

Ranking Member Eddie Bernice Johnson

OPENING STATEMENT

October 26, 2011

Good morning. I would like to join Chairman Hall in welcoming all of our witnesses to this morning's hearing. The companies appearing before us are doing exciting work, and they are a great example of American industry's capacity for innovation. Today's hearing is a unique opportunity to hear from each of them about their accomplishments, their aspirations, and the challenges they face. I look forward to their testimony.

However, I want to be clear from the outset. I cannot let my enthusiasm for entrepreneurial innovation override my responsibility as a Member of Congress to take a clearheaded look at the issues associated with NASA's commercial crew proposal.

And it's clear that there are many issues that need to be addressed and questions that NASA still has not answered more than a year and a half after the initiative was first announced. In my opening remarks, I will focus on two of the issues that need our attention: priorities and risk.

Let me first say a few words about the issue of priorities. Given the cuts that are being made and contemplated to NASA's and our other federal agencies' important missions—as well as to essential services for the most vulnerable in our society—I've got to be convinced that the benefits of NASA's commercial crew proposal outweigh the costs before I can be comfortable supporting it.

What are the benefits? As NASA and others have described them, they are severalfold.

First, commercial crew would reduce—but not eliminate—dependence on Russia for International Space Station-related goods and services. NASA estimates that the cost to the U.S. government to purchase Russian crew transportation and rescue services would be about \$450 million a year from 2016 to 2020, or a total of about \$1.8 billion for those four years.

Second, NASA and others have argued that the commercial crew initiative will help create a new commercial crew space transportation industry with a wide range of private and public customers, thus lowering costs and allowing NASA to focus on deep space exploration.

What are the costs of the initiative? Last week, NASA's Deputy Administrator was quoted as saying that *"we have an analysis that says we believe we would require \$6 billion over five years"* to develop the commercial crew systems.

I have to take the Deputy Administrator at her word, as NASA still has not provided Congress with the basis for its commercial crew budget requests since the initiative was first announced almost two years ago—though I find it unsettling that the \$6 billion estimate is almost \$2 billion more than the amount actually bookkept for commercial crew in the NASA five-year budget plan that was submitted to Congress in February of this year.

Now that \$6 billion is just to develop the systems. Perhaps we will hear otherwise today, but all of the information provided by NASA to date indicates that it believes that the U.S. commercial crew systems will be "competitive" with the Russian Soyuz in price per seat but not significantly cheaper. So, at this point it looks like NASA will still be paying roughly the same amount to commercial crew providers through 2020 that it would be to the Russians.

As a result, I and other Members will have to decide whether it is worth paying a *\$6 billion premium* in taxpayer dollars in order to have a domestic ISS commercial crew capability available to replace the Russian system for a four-year period—assuming the U.S. commercial crew systems are certified operational by 2016. Now I would rather not pay money to the Russians either, but I will find it very hard to justify to my constituents spending an *extra* \$6 billion to transport our astronauts to the ISS for a limited amount of time unless I can also credibly argue that doing so will open up a broad new competitive market in commercial crew transportation for American industry.

Unfortunately, based on the information provided by NASA and others to date, I can't make that argument.

The only potential non-NASA markets of any significance identified by NASA for the foreseeable future are a small number of super-wealthy individuals seeking adventure trips—provided the price is right, and a small number of non-U.S. astronauts—provided their countries are willing to pay for their trips.

I will be frank—I don't think that the prospect of spending six billion taxpayer dollars to enable either super-rich tourists *or* non-U.S. astronauts to fly into orbit is going to be seen as a worthwhile priority by very many of my constituents in the current fiscal environment, and I have a feeling that many of my fellow Members will also find that to be the case.

Let me close by saying a few words about risk. I'm not talking about risk to our astronauts, because I have to believe that NASA will not put any of our astronauts on a commercial system until it is convinced that NASA's safety standards have been met.

Instead, what I am talking about is the risk to the U.S. government and the American taxpayer. That risk takes several forms. For example, there is the risk that the cost and schedule assumptions behind NASA's plans will not prove valid. As it is, even if the President's commercial crew budget request is approved in total, NASA's latest acquisition roadmap projections indicate that any contract for commercial crew transportation services to the ISS won't start until 2017, which is almost two years later than originally estimated.

NASA cautions that even that date could slip further depending on funding and the rate of progress made by the companies. Thus the likelihood that the commercial systems will be able to meet a significant portion of ISS crew transportation needs prior to 2020 is shrinking, and that's a risk to the viability of NASA's proposal that I find worrisome.

That risk is also one reason we mandated in the NASA Authorization Act of 2010 that NASA needs to put a credible government backup capability in place as soon as possible to support ISS operations if needed.

Finally, if a public-private partnership is to protect both the interests of the taxpayers and the companies, cost risk needs to be shared. However, NASA officials indicate that, on average, 9 out of every 10 dollars spent to develop the commercial crew systems will be taxpayer dollars. In addition, unless we hear otherwise today, the would-be commercial providers have indicated that they expect the government to indemnify them in the event of an accident.

That may or may not be good public policy, but unless there is sufficient private insurance coverage available to them to cover at least part of their potential accident liability, the reality is that the government may well be on the hook for the entire amount—or risk losing the company that it is relying on to get NASA's crews to and from the ISS.

In conclusion, Mr. Chairman, none of the issues I have raised here should take away from the good work that the companies represented at this hearing are doing. I applaud their efforts and wish them well. I

certainly plan to keep an open mind regarding NASA's commercial crew initiative, and I hope that NASA will provide all of the information and analyses Congress will need to properly evaluate that initiative.

However, as Members of Congress, we must be vigilant stewards of the taxpayers' dollars, and we cannot let either enthusiasm or hope blind us to that responsibility as we assess NASA's proposals.

Thank you, and I yield back the balance of my time.