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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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National Security Council Meeting
July 29, 1986, 11:00 a.m. - 12:00 noon, Cabinet Room

SUBJECT: U.S. Space Launch Capabilities

PARTICIPANTS:

The President

The Vice President's Office:
Colonel Samuel J. Watson, Deputy Assistant to the Vice President for National Security Affairs

State:
Secretary George P. Shultz
Under Secretary William Schneider

Treasury:
Secretary James A. Baker

Defense:
Secretary Caspar W.Weinberger
Secretary of the Air Force Edward C. Aldridge
Assistant Secretary of Defense for Command, Control, Communications & Intelligence Donald C. Latham

Justice
Attorney General Edwin Meese

Commerce:
Deputy Secretary of Commerce Clarence Brown
Robert Brumley, Deputy General Counsel

Transportation:
Secretary Elizabeth H. Dole
Madeline Johnson, Director, Office Of Commercial Space

OMB:
Director James C. Miller
Randall Davis, Associate Director for Natural Resources, Energy and Science

CEA:
Chairman, Beryl W. Sprinkel

JCS:
Admiral William J. Crowe, Jr.

OSTP:
Acting Director, Richard G. Johnson

NASA:
Administrator James C. Fletcher
Rear Admiral Richard H. Truly, Associate Administrator for Space Flight

CIA:
Deputy Director Robert Gates
James Hirsch, Associate Deputy Director for Science and Technology

White House:
Mr. Donald T. Regan
Admiral John M. Poindexter
Mr. Larry Speakes
Mr. David Chew
Mr. Alfred Kingon
Mr. John Svahn
Mr. Richard David

NSC:
Mr. Rodney B. McDaniel
Colonel Gerald M. May

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Dr. Fletcher. The economies derived from spin-off has been of great value. We need another manned vehicle in order to ensure we stay ahead in all areas.

Admiral Truly. Man involved in spaceflight will in the future be able to do things we have not envisioned today. We intend to continue to emphasize a manned space flight program and will have a need for man in space in the mid-1990s, whether we have three or four orbiters. A fourth orbiter is essential. If we lose another existing orbiter from just the blow-out of a tire, it is a serious matter.

Dr. Fletcher. Conceivably you could delay the Space Station for one year. But that simply creates one more year of uncertainty. We're not sure, but a delay in a decision now should not delay Space Station deployment.

Mr. Svahn. What if a three-orbiter fleet were all that we had to build a Space Station? Would we be able to do it?

Dr. Fletcher. My staff disagrees, but I think we can do it.

Mr. Brown. We need a decision since both ELVs and the orbiters are needed to replenish satellite constellations. But since the cost of a manned vehicle and insurance rates are greater, I recommend delay of an orbiter replacement decision.

The President. I have one question about recent space activities that has nothing to do with dollars. There were recent reports of a man who turned up missing and reportedly was a missile launch specialist and had defected to the Soviets. Prior to the Shuttle Challenger launch, Soviet trawlers were seen speeding away at flank speed from the launch area. Is there any possibility that sabotage could have played a role in the Challenger accident.

Dr. Fletcher. We are going to be taking steps to ensure that this will not be a question in the future.

Admiral Poindexter. Before we launch again, I would hope we take all necessary safeguards to avoid the possibility of any suspicious activity. There is, however, no evidence to support any assertion of sabotage in our launches. Mr. President we have overextended our time. We will be talking to you later on your decision on this subject.

The meeting was adjourned.

Attachments
Tab A Opening Statement Talking Points
Tab B OMB Briefing

Admiral Poindexter. Opening statement (see attached talking points which were used verbatim).

Dr. Fletcher. NASA's first priority is to begin Shuttle flights as close as possible to the first quarter of CY 88. Our second priority is to keep the Space Station on schedule. Our third priority is to replace the Challenger orbiter. NASA also supports a number of major science and technology programs and the development of ELVs. The replacement of the Challenger orbiter, in my view, is not just a NASA priority, but a national priority. We believe in a mixed fleet of launch vehicles comprised of the orbiter and the ELVs. These are needed for DOD, civil, science and international launch requirements. The Space Station is the nation's and NASA's priority. It's your program and we want to keep it on schedule. In order to do so, it will be a very different program with three orbiters to support it. Very soon we will have agreements with Europe, Japan and Canada on the Space Station. We want to assure them we can support it. We were told to look at a private financing plan for a fourth orbiter. We support a Government-sponsored finance plan. To do that we soon will need $500 Million to keep it on track. I know financing is difficult, but we need to find it in order to start the program in FY 87. Finally, NASA is in terrible shape in a number of areas. We need support for the space program, but our morale is bad and we need to get the Space Station back on track. Without your support everything will unravel. We need a commitment from you Mr. President.

