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Statement of

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Subcommittee on Government Operations
Committee on Oversight and Government Reform
U.S. House of Representatives

Chairman Mica, Ranking Member Connolly, and Members of the Subcommittee, thank you for the opportunity to appear today to discuss NASA's management of its Real Property holdings located at NASA's John F. Kennedy Space Center (KSC) and Cape Canaveral Air Force Station (CCAFS) in Florida.

Since 1962, when it was formally established as NASA's Launch Operations Center, KSC has helped set the stage for America's adventure in space. From the early days of Project Mercury to the Space Shuttle program and International Space Station (ISS), from the Hubble Space Telescope to the Mars rovers, KSC enjoys a rich heritage in its vital role as NASA's processing and launch Center.

With the completion of Shuttle transition and retirement, KSC is well on the way to establishing itself as the Nation's preeminent launch complex for both government and commercial flights to and from low Earth orbit and beyond. KSC's Ground Systems Development and Operations Program is transforming Launch Complex 39 to support the Space Launch System (SLS) heavy-lift vehicle and the Orion Multi-Purpose Crew Vehicle. The first Orion flight test vehicle is nearing completion in the recently refurbished Operations and Checkout Building High Bay for a flight later this year, and Launch Complex 39 will be ready to support the first test flight of the SLS with Orion. With the extension of the International Space Station (ISS) to at least 2024, our Commercial Crew Program is working diligently to award a contract for a United States commercial provider with the goal of launching astronauts to the ISS from American soil in 2017. As we transform, our Launch Services Program continues to procure the expendable vehicles needed to launch NASA's scientific, weather, and communications satellites, as well as robotic missions to the solar system and beyond. We have been successful in numerous commercial partnerships that have been instrumental in revitalizing underutilized facilities, reducing NASA's operations and maintenance (O&M) costs at KSC, and facilitating commercial space operations.

NASA and KSC are moving forward into a new era of human space flight, and we are committed to streamlining capabilities, reducing our infrastructure, and becoming more cost-effective and efficient, while maintaining our high standards of technical excellence and safety.

KSC's Philosophy on Reduction of Ownership Cost Burden

Following the 2004 decision to end the Space Shuttle program, it became clear that many of the facilities utilized to support the Shuttle would not be required to support SLS. Therefore, NASA conducted an assessment of \$2.7 billion worth of Shuttle assets to identify those needed by SLS and those that were not. As a result of that assessment, KSC was able to determine which of those facilities should be demolished and which should be candidates for partnerships with outside entities. In 2010, KSC created what is now known as the Center Planning and Development (CPD) Directorate to manage the strategic planning for this transition. CPD is tasked with developing partnering opportunities with Federal and non-Federal entities, including seeking partners to use KSC assets, as well as evaluating unsolicited partnership offers and ensuring that proposed partners offer value compatible with NASA's vision and strategic goals. By transforming KSC into a multi-user spaceport, the Center can achieve two objectives: (1) leverage its underutilized or unneeded facilities to bring jobs back to the Center while (2) reducing NASA's annual O&M costs by transitioning responsibility for those facilities to its partners.

For some assets that are no longer required, there are no viable partnerships or alternative options. When NASA determines that an asset is (1) no longer required for its mission; (2) not viable for, or desired by potential partners; and (3) no other alternative uses for such an asset are practical, the facility is deemed to be inactive or obsolete and is added to the demolition list. KSC works with NASA Headquarters to reduce the KSC Real Property footprint and eliminate inactive and obsolete facilities when demolition funds are available. When demolition funds are not immediately available, NASA must abandon these facilities. Abandoned facilities pose potential safety and environmental liabilities at the Center. Demolishing these facilities as soon as practicable enables NASA to avoid nonproductive operating costs required to keep abandoned facilities safe and secure. Furthermore, demolition is a cost-effective method to reduce the amount of deferred maintenance on unneeded facilities and to meet the Agency's goal of reducing infrastructure.

KSC's Partnering Activities to Reduce Facilities Costs

Through a January 2011 Notice of Availability, NASA sought to identify potential outside interest in KSC assets that the Agency determined to be partially or fully available for other users at the conclusion of the Space Shuttle program. The Notice sought to ensure broad awareness and visibility of the anticipated opportunities for partnerships between NASA and industry and other non-Federal public entities. NASA's purpose in pursuing such partnerships is to maximize utilization of KSC launch infrastructure, while reducing the Center's O&M burden, as well as facilitating commercial space operations.

KSC's search for partnerships has resulted in agreements for space in several KSC and CCAFS facilities, including Orbiter Processing Facility 3, the Hazardous Maintenance Facility, Hangar N Nondestructive Evaluation Facility, and the Shuttle Logistics Depot.

