PACIFIC FOR A LAUNCH FROM THE OCEAN SURFACE IN INTERNATIONAL WATERS. WHEN STARSTRUCK ENCOUNTERED DIFFICULTIES WITH LOCAL PORT AUTHORITIES, WE WERE ABLE TO REQUEST COAST GUARD ASSISTANCE IMMEDIATELY. USCG WAS ABLE TO CONVENE THE PARTIES TO ADDRESS ALL MATTERS OF PORT SAFETY, IN WHICH IT IS THE EXPERT, AND TO OFFER ESCORT SERVICES THROUGH THE PORT. THIS SATISFIED LOCAL OFFICIALS.

STARSTRUCK ALSO DECIDED THAT IT NEEDED TO MOVE ITS LAUNCH AREA CLOSER TO THE

U.S. COASTLINE, WHICH MEANT CHANGING THE SURFACE AND AIR SPACE THAT HAD TO BE CLEARED BY COAST GUARD, FAA, AND THE DEPARTMENT OF DEFENSE. OUR ABILITY TO CALL ON THE FAA'S GOOD OFFICES AND TO COORDINATE THE REVIEWS BY ALL THESE AGENCIES HELPED OUT AGAIN.

WHEN STARSTRUCK MET RESISTANCE FROM THE OFFICIALS OF ONE CALIFORNIA TOWN THROUGH WHICH IT NEEDED TO SHIP ITS VEHICLE, THE MATERIALS TRANSPORTATION BUREAU WITHIN DOT ASSURED THE TOWN THAT THE SHIPMENT WOULD NOT BE HAZARDOUS, AND THAT IT WOULD NOT HARM ANY NATIONAL SECURITY OR SAFETY INTERESTS. THIS SATISFIED THE LOCAL OFFICIALS.

AS A GENERAL MATTER, WHEREVER AN APPROVAL WAS BEING DELAYED UNNECESSARILY, WE WERE ABLE TO EXERCISE OUR RESPONSIBILITY UNDER THE EXECUTIVE ORDER TO INTERVENE AND RAISE THE PRIORITY OF THE REVIEW BEING CONDUCTED. HAVING A LEAD AGENCY REALLY HELPED.

THESE EXPERIENCES HAVE TAUGHT US THAT WE MUST AVOID AT ALL COSTS AN ATTEMPT TO REDUCE REGULATION TO A SINGLE, ALL-ENCOMPASSING PROCEDURE DESIGNED TO MEET ALL POTENTIAL SITUATIONS. IT WOULD BE IMPOSSIBLE TO FORESEE ALL THE POSSIBLE IMPEDIMENTS CONFRONTING JUST THE SINGLE STARSTRUCK LAUNCH, AND A REGULATION ATTEMPTING TO DO SO WOULD BE IMPRACTICAL IN OUR VIEW. FURTHERMORE, WE WERE ABLE TO RESOLVE A NUMBER OF PROBLEMS SIMPLY BY CASE-BY-CASE INTERVENTION AS LAUNCH PREPARATIONS UNFOLDED. IN OTHER WORDS, WE NEEDED RESPONSIVENESS, NOT MORE REGULATION, IN MOST CASES. PERHAPS THE PRIME LESSON IS THAT NOT EVEN THE INDUSTRY KNOWS WHAT IT NEEDS IN THE WAY OF REGULATORY ARRANGEMENTS TO SUIT ALL SITUATIONS, AND THAT FLEXIBILITY MUST BE RETAINED FOR THE NEAR TERM.

THE COMPLEXITY OF THIS LAUNCH WAS BY NO MEANS DISCOURAGING. IT IS SIMPLY MORE DIFFICULT TO REVIEW AND APPROVE AN EXPERIMENTAL LAUNCH USING A NEW AND UNTESTED ELV THAN THE ROUTINE LAUNCH OF A TESTED AND PROVEN ONE. STARSTRUCK AND SSI WILL FACE SIMPLER AND SHORTER APPROVAL PROCESSES IN THE FUTURE AS THEY CONTINUE TO DEVELOP THEIR RESPECTIVE LINES OF LAUNCH VEHICLES. ALSO, THE NUMBER OF AGENCIES THAT MUST REVIEW AN ELV LAUNCH APPLICATION WILL VARY WITH THE CHARACTERISTICS OF THE LAUNCH. FOR EXAMPLE, STARSTRUCK DID NOT REQUIRE THE IMPORT APPROVAL FROM THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS THAT SSI REQUIRED FOR ITS SOUNDING ROCKET.