Mr. Miller. I would like to express my empathy for Jim Fletcher and I know it has not been easy. But three issues need addressal (see OMB briefing attached). Extending the years on the requirements for additional orbiters is at this time pure speculation. SDI payloads are not expected until the mid-1990s. The DOD says three Shuttles are sufficient, but they would like to have a fourth. They cannot, however, dedicate any budget to it. It is a close call between funding for a fourth orbiter and funding for individual rockets for the added capacity the country needs. NASA has been overly optimistic in the cost of an additional Shuttle. The costs cited, however, for ELVs have been more accurate. If we want to replace the orbiter, then a billion dollars will be required in 1990, but it would be less with ELVs. The outlays of monies for a replacement Shuttle would be greater up front than with ELVs. GRH is a problem and purchasing ELVs keeps the expenditures down. Congress will be looking at lower budget requirements in the next few years. NASA's budget does not need programs that cost billions of dollars in 1987. Some members of Congress support the Shuttle program but others are very proximonious. Congress' estimate of the national budget came in with less than you did Mr. President. The NASA estimate of their budget was less than what we at OMB thought. I recommend we wait until 1988 to replace the orbiter to get a better handle on actual costs and what substantial increases we will be looking at in NASA programs. One way to cut down on NASA costs is to cut down on the satellite manifest. In conclusion, no additional

launch capacity is needed by NASA and the orbiter program. Since it is not needed, and no clear funding is identified, then we recommend you wait. If you must commit to NASA, then I recommend we wait on funding.

Dr. Fletcher. I disagree. We expect capacity would increase. So if you look at the NASA chart we and DOD will need the additional launch capability. Secondly, the OMB bullets are not exactly correct. I think our estimates are on target and are correct.

Mr. Miller. This is an official sur-rebuttal (chuckles). The charts show the demand went down. There is a difference between capability and the demand. They have leveled between the Shuttle and ELVs.

Dr. Fletcher. But there is a difference between costs.

Mr. Miller. In amortizing the cost of a Shuttle?

Dr. Fletcher. No. You should average the marginal costs.

Mr. Miller. I'm figuring on cost permitted as in ...

Admiral Poindexter. Let's move on.

Secretary Weinberger. In 1972 I was at OMB and the nation would not have an STS if we had listened to the OMB arguments. Once we had it (STS) our costs became lower. We need a fourth orbiter, SDI and the Space Station. We need them all. We are way ahead of where we thought we would be. We will need the orbiter in the 1990 and 1991 period for SDI as I mentioned to you Mr. President yesterday. We need a fourth orbiter to do what needs to be done. there is a national requirement for a fourth orbiter. There are some savings to be derived from other areas and we can cut back on some requirements with a lack of commercial launch business; there is a need for a fourth orbiter. In 1972 they said there is no necessity for an STS because we couldn't see it. But since that time there has been enormous support. Maybe we need to decide if there is a need for GRH or a national priority. Funding today is different than what it was in 1972 but we must see it as do-able. European and Soviet capabilities are moving forward. They don't have a public opinion or an OMB (chuckles). We support NASA. Pete Aldridge and Don Latham can talk to each program if you would like additional detail.

Secretary Dole. The Economic Policy Council will meet tomorrow. The private sector is ready to move out to provide launch capability using ELVs. They need the signal that the Government will off-load the commercial satellite business from the Shuttle. This is an important signal that will have a major impact. They can gear up in 30 to 36 months, leaving the more exact and complex missions to NASA. I say we make no decision on a fourth orbiter until we see what the commercial industry can do.

Secretary Shultz. I agree with Cap. And the sooner we step up to this decision the better.

Mr. Brown. There is an additional demand needed for launch capabilities. Our feeling is that we should repair the design of the STS. Perhaps the cost will be high, but we need at least three Shuttles. Redesigning an advanced STS and letting private industry ELVs pick up the slack is the way to go. NASA should not be in the ELV business. Industry simply won't start without a decision that encourages commercial satellite launches. The STS has been a loser. If it turns commercial then it will cost the government. ELVs can carry international, commercial and government payloads. The question of private industry needs and government requirements should wait until the EPC meeting tomorrow.

Dr. Fletcher. I would like to support Elizabeth Dole but it (ELV integration) must be done carefully to ensure we can support the manifest and launch requirements without jeopardizing either the Shuttle or commercial ELV programs.

Mr. Meese. I don't think there is much difference between the positions of Transportation, Commerce or NASA.

Secretary Shultz. Oh no. I disagree.

Mr. Meese. However, I support the DOD. The budget won't get better and you should invest $500 Million now to show continued forward motion of the U.S. Space Program.

Mr. Brown. You suggested more international discussion. Ariane wants to talk space cooperation and does not want to put all of their subsidy into competing with the U.S. They are being more cautious since their recent launch failure.

The President. Can I ask what is the status of the space plane.

Dr. Fletcher. It is a joint NASA and DOD project. From the standpoint of technology, it can fly in 1995 but in terms of flying regularly and operationally it will be much later.

Undersecretary Aldridge. It is a three-phased program. If technology problems are worked out, then we will build it and fly it regularly for assured access to space. It should be clear, however, that it is not a substitute for the STS.

The President. There has been no mention made of a return from our investment or spin-off. We have fishing nets made from materials of spaceage technology. Sufferers from diabetes are using pharmaceuticals derived from the space programs. We have repaired or salvaged satellites on orbit. If we do not move forward with the procurement of a fourth orbiter, how much will we delay the Space Station? How much further will other nations move ahead of us? We wonder what the Soviets are cooking up in space and how far ahead of us are they.