An Analysis and Review of Measures and Relationships in Space Transportation Affordability

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- Affordability, Prices and Costs
  - Poor data, $/kg, $ per flight, and many, many caveats
- Productivity, Flight Rate and Yearly Capability
  - Flights, tonnage
- Competitiveness
  - Current vs. Growth
- Direct vs. Indirect Costs
  - Where vs. Why, Comprising vs. Causing
- Closing
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

A typical view of affordability

Recent data used here

Poor state of data, many contracts not public

Causality (X to Y) not implied nor clear

Figure 1: US Launchers and recent launch price contracts (2012-2015), using a linear scale and applying a power curve fit.
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

**Figure 2:** US Launchers and recent launch price contracts (2012-2015), using a logarithmic scale and applying a power curve fit.

- Shuttle only as reference (more ahead on apples/oranges)
- Poor state of data
- Similar to what an airline would have as CASM-cost per available seat mile
- Relative indicator of competitiveness
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

Figure 3: Using a bubble chart to show three variables; average payload capability of a system of launchers, the average cost of entry (or price to a customer), and the total tonnage capability deployed over a recent calendar year, as bubble size.

- Treat common capabilities as a system (all ULA, all SpaceX, etc.)
- Tonnage “capability” (not “actual”; more on this ahead)
- Want the bubble sizes to grow, and want more bubbles!
- US launchers only
On Shuttle: Measures of use to stakeholders go beyond cargo, kg, etc.
Shuttle very “affordable” – by this measure and requirement, people to space
Many affordability measures beyond $/kg or price per flight
  - Productivity, of some “value”
Emerging / commercial space of great interest
Visually, a spectrum of being more or less commercial
Can compare two or more players as being more or less commercial
Commercial is not about just being private sector; it’s much more
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- Globally: Appear to be stagnant at about 20 commercial launches/year
- Definition is “competed” or “FAA licensed”
- 2013 - US appearing to see an uptick? (but not the total market)
- What might cause market size to grow? Affordability + Productivity?

**Figure 6:** Graph created from raw data at the Department of Transportation for launches through 2012, plus 2013 data from the Federal Aviation Administration, “Commercial Space Transportation 2013 Year in Review,”
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

Table 1: Basic ingredients for a space exploration element (launch, spacecraft, habitat, etc.) being more commercial. The more these ingredients are captured, the more commercial the element is.

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>Rationale</th>
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<tbody>
<tr>
<td>Product development and use, amortizing costs</td>
<td>The business case depends on having non-government customers. The product for the government is developed with non-government customers in mind. The product or service is also provided to non-government customers.</td>
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<tr>
<td>Contracts</td>
<td>The government uses firm fixed price type of contracts.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Provider applies mostly commercial best practices. These practices or “how” are outputs. Capability, performance, safety, and cost goals are inputs.</td>
</tr>
<tr>
<td>Incentives</td>
<td>Multiple suppliers (industry) and multiple buyers (government and non-government) rationalize incentives, leading to success even when many requirements (performance, safety, cost) appear at odds. No monopoly (single provider) or monopsony (single buyer).</td>
</tr>
</tbody>
</table>

The formal, actual definition of what is “commercial” is expressed in the current space policy: “The term “commercial,” for the purposes of this policy, refers to space goods, services, or activities provided by private sector enterprises that bear a reasonable portion of the investment risk and responsibility for the activity, operate in accordance with typical market-based incentives for controlling cost and optimizing return on investment, and have the legal capacity to offer these goods or services to existing or potential nongovernmental customers.”
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

Figure 7: A view combining the launch record with estimated actual payload masses.

“Actual” tonnage being less than “capability” of launcher would mean far more $/kg and price per flight, in practice.

The data here has been compiled from two main sources:

(1) FAA Commercial Space Transportation, Year in Review reports
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

**Figure 8:** Technical product design factors (“what”; such as a number of parts, or different fluids, or the type of fluid, and reliability, etc.) distinguished from non-technical process factors (“how”; such as development practices, the flow of information, manufacturing steps, etc.)

**Needs:**
- Acceptance: Project/program cost data as a necessity, not a cost itself, not a luxury
- Insights, traceability
- Understanding and separating what comprises costs from what causes costs (not the same thing)
- Getting into the less tangible, less “technology” alluring indirect
- Technology that focuses on direct processes/responsiveness, productivity, in all phases from manufacturing to ops and launch; not just in flight
• What is needed is an ability to discriminate:
  - cost-per-pound of launch vehicle payload capability
  - cost-per-pound of payload delivered
• Specifically, need cost and productivity information:
  - Annual Production and Supply Chain Costs as a function of Unit Production Rate
  - Annual Operations Costs as a function of delivery (flight) rate
An Analysis and Review of Measures and Relationships in Space Transportation Affordability

Figure 9: If some fixed resource is dedicated to launch, and a business or government enterprise also wants to go further, for longer, then launcher/transportation affordability must significantly improve.

- Always the same few variables: resources, time, flight rate
- Stretching time/schedule, or dropping flight rate only gets so much
- Assuming budgets as in last 40 years, affordability, productivity and competitiveness must improve to allow space development and exploration