

Statement of

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before the

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Mr. Chairman, I am pleased to have this opportunity to appear today before the members of this committee.

Beginning two years ago, the Federal government sought to clear the way for the development of a commercial space launch industry. Working together, this Committee and the Administration have taken positive steps to create the conditions necessary for a commercial space launch industry to emerge. With the President's decision to give DOT lead agency responsibilities and your leadership in drafting the Commercial Space Launch Act, a fledgling private sector launch industry has begun to take form.

Today, the framework is in place to enable private firms to conduct space launch activities on a commercial basis. The Department, in consultation with other agencies and with industry, has developed a regulatory approach that addresses both the responsibilities of the United States Government in protecting public interests and the needs of this industry for flexibility and responsive action.

Competition from government-sponsored launch systems, both here and abroad, caused some to doubt that private sector commercial space launch operators could compete successfully in the international market. Today, however, we find ourselves in a very different environment. The demand for launch capacity exceeds its availability. We can no longer afford to rely upon a single launch system for providing assured access to space.

We agree with Acting NASA Administrator William Graham and Under Secretary of the Air Force "Pete" Aldridge, who testified before this Committee in late February, that this Nation needs an unmanned, expendable launch vehicle complement to the shuttle. The existence of a viable commercial launch industry provides the Nation with a range of launch vehicles upon which it can rely for assured access to space. In addition, it diversifies the base of resources upon which the Nation can rely for innovation and investment in space transportation.

As a result of the tragic loss of the Space Shuttle Challenger and its crew, the United States' space program faces a launch capacity shortfall that requires taking a careful look at a broad range of solutions. We must address not only our immediate need to recover from the disruption in our planned launch schedule, but provide a hedge against finding ourselves in similar circumstances in the future.

Increased use of ELVs is one solution to meeting our short- and long-term launch capacity needs. It is clear that the backlog of payloads will exceed both Shuttle's and Ariane's capacity for launching them for the foreseeable future. US ELVs can offer additional capacity for getting government and commercial payloads into orbit and ease some of the pressure on the Shuttle launch schedule. In addition, ELVs can play an important role in providing assured access to space as a complement to the Shuttle. This is particularly true for a number of payloads that do not require the sophisticated resources that our manned flight systems (the shuttle, aerospace plane, or others) offer.

The significance of the policy to facilitate a commercial ELV industry is amplified by other important national priorities — providing for assured access to space in support of our national defense and privatizing activities that heretofore have been confined to Government operation. Privatization of appropriate space technology diversifies the production base without continued reliance upon taxpayer dollars as the sole means of financing access to space. The Department of Transportation remains convinced that the United States must continue to advocate policies to foster a private sector space transportation alternative.

We have been active in the deliberations of the Senior Interagency Group on Space and the Economic Policy Council's Commercial Space Working Group, chaired by the Department of Commerce. As you know, DOT chaired the group that investigated the insurance issue. Its recommendations and those of the other groups (on international competition, proprietary data and patent policy, privatization of specific government space activities, capital formation, and taxation issues) have been forwarded to the Economic Policy Council for its consideration. In addition, we have worked closely, in an advisory capacity, with the National Commission on Space and as contributors to the joint NASA/DOD Space Transportation Architecture Study.

As the Congress itself recognized in enacting the Commercial Space Launch Act, regulatory policy in this area must be carefully crafted to avoid stifling this industry's creativity and enthusiasm. The Department of Transportation has been working with its sister agencies in the executive branch to identify and eliminate unnecessary regulatory barriers to a vigorous commercial launch industry in the United States.

Our regulatory program is designed to ensure safe and responsible commercial launch activities while providing an environment conducive to growth and innovation. On February 26, the Department published regulations that establish a flexible framework for licensing commercial space launch operations.

The regulations were developed in consultation with a number of agencies, including NASA, the Departments of Defense, State, and Commerce, as well as the FCC. They provide companies the clear guidance they need in order to conduct effective planning and to secure expeditious review of their proposals. We believe that the policies and procedures contained in the regulations ensure that these proposals are efficiently but thoroughly scrutinized so that the interests we are charged with protecting, public safety in particular, are not jeopardized.

In addition to developing licensing policies and procedures, we have begun a comprehensive research effort aimed at developing substantive safety standards. This effort will involve analysis of range and flight safety practices currently used at Government launch facilities in light of our own

independent research in order to establish safety criteria that are appropriate for commercial launch operations. Such criteria will guide industry in planning cost-effective launch proposals.

Even before the passage of the Commercial Space Launch Act in 1984, industry plans for conducting commercial space launches were ahead of Government's plans for their regulation. Given current capacity constraints, we anticipate a increase in commercial launch activity as ELVs, in particular, play a larger role in assuring access to space. Our regulatory program is specifically designed to provide us the means for responding quickly and effectively to the widest possible range of commercial launch proposals.

This is a challenging period in our Nation's space program. It seems clear that a mixed fleet of both manned and unmanned launch vehicles best ensures that American Government and industry will have the transportation options they need to carry out the full array of planned space-based activities. A competitive ELV industry will strengthen our industrial base, ease the burden on the taxpayer, better enable the U.S. to compete against foreign launch vehicles, and promote technological innovation and commerce.

I look forward to continuing to work closely with the members of this committee as we seek to strengthen America's leadership in space through the combined energies of the Federal government and private enterprise.