

2017 Defense Innovation Summit – Tampa FL

Politics & Policy National Security Space

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Politics

Drives Policy

Impacts Space Industry and National
Security Interests

State of Play Inside the Beltway

- **Administration**
 - Trade – TPP and NAFTA
 - Comprehensive Tax Reform/job stimulus
 - Infrastructure Investment/job stimulus
 - Reduce Regulations
 - Manufacturing
 - Border wall
 - Disaster Response
- **Congressional Actions**
 - Tax Reform
 - Cybersecurity, energy, infrastructure bills, healthcare
 - Senate appropriations committee has yet to act on four spending bills
 - Omnibus Appropriations for 2018
 - Sequestration-imposed budget caps are hurdle to reconciling the House and Senate versions of 2018 defense authorization and appropriations bills.
- **Budget realities will impact policy-making**
 - Continuing resolution until December 8th
 - Debt limit will be reached by end of year
- **Reconciliation rule – 50 versus 60 Senators**

Trump Space Policy

- President Trump said, 'We're a nation of pioneers, and the next great American frontier is space.'
- Resurrected the National Space Council, a policy-steering body that was last active during the presidency of George H.W. Bush
 - Council meets for the first time Oct. 5th.
 - EO establishes membership as follows:
 - Vice President Pence is Chairman and Scott Pace is the staff director.
 - Secretaries of State, Defense, Commerce, Transportation, and Homeland Security, Director of National Intelligence, Director of the Office of Management and Budget, Assistant to the President for National Security Affairs, NASA Administrator, Director of the Office of Science and Technology Policy, Assistant to the President for Homeland Security and Counterterrorism, and the Chairman of the Joint Chiefs of Staff.
 - The Space Council's purpose is to advise the President on national space policy and strategy including review of U.S. government space policy and develop a strategy for national space activities; and coordinate implementation of the national space policy.

Commerce & Transportation

Secretary of Commerce – Wilbur Ross

- Manage the commercialization of the International Space Station
- Office of Space Commerce
 - Article VI obligations of outer space treaty
 - Authorize and supervise U.S. non-government entities and activities in space
 - “On-orbit authority”

Secretary of Transportation – Elaine Chao

- Commercial Space Launch Act
 - Gives DoT authority to manage launches and re-entries
 - Delegated to FAA Office of Commercial Space Transportation (AST)

National Aeronautics and Space Administration (NASA)

White House Budget for NASA \$19.1 Billion - .08% decrease from 2017....much smaller cut than many other federal agencies

Where do they go next?

Seem to have settled on Moon first, then on to Mars.

Rep. Jim Bridenstine (R-OK) has been nominated by President Trump to be the next NASA Administrator.

- Member of House Armed Services Committee
- Navy Reserves Aviator
- Former Director of the Tulsa Air and Space Museum and Planetarium
- **Sen. Shelby (R-AL)**, a powerful appropriator, tweeted support.
- **Sen. Rubio (R-FL) and Sen. Nelson (D-FL)**, Commerce Committee Ranking Member and former NASA astronaut who carries a lot of weight on such matters, oppose his nomination

Secretary of Defense Mattis and Chairman of the Joints Chiefs of Staff Dunford

Mattis nomination hearing with Senate Armed Services Committee (SASC):

- Opposes new military branch for Space
- The threat to our satellite capabilities is real and growing. Both China and Russia have developed and tested a variety of anti-satellite weapons that can destroy or disable satellites.
- We must ensure the availability, security, and resiliency of our assets at all times and through all phases of conflict.
- Offensive space control capabilities should be considered to ensure survivable and resilient space operations necessary for the execution of war plans.

Dunford re-nomination hearing (Sept 26) with SASC:

- Believes establishing a separate Space Corps at this time would not address the root causes of concern over readiness to deter, defend, and prevail in a conflict that extends to space. He stated that doing so would disrupt current operations, distract from ongoing reorganization efforts, and upend current resourcing priorities
- Supports making the Air Force Space Command a subordinate Unified Command of the U.S. Strategic Command with joint staffing.
- Wants to Leverage less expensive radar imaging satellites to fill gaps in space-based reconnaissance through commercial development in space-based radar imaging
- Seeks to enable greater adaptation to space threats, better response times across an increasingly contested space environment
- Dunford called out the growing threat from adversary anti-satellite capabilities and noted space resiliency as his number one priority
- Stated his intention to better leverage commercial activities to expand American intelligence, surveillance, and reconnaissance capabilities.

