

March 29, 2019

The Honorable Adam Smith  
Chairman  
House Armed Services Committee  
2216 Rayburn House Office Building

The Honorable Mac Thornberry  
Ranking Member  
House Armed Services Committee  
2216 Rayburn House Office Building

Chairman Smith and Ranking Member Thornberry:

I want to thank you for holding the Member's Day forum and providing me with an opportunity to offer testimony about two issues of importance to my district and our nation: the administration's recent decisions on space defense, and an issue regarding the West Los Angeles National Guard Armory.

As a strong supporter of the Department of Defense's increased focus on space and efforts to spur innovation, I am concerned that the Department's efforts to stand up a Space Development Agency (SDA) risk creating duplicative layers of bureaucracy while undermining the existing organizations with a proven track record. Specifically, the new SDA risks jeopardizing the reliability of military space launch and specific national security payloads that would not be possible without the work of Air Force Space and Missile Systems Center (SMC). I urge the committee to conduct vigorous oversight of the Department and ensure that the decision creates the best structure to promote U.S. space dominance.

Last month, reports detailed a draft plan for SDA written by Undersecretary of Defense for Research and Engineering Michael Griffin. The draft plan called for SDA to be housed within the Department of Defense, receive an initial budget of \$149.8 million for fiscal year 2020, and be staffed by 30 civilian and 20 military employees. The Pentagon approved the proposal and formally stood up SDA on March 12, 2019.

The SDA raises serious questions about how it fits in with our existing military space structure. Specifically, it is unclear how the SDA will impact the role of SMC, a subordinate unit of Air Force Space Command and the longtime center of technical excellence for developing, acquiring, fielding and sustaining military space systems. SMC executes 85 percent of the Department's military space procurement budget and is manned by a high-level workforce of 6,000 service members, civilians and contractors. Simply put, SMC manages the business side of space launch and operations and is a national asset.

As I wrote to former Secretary Jim Mattis in December 2018, SMC is uniquely situated in the heart of our nation's most critical aerospace ecosystem, which provides immense military value to our space acquisition decisions. Due to its proximity to Southern California's innovation and technological-expertise, SMC has been able to cultivate synergies with three federally-funded research and development centers, nearby military installations with space-related missions, top university programs in aerospace engineering, leading space companies, and the nation's only aerospace startup accelerator.

According to public reporting on Undersecretary Griffin's proposal, he suggested "that SDA costs will be offset by personnel reductions in other organizations because many jobs associated in the space procurement bureaucracy will no longer be needed." Citing sources familiar with Undersecretary Griffin's thinking, reporting revealed that "the new agency is not intended to replace SMC but will grab pieces of the space portfolio, which could wipe out hundreds of government and contractors jobs at SMC."<sup>1</sup> The Department has not directly addressed this issue since formally standing up the new agency.

The notion that moving a piece of SMC's space portfolio out of the aerospace hub in Southern California will have a net-positive impact on military space acquisition fails the test of logic. A new name on the door and less proximity to innovators and expertise will not help the Department address the fundamental challenge with space acquisition: the Pentagon's procurement regulations. Standing up a new entity to simply work around the problem will leave in place its root cause.

As you may know, SMC is already well-underway to implement SMC 2.0, a reorganization that incorporates an enterprise view of space systems and seeks to speed up the development acquisition process. A new office was specifically set up to identify bureaucratic bottlenecks and work aggressively with fast track authorities at the Pentagon, such as the Rapid Capabilities Office, to accelerate procurement.

Beyond acquisition reform, the purpose of a Space Development Agency is to focus on the future of the domain and develop next-generation capability requirements. With that goal in mind, we believe it would be far more effective to expand SMC than to break it up. Such an arrangement could leverage the existing aerospace ecosystem built around SMC and create new synergies with those entities expanding our knowledge of space and pushing our technological limits.

Finally, as I have written to you in a separate letter with Sens. Feinstein and Harris, we are requesting that the Armed Services Committees include in the Fiscal Year 2020 National Defense Authorization Act (NDAA) the language allowing a portion of the West Los Angeles National Guard Armory to be utilized as a year-round homeless shelter. The West L.A. National

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<sup>1</sup> "DARPA's Fred Kennedy tapped to lead Space Development Agency." Space News. 24 February 2019. <<https://spacenews.com/darpas-fred-kennedy-tapped-to-lead-space-development-agency/>>

Guard Armory was conveyed by the federal government to the State of California in 1957 for military purposes. In addition to its use as a National Guard Armory, the State has allowed it to be used as a temporary shelter for homeless persons, solely during the winter season, for more than 10 years.

Unfortunately, Los Angeles County is facing a homeless crisis that is compounded by a shortage of year-round homeless shelters. There are nearly 53,000 persons experiencing homelessness in Los Angeles County on any given night, with over 31,000 who have no other option but to sleep on the streets. While the use of the Armory during the winter months provides refuge from inclement weather, the ability to use the Armory year-round would help the County to better address this crisis.

To that end, we have worked with the General Services Administration (GSA), the Department of Health and Human Services, the State of California, and Los Angeles County to draft language allowing GSA to modify the Armory's 1957 deed so that it can be used as a year-round homeless shelter. Importantly, utilizing a portion of the Armory for a shelter would not interfere with its function as a National Guard training site. I urge the Committee to consider incorporating the draft language in the FY20 NDAA.

Thank you for your attention to these important matters and the committee's tireless work to protect U.S. national security.

Sincerely,

Ted W. Lieu  
Member of Congress