

BREAKING NEW GROUND IN SPACE COMMERCIALIZATION

1. What does NASA want to accomplish?
2. What are NASA's current motivations for commercializing space? Why now?
3. Does the current NASA leadership realize that commercialization and privatization of space are completely outside the current ideology of the rank and file of NASA employees?
4. Does the current NASA leadership realize that setting NASA up to be in business is a direct violation of the 1958 charter creating its experience?
5. Furthermore, and this is sure to be controversial, does NASA realize that, according to the 10th Amendment of the Bill of Rights, there is no legal authority empowering a federal agency allowing that agency to be in a "business" activity unless otherwise specified by the United States Constitution? The 10th Amendment says, "The powers not delegated to the United States by the Constitution are reserved to the States, respectively, or to the people." The United States Government has the authority to run the Post Office, because it's specifically granted, but not the legal authority to permit a tax-exempt, taxpayer-supported federal agency to be in commercial aerospace competition against American companies.

Therefore, if NASA wants to begin a sincere dialogue toward commercializing and privatizing space, NASA must be a loyal customer and not an owner.

If the current efforts of Dan Tam and Dan Goldin to privatize and commercialize space sincerely follow this precept, then we support them.

The first country to successfully use private ownership business structure for commercializing and privatizing space will establish itself as an investment magnet. That country will dramatically leap ahead in the number of launches per year and the amount of diversity of payload. Launches will no longer be measured in the price per pound, but quoted as a price per launch. Imagine the power to reduce costs if you were launching 100 times a year. How would other countries keep up? Like Russia, they would have to privatize, unless it were too late.

Is there any aerospace company today that wouldn't trade places in a heartbeat with the price to earnings multiplies of computer-related companies? If you privatize, you connect yourself to the people, and the more people the better. Then when you go to Congress and ask them for money for the pure research projects you do best, they love you, because the public is now behind Congress. They feel they are connected to space and your budgets grow instead of shrinking year after year.

The American space industry is incomplete. It has been only for the select few. Flights are infrequent. Flights are pitifully

expensive. And the public knows, and the Congress knows the public knows, that none of it is for them. So what kind of publicly-funded, select fraternity is this agency called NASA? I'll tell you what it is. It's an agency that can be the greatest on earth in the 21st century, but may not be if it doesn't change its ways. Among other things, it is now time and strategically vital if NASA wants to enhance its public support and sincerely take an affirmative step toward privatization to designate at least one seat on the shuttle on every flight for people other than astronauts and politicians. It is time for this program to begin. With this step, significant results are possible in commercialization. This will result in the public, who pays for all these flights, to feel connected once they see entertainers, media people or Joe-Six-Pack being a true participant in America's space program.

The agency needs to be a customer, not an owner. The agency needs to be a multiple transaction thinker, not a single transaction thinker. Are you a single transaction thinker? A single transaction thinker tries to squeeze every dime for himself out of a transaction, to the detriment of the other participants. The single transaction thinker tries to make a killing off that one deal and loses sleep if anyone else makes money.

Obviously, this is a recipe for failure if you wish to deal in high volume. Remember, it's high volume that reduces costs and prices.

A multiple transaction thinker wants to repeat as many transactions as possible in the shortest period of time. In order to do this, every participant must have a win, win result. They must conclude every transaction anxious to begin the next. If NASA is too greedy, they will spoil the chance to take an exclusive leadership position into the 21st century.

Internationally, small and large aerospace companies, in the next few years, will be forming themselves into space-developing consortiums. These space developers will go where the governmental laws allow them to operate as builders, owners and operators of habitable space systems. They will go where private ownership and freedom to operate their business is encouraged and where investment capital is available. Countries that encourage this will become investment magnets and will launch the greatest industry that mankind has ever seen.

Thank you.