

OPENING STATEMENT
The Honorable Steven M. Palazzo (R-MS), Chairman
Subcommittee on Space and Aeronautics
Hearing on
Office of Commercial Space Transportation's Fiscal Year 2012 Budget Request

May 5, 2011

Good morning and welcome to today's hearing to discuss the Fiscal Year 2012 budget request submitted by the FAA Office of Commercial Space Transportation.

Today, May 5th, marks the 50th anniversary of the first flight of an American astronaut – and the second human being – into outer space. Alan Shepard, riding in a Mercury capsule, launched atop a Redstone rocket on a fifteen minute suborbital flight that carried him to an altitude of 116 miles. His flight was a major first step for America's space program, helping bolster American pride and setting our country and NASA on a spectacular course of space accomplishments.

Turning to the present, I want to thank our witnesses for taking time from their busy schedules to appear before our Subcommittee. I realize a lot of work by many people goes into the preparation of your statements and I want to assure you that your expertise and wisdom will be valuable to this Committee and Congress as we wrestle with issues related to our nation's commercial space program.

The Office of Commercial Space Transportation provides an essential public service, ensuring that commercial launches are undertaken with the highest level of safety. Their record of achievement is significant, licensing over 200 launches without any loss of life, serious injury, or notable property damage to the general public.

However, over the next several years AST – as they are commonly known within FAA and industry – faces an increased workload and possible added regulatory duties, and their FY2012 budget request reflects these new burdens. The request seeks a 75% increase over the FY10 enacted level and an expansion of its workforce by nearly 50%. A significant portion of the increase would be spent hiring additional staff to develop and implement new safety requirements for sub-orbital and orbital commercial human spaceflight launch systems. AST also proposes to establish a new program – modeled after NASA's Centennial Challenges prize – to incentivize development of space transportation technologies. Finally, the budget request proposes creation of a Commercial Spaceflight Technical Center at NASA's Kennedy Space Center that would initially employ a small number of aerospace engineers, but could over time hire as many as a couple hundred. The request is silent on associated infrastructure costs.

With respect to commercial human space flight, the Commercial Space Launch Amendments Act of 2004 included two provisions that will be central to our discussions today. The first authorized AST to regulate commercial human space flight launch systems; the second prohibited AST from regulating commercial human space flight for eight years in order to give space tourism companies an opportunity to design, develop and operate new and experimental launch systems. The freeze was expected to allow the nascent industry to gain experience through experimental flights upon which AST could rely as it began to draft a regulatory regime. At the time Congress was considering the 2004 Act, industry expressed concern that without any real-world experience, regulation writers could choke off creation of the space tourism marketplace by writing and enforcing unworkable and overly-prescriptive rules.

Roughly six-and-a-half years have elapsed since the bill's enactment, and as many in this room are aware, there is an effort underway in Congress to extend the regulatory prohibition another eight years. Given that no prototype commercial sub-orbital vehicle has yet flown into space, does the argument still hold that AST needs an experience base upon which it can draft regulations guiding the industry's design and operation of their vehicles? To what degree should AST regulate commercial human space launch systems? Should they have insight down to the component level for each type of launch vehicle, much the same way that FAA certifies commercial civil aircraft? How would they acquire the knowledge and expertise to take on this role? It is my hope this morning's hearing will help shed light on these and other pressing questions.

Before closing, I also want to express concerns about AST's proposal to create a prize program. While I appreciate government's interest in promoting technological development in the space transportation industry, it is my view that NASA is doing more than a sufficient job funding new technologies and capabilities through aggressive use of Space Act Agreements. In these times when Congress and the White House are focusing on reducing the federal budget deficit, I question the wisdom of implementing another form of federal largesse.