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Contractors Told to Prepare For Moon Program's End

The National Aeronautics and Space Administration has greatly scaled back the work it will do in the coming months on its program to return astronauts to the moon, telling companies working on the program to set aside money to cover its potential cancellation.

The changes, which the NASA administrator, Maj. Gen. Charles F. Bolden Jr., described in letters to members of Congress on Wednesday, hobble the program, known as Constellation, possibly to a point beyond repair.

Since 2005, NASA has spent about \$10 billion on an effort to return astronauts to the moon. The Obama administration wants to cancel Constellation, arguing it is too expensive, but Congress has so far not agreed.

In passing the current budget, Congress inserted a clause that prohibits NASA from canceling Constellation or starting up a replacement program without its approval. Critics of Mr. Obama's proposed policy say this week's moves are an effort to bypass Congress and kill the program.

The revised Constellation plans largely end work on the Ares I rocket that was to replace the space shuttles for taking astronauts to orbit, and scale back efforts on the Orion crew capsule, which was to ride atop the Ares I.

In the letters, General Bolden said remaining Constellation money would be focused on future development that could be transferred to the program Mr. Obama proposed in his 2011 budget. About one-third to two-thirds of the 7,800 contract employees working on Constellation could lose their jobs, NASA estimated.

At issue is a clause in the contracts of the prime Constellation contractors, which include Lockheed Martin and Alliant Techsystems Inc., or ATK, which says the contractors are responsible for cancellation costs. When asked about their termination costs this spring, however, ATK and Lockheed Martin said they expected NASA to pay for them, as had been past practice.

Lockheed Martin has estimated its cancellation costs at \$350 million; ATK at \$500 million. In total, the companies' cancellation costs are expected to reach nearly \$1 billion, NASA said.

"They won't get more funds for that," said a NASA official who was not authorized to speak on the record. The official said the clause was standard in most federal contracts, and that NASA was not handling Constellation differently than other programs.

Boeing, another contractor, negotiated a clause that says NASA would pay for cancellation costs.

In the letters, General Bolden wrote that because of federal budget rules that prohibit agencies from incurring costs beyond what has been appropriated, "NASA has no choice but to correct this situation."

Scott Pace, a former associate administrator for program analysis and evaluation at NASA and now director of the Space Policy Institute at George Washington University, said, "In a brief check with people more knowledgeable than me, NASA has never held contractors' liable for termination liability."

"If this is to be the new agency policy and practice, then NASA should shift responsibility for termination liability on all of its current contracts, not simply Constellation," Dr. Pace said. "As it stands, this appears to be purposefully punitive against a specific set of NASA contractors."

The tussle over Constellation and the future of NASA will continue and will probably become more contentious. "The administration is disregarding these policies with reckless abandon and doing so in a way that I find to be in complete violation of the legal parameters," said Representative Rob Bishop, Republican of Utah, where ATK is based.

Senator Bill Nelson, Democrat of Florida, said Congress might write its own space policy. "The White House didn't do the footwork to develop and sell its plan for human spaceflight," he said in a statement. "Now it's locked in a stalemate with members of Congress who want to continue or restructure the Constellation program. That leaves NASA in limbo, which is exactly what Administrator Bolden's letter reflects."