Key Senate Committee Leadership

Appropriations

- Full Committee Chairman Cochran (R-MS)
- Ranking Member Leahy (D-VT)
 - Defense Chairman Cochran, Ranking Durbin (D-IL)

Commerce, Science & Transportation

- Chairman Thune (R-SD)
- Ranking Member Nelson (D-FL) – also on SASC Strategic Forces
 - Space, Science, and Competitiveness Chair Cruz (R-TX), Ranking Markey (D-MA)

Armed Services Committee

- Chairman McCain (R-AZ)
- Ranking Member Reed (D-RI)
 - Strategic Forces Chair Fischer (R-NE), Ranking Donnelly (D-IN)

Key House Committee Leadership

Appropriations

- Full Committee Chairman Frelinghuysen (R-NJ)
- Ranking Member Nita Lowery
 - Defense Appropriations: Chair Granger; Ranking Visclosky

Science, Space and Technology

- Chairman Smith (R-TX)
- Ranking Member Bernice Johnson (D-TX)
 - Space Chair Babin (R-TX), Ranking Bera (D-CA)

Armed Services Committee

- Chairman Thornberry (R-TX)
- Ranking Member Adam Smith (D-WA)
 - Strategic Forces Chair M. Rogers (R-AL), Ranking Cooper (D-TN)

National Security Space Legislation

Government should adopt policies that leverage commercial disruptive tech

Congress should enact laws that promote faster access to Space AND

Invest in dual-use tech, launch infrastructure and systems

Fiscal Year 2018 Defense Authorization

- Earlier this month, the Senate passed its draft of the Fiscal Year 2018 National Defense Authorization Act, H.R. 2810. by a vote of 89-8. The bill includes \$640.0B in discretionary funding and \$60.0B in OCO funding.
- The House and Senate will now take up the bill in conference, which is expected to occur in October. Final passage of the bill is expected by December.
- Lawmakers will have to reconcile a number of differences between the House and Senate authorization legislation before a final version of the bill can be sent to the President's desk for signature.
 - Budget caps
 - OCO funding
 - Defense vs. non-defense discretionary funding levels
 - Authorize the Use of Military Force

<https://www.congress.gov/bill/115th-congress/house-bill/2810>

FY18 Defense Authorization Issues (cont)

- Space Corps
 - House includes a provision calls for the creation of a Space Corps within the Air Force.
 - An amendment to the Senate's version of the bill specifically blocks this move.
- Air Force EELV program
 - Need to transition from Russian RD-180 engines by NLT 2023
 - ULA has a great track record of successful NSS launches
 - We now have Falcon 9 for launch of some NSS requirements and are saving government \$\$
 - ULA needs new U.S. commercial rocket: Blue Origin and Aerojet are competing
 - Assured Access to Space means two viable, domestic space launch solutions
- DARPA Robotic Servicing of Geosynchronous Satellites (RSGS)
 - Satellites are key to U.S. ability to wage and win war (Intel Sensors, Communications, Navigation, etc.)
 - China and Russia are developing capability to threaten our space capabilities
 - We need capability to defend, repair and modify (update) our satellites
- Excess ICBMs
 - Using these assets would require a change to long-standing bi-partisan policy
 - Bad timing for emerging small satellite launch commercial market – picks winners and losers
 - Could potentially save the Air Force \$\$.....Studies are on-going
- Foreign Commercial Satellite Services
 - Prohibits procurement of SATCOM systems if such systems use satellites designed or manufactured by China

Senate Armed Services Committee

FY18 National Defense Authorization Act (NDAA)

Senate Passed their version of NDAA on September 18th – conference with House expected in October

- Space Reorganization and Management – prohibits Space Corps
- Integration of Space System
- Air Force Space Command: requires Commander to serve 6 years
- Launch Support and Infrastructure Modernization
- Limits use of funds for Delta IV Launch Vehicle
- Classifies Space as a Combat Domain
- Directs NGA to report on new and non-traditional sources of geospatial-intelligence
- Encourages DoD and commercial satellite systems to focus on high readiness of Positioning, Navigation, Timing
- Provides funding for satellite communications
- Recognizes the potential to reuse vehicles for orbital space launch
- Directs DoD and NASA to report on strategy to transition to Automated Flight Safety and Termination system
- Highlights importance of National Space Defense Center
- Supports Commercial Space Situational Awareness Consortia/Testbed

