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Statement of Space Subcommittee Chairman Steven Palazzo (R-Miss.)
The Commercial Crew Program: Challenges and Opportunities

Chairman Palazzo: Good morning. I would like to welcome everyone to our hearing today and I want to thank our witnesses for taking time to appear before the Committee.

Today's hearing is a review of the Commercial Crew Program at NASA. This program holds the promise of tremendous value for both the taxpayer and the contractors, as long as the program is executed appropriately.

Last year, NASA chose two partners to continue through the final phase of the program, Boeing and SpaceX. Known as CCtCap (Commercial Crew Transportation Capability), this final phase will provide funding for the partners to complete testing of their systems. This is a critical phase in our nation's efforts to develop and sustain assured U.S. human access to low-Earth orbit. To date, Congress and the Administration have not been able to reach consensus on the most efficient way to meet NASA's launch requirements. However, the promise of this capability and new contracting structure has allowed for guarded optimism.

The NASA Authorization Act of 2008 directed NASA to engage the private sector for access to the International Space Station (ISS) so long as it did not come at the expense of NASA's other exploration development programs. Similarly, the NASA Authorization Act of 2010 continued this direction, included reporting requirements related to safety, and directed NASA to ensure that the Orion vehicle was able to provide alternative means of delivering crew to the ISS in the event that partner-supplied vehicles are unable to perform that function.

NASA has done a lot to move the industry along in compliance with these laws. They have provided funding for early stage development, funding to mature spacecraft designs, funding to certify those designs, and ultimately they will provide a steady customer through the ISS program. Previous testimony before this Committee indicated that the taxpayer will fund roughly 90 percent of the development of these capabilities and then in-turn pay once again for the services derived from those capabilities. In total, NASA has spent, or plans to spend, over 8 billion dollars on this initiative, which I believe represents a necessary investment if managed effectively. In order to protect taxpayer interests, however, this level of investment by the taxpayer requires a similar level of transparency and accountability.

To that end, it was concerning to read some of the findings made by the Aerospace Safety Advisory Panel (ASAP) in its annual report this year. The ASAP is congressionally-chartered to examine the culture of safety at NASA. It is required to provide advice to Congress and to the Administrator on measures that can be taken to improve safety at the agency. This year, the ASAP was not able to complete their job insofar as it pertains to the Commercial Crew Program. According to the report, the

Director of Commercial Spaceflight Development at NASA has provided excuses instead of information. This is described by the panel as a “seamless set of constraints as to why information cannot be shared.” Similarly, the report states “This opacity and failure to engage in open and transparent communication is reminiscent of the problems that were explicitly identified by both the Rogers Commission and the Columbia Accident Investigation Board (CAIB) regarding causes of the Space Shuttle Challenger and Columbia mishaps respectively.” Unfortunately, this Committee experienced similar issues when it attempted to get information on this program over the last year and a half.

I want to be crystal clear to our witnesses here today and to the Administration. Denying information to ASAP, or Congress, about the Commercial Crew Program is unacceptable when the hardworking American taxpayers are footing the bill for the program and the safety of our astronauts is on the line. Congress and the American people deserve to have answers to the questions posed by ASAP. I am pleased to hear that NASA is now being more open and I hope this trend continues.

Aside from the issues raised in the ASAP report, NASA must also address several outstanding questions as the program advances. The decision to use the Federal Acquisition Regulations to issue contracts for the final phase of the program was a welcome step from the Administration, and one that I endorsed, but how will waivers to safety requirements from the Certification Products Contracts phase be evaluated and issued? Given the delays in the commercial cargo program, how will NASA maintain schedule discipline under the current crew contracts? Why can't a scaled-back Orion launched on a Delta IV Heavy provide a redundant capability and competition to the commercial crew program? What level of price competition exists in the program now that we know the contractor's bids?

I raise these questions because I want the program to be successful. In these difficult budgetary times, NASA must concentrate its limited resources on meeting its core requirements – one of those being domestic human access to low-earth orbit. I truly believe that we can come together to address these concerns in a constructive bipartisan way so that we can once again launch American Astronauts on American Rockets, from American soil.

I look forward to hearing from our witnesses today.

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