

AN AMTRAK FOR SPACE? NO, THANKS

The flight of the Challenger space shuttle is a dramatic reminder of the enormous commercial potential of space in America's future. Yet as legislators now ponder the FY 1984 space budget, they must resist taking the first steps toward establishing an Amtrak in space. Instead, they should demonstrate that they have learned the lesson that the public is best served by the private development of commercial opportunities. Even now, NASA is not the only organization in space, nor is the proposed sale of the weather satellite system the first indication of private interest in utilizing government owned space technology. Some companies are even planning to compete with the shuttle. Last September, for instance, Texas-based SSI Inc. successfully tested a privately financed launch vehicle. A former NASA employee has formed a company to finance and market a private space carrier. A California company, Arc Technologies, is privately financing and developing its own launch vehicle service. And a consortium of Martin Marietta, Aerojet, and United Technologies is pressing the government to allow it to lease federal launch facilities to provide a private satellite launch system.

Yet there are indications that what may well become a dynamic new private industry could be held back, or even grounded, unless Congress and the President clearly endorse the concept of private commercial activity in space. There is a danger that the lessons of industries as diverse as telecommunications and trucking will be forgotten, and that instead of embarking on a policy of minimal government regulation and intervention, the federal government will suffocate space entrepreneurs with red tape and subsidized government competition. When Congress puts its final stamp on the 1984 NASA budget, and the President makes his much-awaited statement on commercial use of space, a clear signal must be given to the new industry--"All systems go."

The existing maze of regulation must be rationalized, or it could become a strait-jacket to commercial and technical innovation. At the moment, the Department of Defense, the Federal Aviation Administration, the Federal Communications Commission, and the State Department all are involved in the regulatory process. And there is a strong pressure within the U.N. for an international satellite monitoring agency. Such a space-age version of the Law of the Sea Treaty would lead to U.N. control over many aspects of space commerce.

The President should direct U.S. diplomats to oppose moves to undermine the opportunities presented by the new frontier of space. He should also announce that the Administration will require U.S. agencies to adopt a simplified regulatory regime designed to facilitate competition, markets, and innovation. Furthermore, the White House should explore the possibility of parceling out most of the basic standard-setting to

the insurance industry, which has every incentive to keep space vehicles safe but economical.

The role of NASA must be defined more precisely since it is a taxpayer financed competitor to the private launch systems. After all, the NASA charter limits its activities to research and development--not operations. Yet the House Science and Technology Committee has quietly agreed to change the 1958 NASA Act to expand the agency's activities to include the operation of a "Space Transportation System." If this seemingly minor change is included in the April 12 markup to the space budget and creeps into the final authorization, it will open the way for NASA to become an "Amtrak in space"--government subsidized space transportation system. This would gravely threaten private, unsubsidized programs. NASA could price itself below the competition and siphon off government business from private carriers. NASA could expect a cozy working relationship with the federal regulators, unlike the competition.

Technical problems and cost overruns with the shuttle already suggest that NASA has bitten off more than it can chew. Meanwhile, the French-led Ariane system, using relatively simple expendable rockets, has cut deep into the multi-million dollar satellite launch business. By putting so many of its eggs into the NASA basket, while frustrating private American firms, the United States is in danger of losing more and more business abroad.

Congress should remind NASA of its legitimate mission by requiring it to concentrate on building an advanced research and development knowledge base. NASA should share this technical information more readily with private industry, so that innovations may be turned to private use. NASA and the Air Force also should make launch facilities available to private ventures at an appropriate price.

There must be limits, of course, to this open skies approach. National security, for instance, requires constraints on the flow of technology. The price, if any, of innovations and facility leases would have to be determined carefully. The goal of making these widely available would have to be balanced against the danger of the possible discouragement of totally private research and launch facilities if government services were priced artificially low.

From bold shoestring entrepreneurs to multi-billion dollar conglomerates, American firms are eager to seize the commercial opportunities in space transportation, and provide new products and services. The Administration must not allow this budding private creativity to be frustrated, in the mistaken belief that space is so exotic and expensive that it must be controlled and monopolized by the government. The history of air travel and telecommunications demonstrates clearly that the private sector will enter the most sophisticated fields and bring services to the public that had been unimaginable a few years earlier. America's future in space will be no different--unless Congress and the Administration fail to give the private sector the clear green light it needs.

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For further information:

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