In 2013 NASA selected Space Florida to take over operations at the Shuttle Landing Facility (SLF). Through this partnership, KSC's 15,000-foot runway is expected to be converted to accommodate a wide range of users, supporting government and commercial needs, while removing NASA's responsibility to maintain the associated facilities. The partnership agreement for the SLF is expected to be finalized with Space Florida in March 2014. NASA has also selected SpaceX to occupy and operate from Launch Pad 39A; negotiations on that facility are currently ongoing. Other activities are in work to create

partnerships for the use of Vehicle Assembly Building High Bay 1 and the Mobile Launcher Platforms by private entities. These facilities are some of the largest on KSC and contribute significantly to the Center's O&M cost. KSC anticipates that by the end of 2014, we will have implemented partnerships for 66 facilities to non-Federal entities. KSC seeks to build on that success by continuing to search for opportunities to partner with outside organizations to reduce Government costs.

KSC's Demolition Activities to Reduce Facilities Costs

As previously stated, KSC conducted a detailed assessment of existing facilities. As a result, KSC has been able to identify which buildings are no longer required for our mission and should be demolished and has begun to fund facility demolition projects. The Center has demolished 91 facilities over the last five years, which when combined with the impact from our partnerships has reduced the annual O&M cost by \$43 million. This is a 28 percent reduction and represents the net change after accounting for buildings that were added over this period. Further demolition projects have been programmed to remove an additional 36 facilities over the next five years. After completion of this program, KSC expects to have eliminated a total of 849,500 square feet of footprint, corresponding to a total reduction in current replacement value of \$294 million (a reduction of approximately 4.5 percent). KSC will continue to assess facilities and identify those that can be demolished to further reduce the effect of aging facilities on the Agency's Real Property investment costs.

Status of Facilities Requested by the Subcommittee on Government Operations

The Subcommittee requested specific information regarding six KSC-owned facilities. Two are located on CCAFS, and the remaining four are located on KSC. The status information on these facilities is summarized in the chart included in this written testimony. Of the six facilities, only one, the Component Refurbishment and Chemical Analysis Facility (K6-1696), is in active use. The Storage Facility at Launch Complex 19 (Building 15730) is currently abandoned; however, the United States Air Force 45th Space Wing has expressed interest in acquiring this facility, and an agreement is being coordinated through the General Services Administration. The Mission Support Building (K6-1298) is abandoned and slated for demolition, but has not yet been programmed into the five-year demolition plan. Hangar S is programmed for demolition in Fiscal Year (FY) 2015. The North Hypergol Module Processing Facility and the Hypergol Support Building were programmed for demolition in FY 2013 and are currently under contract to be demolished.

The disposition of these facilities exemplifies the outcomes from the assessment that was undertaken for the entire Center during the transition and retirement of the Space Shuttle program. KSC has kept facilities in use when practical, while the Center's costs are reduced through facility demolition or transition to outside entities.

Facility Number	Property Name	Site	Demo Project Year	FY 2013 Data			
				Status	Sq Ft	CRV (\$M)	O&M (\$)
15730	STORAGE FACILITY, LAUNCH COMPLEX 19	CCAFS	N/A	ABANDONED	26,000	11.8	64,053
1726	HANGAR S	CCAFS	FY15	ABANDONED	42,300	30.0	172,302
M7-0961	HYPERGOL MOD PROCESSING NORTH	KSC	FY13	ABANDONED	10,300	21.3	174,870
M7-1061	HYPERGOL SUPPORT BUILDING	KSC	FY13	ABANDONED	17,300	9.6	79,928
K6-1298	MISSION SUPPORT BUILDING	KSC	N/A	ABANDONED	5,500	1.1	15,803
K6-1696	COMPONENT REFURB. & CHEMICAL ANALYSIS FAC.	KSC	N/A	ACTIVE	57,000	25.2	976,395

Conclusion

KSC is committed to successfully meeting NASA's mission requirements and continuing its evolution into a multiuser spaceport that supports NASA's missions and facilitates the continued growth and development of the commercial space industry. The Center is proactively and effectively arranging for divestment of facilities without diminishing needed capabilities. The long-term strategy to expand United States access to space and stimulate the development of the domestic launch industry is gaining traction and reducing operating costs. KSC remains committed to meeting our Nation's goals in space with careful stewardship of our critical resources and wise investment of taxpayer dollars. NASA is making strides toward these goals through the transformation of KSC into a multiuser spaceport of the future where both government and commercial space operations can be conducted and can support one another.