



## **Air Force Response to HASC Chairman's Mark Regarding National Security Space Launch (NSSL) Phase 2 Launch Service Procurement**

### **Impacts:**

- Limiting the amount of launch services in Phase 2 as opposed to covering all missions for 5 years
  - o Providers are dis-incentivized from fully developing Category C capabilities
    - Threatens an access to space gap for critical National Reconnaissance Office (NRO) satellites
    - Significantly greater risk to maintaining a certified provider of Category C launch capabilities, possibly requiring the Government to buy more Delta IV Heavy launch vehicles at extreme cost (greater than \$1B per launch service)
  - o Puts NSS Category C missions scheduled to be procured in FY22-24 at risk
  - o Dramatically increases cost for all missions due to Phase 2 covering a smaller quantity of launch services
  - o Damages multiple providers' business cases and return on investment calculations
- Requiring materiel information be provided by the Government to launch service providers undercuts the fundamental NSSL philosophy established in the mid-1990s
  - o The Air Force procures launch services; the technical baseline is owned by the launch service provider
  - o Executing this mandate would require the Government to obtain permission to share all launch vehicle components with all launch service providers
- Delays award of Phase 2 by changing Total Evaluated Price evaluation approach
  - o Drives a significant amendment to the Request for Proposals and therefore Offerors' pricing strategies, resulting in a multi-month delay
  - o May require the Air Force to procure at least one more Atlas V (using a Russian RD-180 engine) for missions that would be needed in response to a Phase 2 delay and to meet the assured access to space requirement
- Greatly increases sustained protest risk
  - o Requires delivery of source selection information to Congress prior to contract award
  - o Creates perception that Congress influenced the Phase 2 award decision

**Recommended Way Forward:** Ensure a robust launch industrial base for Phase 3 procurement. The HASC-proposed investment in LSA/Phase 2 non-winners negates hard earned competition and does not address national security needs. Applying these funds to focus on future national security launch needs in Phase 3 provides more value for national security space. The Air Force has initiated a National Security Launch Architecture (NSLA) study, which will shape development initiatives and inform the Phase 3 Acquisition Strategy for future President's Budget submissions. Investing in Phase 3 will maintain the integrity of past, current, and future source selections, and will continue to support a competitive industrial base that will be poised to deliver capabilities the National Security Space Launch program will require in the future.

Set-aside launch services, potentially with a demonstration payload from the Space Test Program or the NRO, would create an opportunity for non-Phase 2 commercially-viable launch service provider(s) to work alongside the Air Force. This strategy would also prepare the launch service provider(s) for the Phase 3 competition. These benefits could be achieved with either one or two set-aside missions, depending on the state of the industry after the Phase 2 award and on the results of the NSLA study.

See attached schedule for recommended timing.