

## **OPENING STATEMENT**

**The Honorable Ralph M. Hall (R-TX), Chairman  
Committee on Science, Space, and Technology**

*NASA's Commercial Crew Development Program: Accomplishments and Challenges*

October 26, 2011

Good morning and welcome to today's hearing entitled "NASA's Commercial Crew Development Program: Accomplishments and Challenges." I'd like to thank our many witnesses for taking time from their busy schedules to appear before our Committee. I realize considerable effort goes into the drafting and writing of statements, and I want you to know that your testimony, wisdom, and experience will be of invaluable help to our Committee and Congress as we deliberate in the months ahead on issues related to NASA and its Commercial Crew Program. I would like to note for the Members of the Committee that one company, Blue Origin, has received \$14.9 million in Federal funds under this program but declined to testify today.

Today's hearing will provide aerospace companies and NASA an opportunity to testify about progress being made toward the goal of establishing a purely commercial capability to fly humans to and from low Earth orbit, with an initial emphasis on ferrying NASA astronauts to the International Space Station.

Some have described the Commercial Crew Program as a variation on the way NASA has traditionally managed our human space flight program, implying that not much will change in the relationship between the agency and aerospace companies in the acquisition and operation of space vehicles. I find this characterization to be a gross over-simplification that doesn't fairly represent the degree of changes between the space launch industry and NASA, nor does it do anything to highlight the uncertainties of the business model going forward.

I am not opposed to this new approach, but in the time remaining I want to focus my remarks on the business case, as that is an area that I would like to see discussed at greater length. If indeed industry can perform safely and profitably, and at substantially less cost, then I will be the first to congratulate them and NASA. My hesitance though, is based on the very thin evidence provided to date by NASA that this new business model is well understood and that it can succeed. I have yet to be convinced that there is a sufficient commercial market that will sustain multiple private, for-profit commercial crew companies through the duration of America's commitment to the International Space Station. NASA seemingly takes the position of 'build it and they will come'; that by starting these companies first, business will soon follow.

Some say the business case is not very compelling, at least for those companies intending on using NASA as an anchor customer. Assuming two commercial companies will be certified by the end of 2016, at two flights a year for four years based on NASA's projections, government may need only eight flights. That's four flights per company, probably at a rate of one a year.

The number may grow if ISS is extended, but there's no guarantee. Four flights to recover some significant portion of sunk investment, coupled with the goal to price the service at a rate that doesn't dwarf the cost now charged by Russia, suggests to me a perilous business proposition. I think that NASA owes Congress and the laudable companies that are before us today a much more thorough assessment of the situation ahead. These companies have invested millions of dollars and Congress has committed millions more—it is time for NASA to deliver credible plans and analysis so that we can move forward with more confidence.

What I do not want to see happen is putting government in the position of stepping in to salvage one or several failing companies in order to preserve a national capability. Many of us are well aware of the debacle that confronted the Air Force with its EELV program, and this committee is not prepared to let NASA repeat that mistake. To paraphrase my friend and former Chairman of this Committee, Bart Gordon, I don't want to find ourselves at some future time throwing additional sums in this program because the commercial launch companies are 'too important to fail.'

For all my seeming skepticism, I am willing to be convinced that I'm wrong, and I hope I'm wrong. I want the private markets to relieve NASA of the cost and burden of building a new launch system for low Earth orbit. But as I said a minute ago, NASA must do more to address these important questions, and it's our role as the Committee of jurisdiction to ensure that whatever path we ultimately take, government's investment will be well understood and well spent.

In a time of constrained budgets, we must first protect our presence in space and keep the faith with the American people and our foreign partners. Logically, we cannot expend vast sums of money today going to Mars when our people can't even go to the grocery store. But, we must keep the dream alive by moving forward as we are able. That is why it is vitally important that we spend our limited NASA dollars wisely.

I want to offer thanks again to our witnesses. I greatly admire the achievements of you and your companies. It is undeniable that aerospace has directly contributed to this country's greatness and our preeminence in space, and all of us must work to ensure you have the missions and resources to continue that good work in the years ahead.