<https://www.congress.gov/115/crpt/srpt125/CRPT-115srpt125.pdf>

House Defense Authorization Bill

Establishes a Space Corps in the Air Force by Jan 2019

- Leader reports to Secretary of the Air Force and functions as a co-equal to the Chief of Staff Air Force
- Provides Secretary of the Air Force Milestone Decision Authority
- Terminates Principal Department of Defense Space Advisor and Defense Space Council

Encourages SECAF use of COMSATCOM Pathfinder program to acquire satellite bandwidth, ground services, and services from commercial providers

Conditionally transfers certain weather missions to NRO

Puts restrictions on Foreign Satellite Services

- Limits construction of some foreign satellite positioning ground monitoring stations in the U.S.
- Prohibits SECDEF from contracting satellite services launched, or that use a launch vehicle designed/manufactured in covered foreign country (China)

Space Based Intel, Surveillance and Recon: requires COCOMs include SBIR in requirements brief

House Defense Authorization Bill (cont)

- Extends commercial weather data pilot program by one year
- Establishes Space Flag training event for Space professionals
- Modifies OTA to improve speed of awards...USAF increasing use of OTAs including the Space Enterprise Consortium for responsive prototyping and launch systems
- Directs GAO review of Hosted Payloads
- Directs SECDEF provide briefing on multi-band SATCOM terminals
- Encourages greater outer space cooperation with Japan
- Requires briefing on risks with disruptions of GPS
- Encourages SECDEF to increase priority/resources for responsive launch
- Encourages DoD to initiate commercial partnerships and supports small satellite R&D
- Directs SECDEF to brief congress on actions to address counter-space threats
- Supports the use of commercial capabilities to meet Space Situational Awareness needs
- Directs SEC Army to brief on integration of countermeasures to space and missile threats
- Recognizes the significance of additive manufacturing for Space applications
- Supports the use of reusable launch vehicles
- Expresses the government should not impact competition in the market for new commercial satellite servicing activities

Fiscal Year 2018 Defense Appropriations

The House

- House passed their defense measure in July, wrapping four security-related measures together
- In September, the House took up remaining eight spending bills, planning to wrap all 12 together.
- \$1.2 trillion in funding and includes \$87 billion for Global War on Terror (GWOT)/Overseas Contingency Operations (OCO). The measure includes \$19.9 billion for NASA, \$4.97 billion for NOAA, and \$658 billion for defense.

The Senate

- Senate version of the bill not expected to be taken up until Oct/Nov
- Senate Defense Appropriations Committee is waiting for top-line budget level to be decided by budget committee before proceeding with their markup

But remember...

- Current funding extended through December 8th (Continuing Resolution – Bad Policy)
- The House appropriations bill surpasses the caps established by the 2011 Budget Control Act (BCA). To avoid triggering sequestration, Congress will need to raise the budget caps before passage of a final appropriations bill.

Defense Budget

Congressional Committee	Base Budget	OCO	TOTAL
House Armed Services	\$621.5 billion	\$75 billion	\$696.5 billion
House Defense Appropriations	\$584.2 billion	\$73.9 billion	\$658.1 billion
Senate Armed Services	\$640 billion	\$60 billion	\$700 billion

- All versions significantly exceed Budget Control Act limits which would allow a maximum of \$549 billion of base budget spending.
- The Trump Administration proposed \$668 billion.

<https://www.congress.gov/bill/115th-congress/house-bill/3219>

Defense Budget

DEPARTMENT OF DEFENSE: ALL MAJOR CATEGORIES WOULD BE INCREASED – RDT&E BY 19.2 PERCENT

Increase in research shows administration not solely focused on current needs

- RDT&E - \$83.3 billion, 19.2 percent more than CR level for fiscal 2017
- Procurement - \$125.2 billion, 4.6 percent more than the CR level for fiscal 2017
- O&M - \$271.9 billion, a 9.2 percent increase
- MilPers - \$145.9 billion, a 5.1 percent increase

Fiscal 2018 DOD discretionary budget request, by category, with percentage changes from fiscal 2017 CR levels

(Current discretionary budget authority in millions)

	Fiscal 2018 request, dollars in millions	Percentage change from fiscal 2017 CR/enacted to fiscal 2018 request
Operations & Maintenance	\$271,932	9.20%
Military Personnel	\$145,963	5.10%
Procurement	\$125,226	4.60%
Research, Development, Test, & Evaluation	\$83,326	19.20%
Military Construction	\$9,015	35.60%
Revolving & Management Funds	\$2,244	77.80%
Family Housing	\$1,408	12.60%

Note: Chart doesn't include Overseas Contingency Operations (OCO) funding, which isn't subject to budget caps; RDT&E – Research Development, Test, and Evaluation. Sources: Office of Management & Budget, Department of Defense (Bloomberg Finance, L.P.)

