

Congress of the United States
Washington, DC 20515

April 16, 2019

The Honorable Patrick M. Shanahan
Acting Secretary of Defense
1400 Defense Pentagon
Washington, DC 20301-1400

Dear Acting Secretary Shanahan,

We support the Administration's increased focus on space and agree space dominance must remain one of America's highest national security priorities. We write, however, to express our concerns regarding the recent establishment of the Space Development Agency (SDA). We believe SDA as outlined in public reports risks creating duplicative layers of bureaucracy while undermining the existing organizations with a proven track record. Specifically, SDA as proposed risks jeopardizing the reliability of military space launch and specific national security payloads that would not be possible without the work of Air Force Space and Missile Systems Center (SMC). We urge you to modify SDA so that we build upon SMC rather than undermine it.

Space is unique, enormously complicated and requires perfection. With rapid challenges from our near peer competitors in space, we don't have the luxury or time to create an entirely new structure when one already exists that has done the job extremely well. Building upon SMC's track record and unique aerospace ecosystem, while holding them accountable for necessary reforms to more rapidly field capabilities, will ensure we have the best structure to promote U.S. space dominance.

According to reports, Undersecretary of Defense for Research and Engineering Michael Griffin circulated a draft plan for SDA in late February 2019. The draft plan called for SDA to be housed within the Department of Defense, receive an initial budget of \$149.8 million for fiscal year 2020, and be staffed by 30 civilian and 20 military employees. On March 13, 2019, you officially established SDA, presumably along the lines of Undersecretary Griffin's proposal.

The SDA as proposed raises questions about how it will fit in with our existing military space structure. Specifically, it is unclear how the SDA as proposed will impact the role of SMC, a unit of Air Force Space Command and the longtime center of technical excellence for developing, acquiring, fielding and sustaining military space systems. SMC executes 85 percent of the Department's military space procurement budget and is manned by a high-level workforce of 6,000 service members, civilians and contractors.

SMC has been a national asset, due in part to its location in a space ecosystem unlike any other in the world. As we wrote to former Secretary Jim Mattis in December 2018, SMC is uniquely situated in the heart of our nation's most critical aerospace ecosystem, which provides immense military value to our space acquisition decisions. Due to its proximity to Southern California's innovation and technological-expertise, SMC has been able to cultivate synergies with three federally-funded research and development centers, nearby military installations with space-related missions, top university programs in aerospace engineering and computer science, leading space companies, and the nation's only aerospace startup accelerator.

According to public reporting, Undersecretary Griffin's memo "suggests that SDA costs will be offset by personnel reductions in other organizations because many jobs associated in the space procurement bureaucracy will no longer be needed." Citing sources familiar with Undersecretary Griffin's thinking, reporting reveals that "the new agency is not intended to replace SMC but will grab pieces of the space portfolio, which could wipe out hundreds of government and contractors jobs at SMC."

The notion that moving a piece of SMC's space portfolio out of the aerospace hub in Southern California will have a net-positive impact on military space acquisition fails the test of logic. A new name on the door and less proximity to innovators and expertise will not help the Department address the fundamental challenge with space acquisition: the Pentagon's procurement regulations. SDA seems to be an organizational solution to a process problem that will most likely result in more bureaucracy, not more capability.

As you may know, SMC is already well-underway to implement SMC 2.0, a reorganization that incorporates an enterprise view of space systems and seeks to speed up the development acquisition process. A new office was specifically set up to identify bureaucratic bottlenecks and work aggressively with fast track authorities at the Pentagon, such as the Rapid Capabilities Office, to accelerate procurement.

Beyond acquisition reform, the purpose of a Space Development Agency is to focus on the future of the domain and develop next-generation capability requirements. With that goal in mind, we believe it would be far more effective to expand SMC than to break it up. Such an arrangement could leverage the existing aerospace ecosystem built around SMC and create new synergies with those entities expanding our knowledge of space and pushing our technological limits.

It bears reminding that previous failures in space acquisition led us to where we are today. Following repeated launch failures, cost growth, and schedule slips during the late 1990s, multiple investigations identified a loss of mission focus and the transfer of too much authority to various contractors as primary culprits. Additionally, at the time there was geographic separation of various programs. In 2001, SMC was realigned under Air Force Space Command, bringing the developers and the operators of military space and missile systems together under one major command. Further, Program Executive Officer (PEO) authority was assigned to the Commander of SMC, consolidating most space development and acquisition responsibilities under a single "dual-hatted" Commander and PEO. This realignment resulted in an extraordinary track record of mission success that continues to this day. Any reorganization that undermines

track record of mission success that continues to this day. Any reorganization that undermines SMC's role as the primary authority and brain trust on military space acquisition risks repeating the mistakes of the past.

Thank you for your attention to this critical issue and for taking into consideration our strong objections to realigning missions away from SMC. We look forward to working with you to support U.S. capabilities in space.

Sincerely,



Ted W. Lieu
Member of Congress



Ken Calvert
Member of Congress

Cc:

The Honorable Heather A. Wilson, Secretary, U.S. Air Force

General David L. Goldfein, Chief of Staff, U.S. Air Force

The Honorable Adam Smith, Chairman, House Armed Services Committee

The Honorable Mac Thornberry, Ranking Member, House Armed Services Committee

The Honorable Pete Visclosky, Chairman, House Appropriations Subcommittee on Defense