THIS EXPERIENCE WILL GUIDE OUR DEVELOPMENT OF RECOMMENDATIONS FOR THE STREAMLINING OF REGULATION. WE ALREADY SEE THREE TECHNIQUES WHICH COULD SUBSTANTIALLY SIMPLIFY AND SHORTEN THE FEDERAL APPROVAL PROCESS: REDUCTION OR ELIMINATION OF SEQUENTIAL COORDINATION; ELIMINATION OF DUPLICATIVE REVIEW THROUGH VOLUNTARY RELIANCE OF ONE AGENCY ON ANOTHER AGENCY'S WORK, WHEREVER POSSIBLE; AND SPECIFICATION IN ADVANCE BY EACH AGENCY OF ITS INFORMATION REQUIREMENTS. I WOULD STRESS, HOWEVER, THAT WHILE THE LEADERSHIP OF THE LEAD AGENCY CAN BE INFLUENTIAL IN DEVELOPING THESE TECHNIQUES, THEY CANNOT AND WILL NOT BE IMPOSED BY THE LEAD AGENCY.

IN ADDITION, WE EXPECT TO CONVENE THE INTERAGENCY GROUP ESTABLISHED BY THE EXECUTIVE ORDER WHEN USEFUL TO BRING TO BEAR THE AGENCIES' ACCUMULATED REGULATORY EXPERTISE ON PARTICULARLY NOVEL OR DIFFICULT QUESTIONS. OF COURSE, EACH AFFECTED AGENCY IS MOST CONVERSANT WITH ITS OWN STATUTORY RESPONSIBILITIES AND HOW THEY SHOULD APPLY TO PRIVATE-SECTOR ELV SPACE LAUNCHES. IT IS IMPERATIVE TO CONTINUE THE PROCESS OF CULLING OUT WHAT IS TRULY UNNEEDED AND INAPPROPRIATE, WITH THE AID OF THE RESPONSIBLE AGENCIES.

I WOULD LIKE TO SUMMARIZE PROGRESS WE HAVE MADE IN OTHER AREAS UNDER THE EXECUTIVE ORDER. YOU ARE AWARE THAT DOT AND THE DEPARTMENT OF STATE ARE ALREADY DISCUSSING SHIFTING LAUNCH APPROVALS FOR LAUNCH VEHICLES AND PAYLOADS NOW HANDLED BY STATE THROUGH THE "ITAR" PROCESS TO DOT AS LEAD AGENCY. THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS HAVE BEEN USED AS A CONVENIENT MEANS TO REGULATE COMMERCIAL ELV SPACE LAUNCHES FOR THEIR CONFORMITY TO INTERNATIONAL TREATY, FOREIGN POLICY, NATIONAL SECURITY, AND PUBLIC SAFETY REQUIREMENTS. NOW THAT WE HAVE A DESIGNATED FOCAL POINT FOR COORDINATING APPROVALS, IT MAY BE HELPFUL FOR DOT TO PERFORM THIS FUNCTION, BUT IN A MANNER THAT WOULD NOT AFFECT THE STATE DEPARTMENT'S RESPONSIBILITIES IN INTERNATIONAL TREATY COMPLIANCE, EXPORT SALES, AND OTHER FOREIGN POLICY CONCERNS. OUR TWO DEPARTMENTS HOPE TO HAVE MORE CONCRETE INFORMATION FOR YOUR COMMITTEE SHORTLY.

IN THE AREA OF FREQUENCY ALLOCATION, WE CONVENED A MEETING OF THE FIVE ELV LAUNCH FIRMS, THE FEDERAL COMMUNICATIONS COMMISSION, AND THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION TO DISCUSS FREQUENCY NEEDS AND POTENTIAL PROBLEMS. SOLUTIONS FOR FREQUENCY NEEDS IN THE SHORT TERM WERE SATISFACTORILY ADDRESSED AS WELL AS THE ACTIONS NEEDED IN THE LONG TERM. FROM THE STANDPOINT OF THE GOVERNMENT AND INDUSTRY, THE MEETING PROVED EXTREMELY HELPFUL.

