



COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**  
Lamar Smith, Chairman

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## **Statement by Chairman Lamar Smith (R-Texas)**

### *An Update on NASA Commercial Crew Systems Development*

**Chairman Smith:** The goal of the commercial crew program was to develop a faster, more cost-effective way to procure space transportation services without sacrificing safety or reliability. The intent was to leverage the lessons learned and the investments made in the commercial cargo program.

At the outset, there was hope that contractor funding would decrease the development costs to NASA and the taxpayer and that this would justify the contractors keeping the intellectual property derived from federal funding. There was also an assumption that the contractors would find other customers, improving economies of scale, which would then lead to lower launch prices for NASA. Finally, there was a presumption that contractors could deliver systems faster if there was less government oversight.

Today's hearing is a great opportunity to evaluate whether the program is living up to those goals. Have the contractors funded development costs? If so, how much? If not, why not, and should the government retain the intellectual property? Previous hearings held by this committee indicated that NASA is funding 90 percent or more of the costs. Has this changed?

Are the contractors finding other customers to offset NASA operational costs? The commercial cargo program created two separate Delta-2 class launch vehicles that have certainly found customers outside NASA. However, the costs to NASA under the second commercial resupply services contract went up, not down. Should we expect costs to grow rather than shrink under the commercial crew program as well?

Has the commercial crew program maintained its planned schedule? Are there appropriate incentives built into the contracts to maintain the schedule and penalize delays?

This hearing offers us the opportunity to reflect on the status of the program and seek answers to those questions.

A lot has happened in the last few years. The program is making significant progress; however, as we will hear from the witnesses, there have been challenges. The

Government Accountability Office (GAO) reported last February that the neither Boeing nor SpaceX would be able to certify their systems in 2017.

That GAO report and the recently released Annual Report of the Aerospace Safety Advisory Panel (ASAP) both warned that certification is likely to slide even further to 2019. This was confirmed just last week we were formally notified that SpaceX's first launch would be delayed again.

Further, reports from the GAO, ASAP, the inspector general and others point out that neither company may be able to meet safety requirements. The recently released annual report from the Aerospace Safety Advisory Panel states that it appears that neither provider will be able to achieve one in 500 for ascent/entry and will be challenged to meet the overall mission requirement of one in 200, based on capsule design alone.

Meanwhile, as schedules slip, we continue to pay Russia \$80 million per seat to take our astronauts to the International Space Station (ISS). This not only creates additional budget pressure on the agency, it hinders full utilization of the ISS and ultimately complicates future exploration plans. With the end of the ISS on the horizon, the clock is ticking on maximizing the return on the taxpayer's investment. The longer we wait for the commercial crew program, the less we can accomplish on ISS.

Other programs at NASA, including SLS and Orion and the James Webb Space Telescope also face significant delays, cost overruns and challenges.

The taxpayers and Congress have neither infinite budgets nor infinite patience. Foreseeable delays, predictable overruns and performance lapses all have real consequences. Contractors should not assume that the taxpayers and Congress will continue to tolerate this.

NASA and its contractors must restore our American confidence in their ability to deliver safe, cost-effective leadership in space. This committee has strongly supported the commercial crew program and consistently advocated for full funding. That support continues, but the contractors need to deliver safe, reliable systems on budget and on schedule.

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