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2,000 ATK jobs at stake: Bishop: Directive to deal 'irreversible blow' to Utah Industry

Jun. 11--A NASA plan to force Alliant Techsystems to set aside \$500 million to deal with potential termination costs of the Constellation rocket program could end up decimating the ATK space systems work force in the Top of Utah, according to space agency documents.

A NASA letter, dated June 9, and its attachments estimate the "worst-case scenario" for ATK would be more than 2,000 layoffs beyond those the company has already implemented. The NASA document connected to agency administrator Charles Bolden's directive outlines what is described as the "Constellation Replan Overview" and was sent to federal lawmakers Wednesday.

"The preliminary adjustments and funding reductions needed ... are expected to be put into place in the coming weeks, but beginning immediately," Bolden wrote.

ATK has 2,000 employees dedicated to the NASA project, which includes the first stage of the Ares rocket, but the space agency document doesn't exactly define the number of jobs that may be lost in Utah.

On Thursday, ATK officials would not comment on the letter.

"We have not received any direction from NASA to change or stop our performance on the Ares contract," said Trina Patterson, senior manager of media relations for ATK Space Systems.

Bolden estimates that as many as 5,000 workers among Constellation contractors nationwide would be laid off as a result of the directive, with ATK among the hardest-hit in the plan.

The letter is another move in the fight between lawmakers and President Barack Obama over the future of Constellation, the next-generation space program.

U.S. Rep. Rob Bishop, RUtah, said the Bolden directive was another step with "reckless abandon" by the administration in the effort to move NASA in a different direction.

"Thousands more will be out of work, and our industrial base will suffer an irreversible blow," Bishop said.

Obama in February announced a budget proposal that revamped Constellation, putting contractors like ATK in limbo over what will happen to \$9 billion in existing research and hardware sponsored by NASA.

Bolden's announcement hits ATK the hardest among all the contractors in terms of sheer dollars, as well.

NASA is enforcing federal spending rules that technically require contractors to set aside money for termination costs, estimated to be nearly \$1 billion for Constellation.

More than half of the money, or \$500 million, would come from ATK, which also has a contract to develop the Orion space capsule abort system on the planned Constellation rocket.

NASA notes in the lawmakers' documents that ATK's response to the \$500 million directive is an "unknown variable" in the Bolden plan.

Bishop argues Congress has already told NASA to hold off making financial changes to Constellation and believes Obama wants to totally cancel Constellation.

"This recent directive handed down by NASA officials shows blatant disregard for the laws set forth by Congress to prevent this very action," Bishop said.

Utah's Congressional delegation hopes to rally enough votes to reinforce the Bishop view in an upcoming series of military spending bills.

"Totally unacceptable" is how Sen. Orrin Hatch, R-Utah, described the directive.

"The Obama administration knows its proposal to terminate Project Constellation has fallen flat in Congress, so they are attempting to undercut the program before Congress can act. ... The law clearly states Project Constellation cannot be canceled during this fiscal year," Hatch wrote to the Standard-Examiner.

The Obama administration wants to shift rocket production to the private sector, reversing five years of work for some contractors on Constellation that started under President George W. Bush.