WE ARE WORKING WITH THE DEPARTMENTS OF STATE AND COMMERCE, THE U.S. TRADE REPRESENTATIVE, AND NASA TO DEVELOP POLICIES TO INCREASE THE COMPETITIVENESS OF U.S. COMMERCIAL ELV'S IN THE WORLD MARKET. IN RECENT YEARS, A NUMBER OF GOVERNMENTS AND FIRMS IN OTHER COUNTRIES HAVE FOCUSED ON DEVELOPMENT OF THEIR OWN DEVELOPMENT OPTIONS. THIS HAS RESULTED IN PREFERENCE FOR THE ARIANE, FOR EXAMPLE, AS A MEANS TO DIVERSIFY SOURCES OF SUPPLY. INTERNATIONAL

ORGANIZATIONS SUCH AS INTELSAT, THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION REPRESENTING 108 NATIONS, AND INMARSAT, THE INTERNATIONAL MARITIME SATELLITE ORGANIZATION, HAVE INSTITUTED POLICIES FOR SPREADING PROCUREMENT AMONG MEMBER COUNTRIES. IN ADDITION, FOREIGN SUBSIDIES HAVE INCREASED U.S. INDUSTRY'S USE OF FOREIGN ELV'S. IF THE U.S. IS TO CONTINUE LEADERSHIP IN SPACE, WE MUST PERMIT THE PRIVATE-SECTOR THE OPPORTUNITY TO COMPETE WITH ARIANE AND OTHER FOREIGN ELV'S IN ORDER TO ADVANCE OUR OVERALL COMPETITIVENESS IN THIS AREA.

WE ARE PARTICIPATING WITH THE COMMERCE DEPARTMENT IN PREPARING POLICY PAPERS FOR UPCOMING MEETINGS OF THE OECD, THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT. IN THESE EFFORTS, WE ARE AIMING TOWARD AN EFFICIENT AND EQUITABLE INTERNATIONAL TRADING SYSTEM IN SPACE PRODUCTS AND SERVICES SO THAT U.S. AND FOREIGN GOVERNMENTS AND FIRMS, AS WELL AS INTERNATIONAL ORGANIZATIONS, ARE ABLE TO USE U.S. OR FOREIGN COMMERCIAL ELV'S ON A REASONABLY COMPETITIVE BASIS. IF THE U.S. CAN COMPETE ON REASONABLE TERMS, WE BELIEVE THAT WE CAN BE SUCCESSFUL.

WE ARE ALSO TAKING ADVANTAGE OF OTHER, MORE SPECIFIC OPPORTUNITIES TO PROMOTE U.S. COMMERCIAL ELV'S IN THE WORLD MARKET. FOR EXAMPLE, A DEPUTY ASSISTANT SECRETARY OF TRANSPORTATION, WHO WAS IN BEIJING FOR OTHER PURPOSES EARLIER THIS MONTH, VISITED THE CHINA BROADCASTING SATELLITE CORPORATION TO DISCUSS THE USE OF U.S. COMMERCIAL ELV'S TO LAUNCH TWO BROADCAST SATELLITES THAT THE CHINESE ARE PLANNING TO ACQUIRE. THE MEETING WAS EXTREMELY USEFUL AND RESULTED IN A NUMBER OF SPECIFIC QUESTIONS FROM THE CHINESE WHICH WERE ANSWERED IN SUBSEQUENT COMMUNICATIONS.

MEMBERS OF MY STAFF AND I, WITH THE FAA, ARE WORKING WITH THE RANGE SAFETY SPECIALISTS FROM NASA AND THE AIR FORCE TO REVIEW EXISTING FACILITIES AND PROCEDURES AND TO IDENTIFY ACTIONS NEEDED TO ENSURE THAT COMMERCIAL RANGES AND ELV'S WILL EXPERIENCE THE SAME LEVEL OF SAFETY AS ACHIEVED ON THE NATIONAL RANGES.

ON THE USE OF NATIONAL RANGES BY PRIVATE-SECTOR ELV'S, WE ARE WORKING WITH THE DEPARTMENT OF DEFENSE AND NASA TO ESTABLISH REASONABLE PRICING STRUCTURES FOR USE OF GOVERNMENT-OWNED LAUNCH RANGE FACILITIES AND SERVICES BY COMMERCIAL CUSTOMERS, AND TO IDENTIFY POTENTIAL SIMPLIFICATION OF RANGE REQUIREMENTS, AS APPROPRIATE, FOR COMMERCIAL USE.