House Defense Appropriations Bill (excerpt below)

Senate Defense Appropriations Bill may be taken up in late October

(DOLLARS IN THOUSANDS)

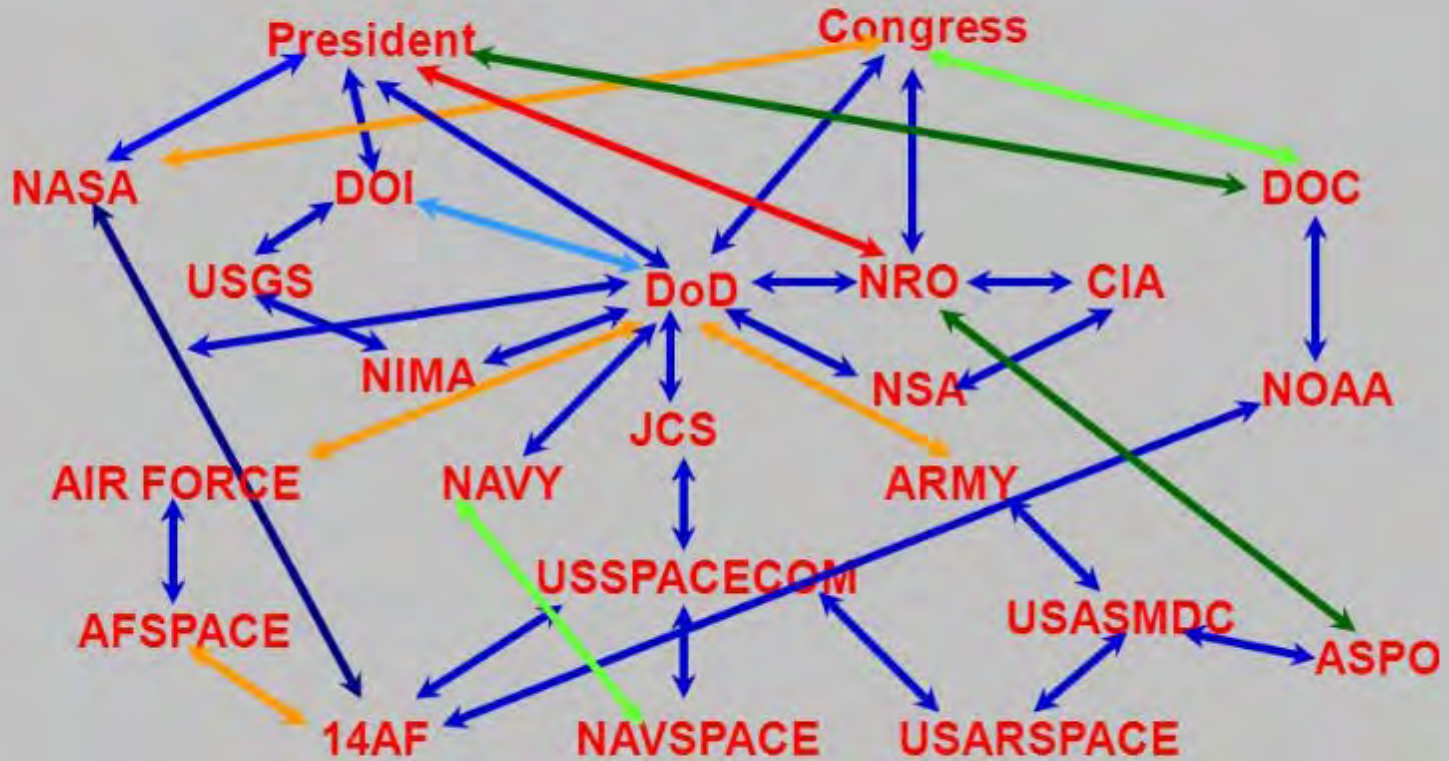
	BUDGET REQUEST		COMMITTEE RECOMMENDED		CHANGE FROM REQUEST	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT

SPACE PROCUREMENT, AIR FORCE						
SPACE PROGRAMS						
1		56,974		56,974		
2		57,516		57,516		
3		28,798		28,798		
4		146,972		146,972		
5		80,849		80,849		
6		85,894		85,894		
7		2,198		2,198		
8		25,048		25,048		
10		33,033		33,033		
11		957,420		947,420		-10,000
12	3	606,488	3	606,488		
13		981,009		981,009		
14		132,420				-132,420
15		6,370		6,370		
16		37,203		19,203		-18,000
17		113,874		113,874		
SPARES AND REPAIR PARTS						
18		18,709		18,709		

TOTAL, SPACE PROCUREMENT, AIR FORCE.....		3,370,775	3,210,355		-160,420	
		=====	=====		=====	

UNCLASSIFIED

US Space Organization Relationships



Any Questions?

