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THE U.S. PROCUREMENT MODEL AS A TOOL FOR GROWING PRIVATE INDUSTRY

Abstract

The growth of private launch service providers in the United States stems from choices made by legislators and policy-makers that, whether intentional or not, created a market for these launch services. The first of these choices was made in 1985 when President Reagan issued an executive order allowing NASA to use the Space Shuttle to deliver commercial satellites into orbit only if the satellite required the "unique capabilities" of the Shuttle. As a result, the need for launch services for satellites that did not meet this standard quickly grew and private industry soon began filling this need. The demand for private launch services became even greater when, in 1988, President Reagan issued a directive requiring government agencies to use commercial launch services "to the fullest extent feasible." When the Space Shuttle fleet was retired in 2011, the U.S. government no longer had an operational launch vehicle that could reach the International Space Station. Not wanting to rely on foreign spacecraft and intending to spur the further growth of private industry, NASA launched programs to encourage the development of private launch services to deliver crew and cargo to the ISS. These programs resulted in the rapid development of multiple private launch service providers that now compete to deliver cargo and crew to the ISS. This paper will explain the role that these policies played in the evolution of the U.S. launch service industry and will examine (i) to what extent other countries have followed this model and (ii) whether the adoption of the U.S. approach is appropriate for other countries where the governmental space programs and related private industry are quite different from the space program and private industry of the United States.