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U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

HVC-304, THE CAPITOL
WASHINGTON, DC 20515
(202) 225-4121

Michael Allen
STAFF DIRECTOR

MICHAEL H. SHANK
MINORITY STAFF DIRECTOR

August 2, 2012

The Honorable Leon E. Panetta
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Mr. Secretary:

We write to call your attention to an important national security issue – space launch and the Evolved Expendable Launch Vehicle (EELV) program. We are sure you are aware how vital space launch is to our national security and how costly this program is to the taxpayer. With the best of intentions to achieve mission reliability over the last two decades, we have created a U.S. government heavy launch capability that lacks domestic competition and is unable to compete internationally due to high costs. These escalating costs leave a growing burden on U.S. taxpayers and our defense and intelligence budgets.

The good news is that new entrants such as Space Exploration Technologies' (SpaceX) and Orbital Sciences Corp. are developing impressive capabilities that are breathing new life into the U.S. space launch market. For example, SpaceX has successfully launched its Falcon 9 rocket three times, to include docking a spacecraft with the International Space Station last May. These changes are opening an important window of opportunity to make room for new EELV competitors and reap significant cost savings, without sacrificing launch reliability.

While long overdue, the Air Force should be commended for its current effort to reduce the cost of the United Launch Alliance (ULA) arrangement while studying the capability of potential competitors. The Air Force has told our Committees that no decision is due until later this year, but we are concerned that the Service may offer ULA a five year “no compete” block buy of launches. We support the Air Force’s effort to achieve some economies of scale to provide the best value for the taxpayer, but we are concerned that any EELV block buy that goes beyond three years’ worth of launches will unnecessarily exclude competition.

We also believe that we must work harder to reduce the barriers to new competitors for EELV launches, to include eliminating the infrastructure subsidy we provide to ULA and rapidly articulating clear entrance criteria for new competitors.

Given the tough choices you face in the current challenging fiscal environment, the EELV program is ripe for achieving significant budget efficiencies. We urge you to give this vital issue your personal attention.

Sincerely,

Handwritten signature of Mike Rogers in black ink, featuring a stylized 'M' and 'R'.

Mike Rogers
Chairman

M.C

Handwritten signature of C.A. Dutch Ruppertsberger in black ink, written in a cursive style.

C.A. Dutch Ruppertsberger
Ranking Member