OUR CONTACTS WITH THE INDUSTRY HAVE ALSO BEEN EXTREMELY USEFUL IN FOCUSING ON REGULATORY AND OTHER MATTERS THAT SHOULD BE ADDRESSED. THE SECRETARY IS IN THE PROCESS OF ESTABLISHING AN INDUSTRY ADVISORY COMMITTEE TO INSTITUTIONALIZE THIS FLOW OF INFORMATION. A STRUCTURE FOR CONTINUING, FOCUSED DIALOGUE WITH THE ENTIRE INDUSTRY WILL DO THE MOST TO DISCOVER AND SURMOUNT BARRIERS TO ELV COMMERCIALIZATION. THIS MEANS NOT ONLY LAUNCH-SERVICE OPERATORS, BUT ALSO THEIR POTENTIAL CUSTOMERS, THE FINANCIAL BACKERS FOR THE WHOLE INDUSTRY, AND THE INSURERS. THIS COMMITTEE WILL SERVE AS THE "EARLY WARNING SYSTEM" TO PROBE FOR REGULATORY AND OTHER HURDLES AND TAKE ACTION TO ELIMINATE OR MINIMIZE THEM.

THE COMMITTEE WILL INCLUDE REPRESENTATIVES OF THE AEROSPACE MANUFACTURERS, LARGE AND SMALL LAUNCH COMPANIES, SATELLITE DEVELOPERS, COMMUNICATIONS COMPANIES, INVESTMENT FIRMS, THE SPACE LAW COMMUNITY, INSURANCE COMPANIES, THE RESEARCH AND ACADEMIC COMMUNITIES, AND OTHER EXPERTS IN THE SPACE FIELD. WE HOPE TO ANNOUNCE THE MEMBERSHIP OF THE COMMITTEE SHORTLY AND TO CONVENE THE FIRST MEETING THIS SPRING.

I HAVE DESCRIBED SEVERAL OF THE MOST IMPORTANT INITIATIVES WE ARE CURRENTLY UNDERTAKING AS LEAD AGENCY TO BRING FORM AND SUBSTANCE TO ASSISTING THIS ELV INDUSTRY. WITH EACH INITIATIVE, WE LEARN MORE ABOUT THE AREAS THAT DO AND DO NOT DESERVE EMPHASIS AND THE COMMITMENT OF RESOURCES. I CANNOT STRESS ENOUGH THE IMPORTANCE OF THE FLEXIBILITY REFLECTED IN THE EXECUTIVE ORDER PROCESS TO DEFINE THE WORK OF THE LEAD AGENCY. IT IS TOO EARLY, IN MY VIEW, TO ENACT LEGISLATION DEFINING THIS TASK.

I RECOGNIZE THAT THERE ARE SOME MEMBERS OF THE COMMITTEE WHO HAVE CONCERNS ABOUT SIMPLY TRUSTING THE EXECUTIVE BRANCH TO MAINTAIN ITS COMMITMENT TO ENCOURAGING THE ELV INDUSTRY. CONGRESSIONAL INTEREST INITIATED CONSIDERATION OF THIS ISSUE, AND THIS COMMITTEE DISCUSSED REALIGNMENT OR ENHANCEMENT OF VARIOUS AUTHORITIES. WE RESPECT THE ANALYSIS AND STAFF WORK THAT UNDERLIE THIS VIEWPOINT AND DO NOT QUESTION THAT IT POINTS TO SEVERAL ISSUES THAT NEED TO BE RESOLVED. HOWEVER, WE STILL BELIEVE IT IS TOO SOON TO CHOOSE A LEGISLATIVE COURSE THAT WILL SUSTAIN THIS EFFORT IN THE LONG TERM.

I WOULD LIKE TO ADDRESS WHAT I BELIEVE ARE SPECIFIC CONCERNS OF THE COMMITTEE. THE FIRST, OF COURSE, IS WHETHER THE EXECUTIVE BRANCH MIGHT, BY "THE STROKE OF THE PEN" OR SHEER NEGLECT, ABANDON OR WATER DOWN THE ELV COMMERCIALIZATION EFFORT. WE WILL NOT. SECRETARY DOLE UNDERSTANDS FULLY THAT SPACE TRANSPORTATION IS EMERGING AS ANOTHER ROUTINE MODE OF TRANSPORTATION, AND THAT THE DEPARTMENT HAS A VALID AND CONTINUING ROLE IN ITS FUTURE. SHE IS ENTHUSIASTIC AND PERSONALLY COMMITTED TO THE TASK. ALSO, OTHER DEPARTMENTS HAVE GREAT STAKES IN THE FUTURE OF A COMMERCIAL ELV INDUSTRY. FOR EXAMPLE, THE STATE AND COMMERCE DEPARTMENTS HAVE CONTINUING INTERESTS IN THE INTERNATIONAL TRADE CONSEQUENCES OF ELV SPACE TRANSPORTATION. IN SHORT, I FIRMLY BELIEVE THAT

THE ADVANCEMENT AND HEALTH OF THIS COMMERCIAL ELV INDUSTRY WILL BECOME INCREASINGLY IMPORTANT TO THE EXECUTIVE BRANCH, AND THAT THE CONFLUENCE OF COMMERCIAL AND NATIONAL INTERESTS WHICH HAVE BROUGHT THE INDUSTRY TO ITS PRESENT STAGE OF DEVELOPMENT WILL ENSURE A HIGH LEVEL OF GOVERNMENT INTEREST FOR MANY ADMINISTRATIONS TO COME.

