



## **National Space Society Legislative Alert**

June 5, 2014

We are forwarding this Space Access Society Political Action alert to the NSS Political Action Network in the interest of time, which is short. This action should not be taken as a general endorsement of the positions or actions of the Space Access Society.

In addition to the suggested text below, we urge support for Commercial Crew at the \$848 million level as requested by NASA and not at the \$805 million level of the current Senate Bill.

We are aware that you will have virtually zero time to act based on the 9 AM deadline. However, we believe that it is important to let the committee know that NSS members care about this important issue.

Sincerely,

Dale Skran, Deputy Chair, NSS Policy Committee  
Bruce Pittman, NSS Senior Vice President & Senior Operating Officer

### **Space Access Society Political Action Alert 6/4/14 Short Fuse - Action Required By 9 am EDT Thursday 6/5/14 Please Redistribute As Widely As Possible**

In a subcommittee markup Tuesday June 3, 2014, Senator Richard Shelby (R AL) inserted a requirement in the Senate NASA funding bill (formally known as the Senate Commerce, Justice, Science, and Related Agencies Fiscal Year 2015 Appropriations Bill, "Senate CJS Appropriation" for short) to provide, he stated, "greater accountability and budgetary transparency in the commercial crew program and future commercial cargo missions."

What this actually is, according to [this story](#), is this:

- Language requiring NASA to ensure that companies participating in the competition for the development of Commercial Crew launch vehicles be required to submit certified cost and pricing data (consistent with FAR requirements)
- Language requiring NASA to require certified cost and pricing data for the new round of contracts for future cargo resupply missions.

In other words, it's a poison pill for Commercial Crew and Commercial Cargo.

## **Background**

Commercial Cargo and Commercial Crew already do a great deal of cost reporting, according to NASA's own voluminous [Commercial Space Transportation Document Library](#). Senator Shelby's assertion that this is about ensuring "that taxpayers get the best value for their dollar" is patent nonsense - by NASA's own study, one Commercial Cargo launcher development came in at a tenth or less NASA's likely in-house costs, and Commercial Crew looks set to follow in saving massive amounts of taxpayer dollars, with one bidder talking about prices as low as \$20m a seat (versus the current Russian price of over \$70m a seat and climbing, not to mention retired Shuttle's costs of well into the hundreds of millions per seat).

These two programs are on course to save massive amounts of taxpayer dollars, unless Commercial Cargo & Crew end up crippled by deliberately destructive contracting requirements.

To be absolutely clear, imposing full FAR cost-plus contract-type accounting controls on a commercial-style operation increases costs from 50% to 200%, depending on the size and details of the commercial operation. It will also delay the commercial operation for months or longer while the intensely detailed account-for-every-rivet procedures are being imposed.

It also potentially reveals to both domestic and international rivals a great deal of competition-sensitive confidential commercial information.

The FARs, section 15.403-1, "Prohibition on obtaining certified cost or pricing data", section (b), actually says "The contracting officer shall not require certified cost or pricing data... ..when a commercial item is being acquired."

The Cargo Resupply Services (and until quite recently also Commercial Crew development) contracts are commercial fixed-price contracts, and as such FARs-type "certified cost and pricing data" is none of the government's business. By law, and for good reason, the government isn't allowed to ask for that in such contracts. If there is to be any hope for both programs to continue as astonishingly efficient and affordable as they've been so far, they must continue on a commercial basis.

If Senator Shelby's narrowly targeted modification to the FARs stands, we modestly propose that it should be broadened to apply to all the other suppliers of Station services to NASA - the various international partners, and the high-cost Russian Soyuz providers in particular.

What's that you say, the Europeans and Japanese and Russians wouldn't stand for NASA insisting on detailed tracking and cost-accounting for every rivet?

OK, to be totally fair, let's expand this requirement to all US government purchases of commercial supplies and services. You say it would cause a major part of the US economy to grind to a halt?

Well, yes, it would, which is apparently the point of targeting Commercial Cargo and Commercial Crew with it.

### **Action**

The full Senate Appropriations Committee marks this bill at 10 am tomorrow, Thursday. The time to contact your Senator (if any) on the Committee and raise (polite) hell is today, tonight, and tomorrow morning before 9 am EDT.

If you're from a state with a Senator on the following list, go to [this page](#) for their phone number or web contact info, then give their office a call (preferred) or write them a message. If you call and get a live answer, ask for whoever handles NASA appropriations. If you then get that staffer live, tell them who you are and where you're from, give them your message briefly and politely, answer any questions they have, thank them for their time, and ring off. If you get shunted to voice mail (as seems most likely, especially tonight) state the message, briefly and politely, then ring off.

The gist of the message (put it in your own words if you can): "I'm [your name] from [your town in that senator's state.] I'm calling about a problem with the Senate NASA Appropriation. NASA's Commercial Crew and Commercial Cargo programs will be required to do full detailed cost-plus accounting despite being commercial programs. This will damage both programs by imposing delays and increasing costs. Please fix this in Thursday's markup. Thanks for your time."

### **Committee Members**

Mikulski, Barbara A. (MD) , Chairman

Leahy, Patrick J. (VT)

Harkin, Tom (IA)

Murray, Patty (WA)

Feinstein, Dianne (CA)  
Durbin, Richard J. (IL)  
Johnson, Tim (SD)  
Landrieu, Mary L. (LA)  
Reed, Jack (RI)  
Pryor, Mark L. (AR)  
Tester, Jon (MT)  
Udall, Tom (NM)  
Shaheen, Jeanne (NH)  
Merkley, Jeff (OR)  
Begich, Mark (AK)  
Coons, Christopher A. (DE)

Shelby, Richard C. (AL), Ranking Member  
Cochran, Thad (MS)  
McConnell, Mitch (KY)  
Alexander, Lamar (TN)  
Collins, Susan M. (ME)  
Murkowski, Lisa (AK)  
Graham, Lindsey (SC)  
Kirk, Mark (IL)  
Coats, Daniel (IN)  
Blunt, Roy (MO)  
Moran, Jerry (KS)  
Hoeven, John (ND)  
Johanns, Mike (NE)  
Boozman, John (AR)

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***About the National Space Society:** NSS is an independent nonprofit educational membership organization dedicated to the creation of a spacefaring civilization. NSS is widely acknowledged as the preeminent citizen's voice on space, with over 50 chapters in the United States and around the world. The Society publishes *Ad Astra* magazine, an award-winning periodical chronicling the most important developments in space. To learn more, visit [www.nss.org](http://www.nss.org).*