



COMMONWEALTH of VIRGINIA

Office of the Governor

Sean T. Connaughton
Secretary of Transportation

August 1, 2013

The Honorable Charles Bolden
Administrator
National Aeronautics and Space Administration
300 E Street, SW
Washington, D.C. 20546

Dear Administrator Bolden:

As you are aware, the Commonwealth of Virginia, through the Virginia Commercial Space Flight Authority ("VCSFA") and in partnership with NASA, has invested heavily in the development of the Mid Atlantic Regional Spaceport ("MARS") at Wallops Island, Virginia. Among the investments Virginia has made is over \$80 million in state funds that were used for the construction of the new Pad 0A to support Orbital Science Corporation's contract with NASA for eight resupply missions to the International Space Station ("ISS"). We are extremely pleased that the Antares test launch was a success and you were there to participate in that historic event.

With NASA turning to the commercial aerospace industry to conduct many of its mission critical activities, the Commonwealth is uniquely situated to serve a vital role in the future of our nation's space program. MARS, with its strategic location, serves not only as a valuable asset to the U.S. space program, but also as crucial link in Virginia's job creation and economic development efforts. Much of the recent investment at MARS has been predicated upon the potential economic benefits that can be derived from a thriving aerospace industry and launch facility. With completion of Pad 0A, **Virginia is now ready to turn MARS into a true multi-user facility and attract new customers and new opportunities.**

Given this, we are concerned with two issues that may undermine Virginia's ability to continue developing MARS. The first involves allocation of 21st Century Space Launch Complex Program Funds. While the NASA/MARS team now provides half of U.S. access to the ISS, Wallops Island/MARS has received only a minimal amount of the 21st Century Space Launch Complex Program funding appropriated by Congress. In fact, the overwhelming majority of available funds has been spent in Florida. **The second issue involves the pending lease of Launch Complex 39A at the Kennedy Space Center ("KSC"). It is our understanding that NASA is considering leasing that pad to a commercial launch provider for a de minimis amount that does not reflect either the actual value of the pad or past investments in it.**

While we understand the intent of these actions is to promote the development of the commercial space industry, the actual impact is to undermine the current and planned investments by Virginia and other states in commercial space. Virginia and other states can only invest in commercial space if they can compete on a level playing field. We believe that, at a minimum, any potential lease for a KSC launch facility should be at fair market value, and greater attention should be paid to proportional apportionment of available federal funds amongst the U.S.'s commercially licensed launch facilities. Without such action, it will be extremely difficult for MARS, as well as other launch facilities and commercial launch providers, to succeed in the aerospace market as well as provide the sustained, duplicative national launch capability that NASA and Congress has said it desires.

Thank you for your attention to this matter. We look forward to our continued partnership with NASA and fulfillment of our mutually beneficial goals.

Please do not hesitate to contact me should you have any questions or wish to further discuss this matter.

Sincerely,



Sean T. Connaughton

cc: The Honorable Mark Warner
The Honorable Tim Kaine
The Honorable Frank Wolf
The Honorable Scott Rigell