UNCLASSIFIED

DOD Space

Secretary of the Air Force Heather Wilson: “Spacefaring nations like the United States must seek to ensure that space capabilities are protected...We will continue to accelerate space capabilities so that America will continue to own the high ground.” AFA Convention

- Principal DoD *Space* Advisor (PDSA)
- Associate Deputy Under Secretary of the Air Force (Space) and Deputy Director, Principal DoD Space Advisor Staff – Dave Hardy

CSAF Gen Goldfein: “decision-making is fragmented across more than 60 -- I repeat -- 60 – offices in the Department of Defense.” Senate – Air Force Posture Hearing

- Air Force Space Command – Gen Raymond,
 - He is also USSTRACOM, Joint Force Space Component Commander
- Lt Gen David Buck, Commander, 14th Air Force, Air Force Space Command
- Space and Missile Systems Center – Lt Gen Thompson
- Secretary of the Air Force/AQS – BG Baird

Ellen Lord Under Secretary of Defense Acquisition, Technology and Logistics

- Space Policy – Steve Kitay, John Hill
- Deputy Assistant Secretary of Defense for Space and Intelligence - Mr Klinger


Space Funding...

Laws, executive orders, regs and policies drive agency requirements and subsequent investments...need faster acquisition process.

- Other Transactional Authority – DTIC
- Public-Private Partnerships
- Venture Capital
- Tax Credits
- Federal Loan Guarantees
- Federal Grants including SBIR and STTR, RIF, DIUX, R&D Labs
- Congressionally-directed funding - appropriations
 - Programmatic “plus-ups”
- Legislative authorization language
- Government “buy-in”, program of record
- Develop a compelling case for funding
 - (Economic impact, policy, and politics....know your consumer!)
- Make the right case to the right people



Good policy can advance our national security for a stronger, safer, and more prosperous America. Thanks again for all of your efforts and leadership in promoting National Security Space.



K&L Gates assists leading-edge companies with their business and policy objectives. For more information, contact:

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The background of the slide is a composite image. The top half is a dark space filled with numerous small, bright stars in shades of purple and blue. The bottom half shows the curved horizon of the Earth, with a bright blue glow along the edge, suggesting a sunrise or sunset. The continents of North and South America are faintly visible in a darker blue tone.

Backup Slides

DOD Space Programs

- EELV
- Next Gen Launch Systems
- DARPA Space
 - GEO Robotics
 - Experimental Space Plane – just launched X-37B on Space X Air Force test platform
- Operationally Responsive Space
- SATCOM
- PNT
- Weather
- Spacelift Range

House Space Authorization Bill

- Commercial Space Launch Competitiveness Act of 2015
 - NASA Authorization signed 2017
 - Provides continuity to NASA
 - House version of American Space Free Enterprise Act of 2017 passed Committee
 - Babin/Smith/Bridenstine
 - <https://www.congress.gov/bill/115th-congress/house-bill/2809>
- Senate version will be taken up soon

House Science, Space, and Technology

- Space Subcommittee – Chairman Brian Babin (R-TX)
- Held seven hearings this year so far, focusing on:
 - Regulations
 - The future of the International Space Station
 - NASA's FY2018 budget request
 - The Mars Rover and Europa Clipper
 - Private lunar exploration
- Chairman Babin to champion legislation aimed at reforming regulations to remote sensing

Senate Commerce, Science and Transportation

- Two hearings held this year by the Space, Science and Competitiveness Subcommittee
 - Exploring How the Outer Space Treaty Will Impact American Commerce and Settlement in Space – *May 23*
 - “Examine[d] U.S. government obligations under the Outer Space Treaty on its 50th anniversary, specifically compliance with Article VI of the Treaty that requires governments to authorize and continually supervise the activities of non-government entities. This hearing [...] explore[d] the Treaty’s potential impacts on expansion of our nation’s commerce and settlement in space.”
 - Promoting Partnerships Between Commercial Space and the U.S. Government to Advance Exploration and Settlement – *July 13*
 - “Examine[d] partnerships between the U.S. government and commercial space industry to advance space exploration.”