ANOTHER COMMITTEE CONCERN IS THAT THERE BE MINIMUM BUT APPROPRIATE REGULATION OF PAYLOADS. THE STATE DEPARTMENT HAS BEEN INVITED HERE TODAY TO ADDRESS THIS TOPIC IN THE CONTEXT OF THE FOREIGN POLICY AND INTERNATIONAL ISSUES INVOLVED IN MONITORING COMMERCIAL PAYLOADS, FOREIGN AND DOMESTIC. THE COMMITTEE CORRECTLY ANTICIPATES THAT A SYSTEMATIC OVERSIGHT OF THIS AREA WILL BE NEEDED. THE U.S. IS ABSOLUTELY LIABLE UNDER INTERNATIONAL TREATY FOR ANY DAMAGE SUFFERED BY NATIONALS OF OTHER COUNTRIES FROM ANY LAUNCH IN WHICH WE QUALIFY AS THE LAUNCHING STATE. WE MUST ALSO REVIEW THE PAYLOAD FOR UNAUTHORIZED TRANSFER OF U.S. TECHNOLOGY. I HAVE ALREADY MENTIONED THE ROLE THAT DOT MAY PLAY IN THE ITAR PROCESS, FOLLOWING OUR ONGOING DISCUSSIONS.

A THIRD CONCERN IS DOT'S LACK OF EXPERTISE TO SUPPLANT THE NORMAL REGULATORY PROCESS OF OTHER AGENCIES IN ORDER TO SPEED APPROVAL OF A COMERCIAL ELV LAUNCH. AS WE EXPLAIN IN DETAIL IN OUR COMMENTS TO YOU ON H.R. 3942, WE DON'T BELIEVE CONSOLIDATING THE AUTHORITY OF OTHER AGENCIES IN A SINGLE "SUPER AGENCY" IS PRACTICAL IN ANY REALISTIC TIME FRAME. NO AGENCY HAS THE TECHNICAL DEPTH, LONG REGULATORY EXPERIENCE IN THIS CONTEXT, INSTITUTIONAL MEMORY, OR OTHER STRENGTHS TO SUPPLANT ANOTHER AGENCY'S JUDGMENT, NOR SHOULD IT SEEK TO DO SO. ACQUIRING SUCH EXPERTISE AND EXPERIENCE BY THE LEAD AGENCY WOULD BE EXTREMELY TIME-CONSUMING AND DUPLICATIVE. WE THINK THE APPROACH OF THE EXECUTIVE ORDER, STRESSING PROCEDURAL GAINS WHILE RELYING ON EXISTING AGENCY EXPERTISE, WILL YIELD MORE BENEFITS FAR MORE QUICKLY.

IN CLOSING, I WOULD LIKE TO THANK THE COMMITTEE FOR PUTTING COMMERCIAL ELV SPACE TRANSPORTATION ON ITS AGENDA AND ENCOURAGING GOVERNMENT ACTION. MUCH REMAINS TO BE DONE, OF COURSE, BUT YOU HAVE PROMPTED THE EXECUTIVE BRANCH TO RECOGNIZE THAT COMMERCIAL ELV'S ARE NEEDED TO PROVIDE AN ALTERNATE MEANS OF PLACING PAYLOADS IN SPACE. FOR MANY MISSIONS NOT REQUIRING MANNED CAPABILITY, COST-EFFECTIVE, DEDICATED, AND RELIABLE ELV'S ARE SUITABLE. THEIR CAPABILITY CAN BE INVALUABLE WHEN USERS NEED TO PLACE SPECIALIZED PAYLOADS IN SPACE WHEN THE TIME, ORBIT, MANIFEST, OR LAUNCH WINDOW MAY BE UNAVAILABLE THROUGH THE SHUTTLE.

WE LOOK FORWARD TO WORKING ON ELV COMMERCIALIZATION WITH THE SUBCOMMITTEE IN THE FUTURE. THIS COMPLETES MY PREPARED STATEMENT, AND I WOULD BE PLEASED TO RESPOND TO THE COMMITTEE'S QUESTIONS.