

Evolved Expendable Launch Vehicle (EELV) Modernization and Sustainment of Assured Access to Space: The Administration strongly objects to section 1615 and the mark of \$272.4 million, both which restrict the development of new launch systems.

The Air Force's Launch Service Agreement (LSA) approach enables innovative business arrangements that leverage industry's ongoing efforts to develop new and/or upgraded commercial launch systems; while transitioning from the use of foreign propulsion systems, and acquiring services at competitive prices.

Section 1615 appears to force the Department to end the more than \$300M investment in the industry-developed systems and instead use a modernized Delta IV launch vehicle and/or the Falcon 9. United Launch Alliance (ULA) has publicly stated they are phasing out the Delta IV line and that the launch vehicle is at least 30% more costly than other launch vehicles. Forcing ULA to maintain the Delta IV product line would make the company less competitive and fully dependent upon the government for funding. The language appears to allow upgrades to the SpaceX Falcon 9 launch vehicle, which can only meet about 50% of the National Security Space (NSS) missions. As written, the language is ambiguous on whether it would allow for the development costs for the Falcon "Heavy." Furthermore, SpaceX's "Heavy" launch vehicle is not capable of meeting our most stressing, and arguably most critical, NSS requirements. Mandating this arrangement for the NSS community handicaps the Air Force's eyes and ears in space, as the space community is forced to sacrifice on-orbit capability to fund exorbitant launch costs on a Delta IV Heavy.

The section's suggested approach would eliminate competition by driving a dual sole-source scenario that results in the highest cost for NSS launch. By requiring ULA to sustain the Delta IV launch system, which is not commercially competitive, the Air Force would be forced to enter into a sole-source contract to use Delta IV for about half the NSS missions. Since the Air Force would be prohibited from investing in other systems, this would eliminate any chance of competition and force the Air Force to enter into a sole-source contract with SpaceX for Falcon use. Because of the lack of competition, it is likely that the Falcon launch prices would be significantly higher than those achieved by today's competitive awards. The Department estimates that a Delta IV / Falcon 9 solution would cost the taxpayer \$1.8B more than the Department's recommended LSA and Phase 2 Procurement approach through Fiscal Year 2027.

Finally, the Administration strongly objects to the formal notification requirements of this section. These notification requirements would hinder the Department's ability to execute the program. Furthermore, this would be counter to the Congress's efforts to streamline space acquisitions.

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