Beal testifies to Senate

Exhorts government to 'help either no one, or everyone'.
by Peter Wainwright

On May 20th Andrew Beal, CEO of Beal Aerospace, a commercial venture to build a cheap expendable launch vehicle (ELV) testified to the Senate. This is the transcript of his speech:

The testimony of:
Andrew Beal, President and CEO
Beal Aerospace

To the Subcommittee on Science, Technology, and Space
Of the Senate Committee on Commerce, Science and Transportation
May 20, 1999

Mr. Chairman, distinguished members of the Senate, it is a privilege to speak with you today about the future of America's commercial space industry. A future that I believe is bright - very, very bright.

Beal Aerospace is a new company about to enter the commercial space launch business. We are excited about the prospects for success that exist in the launch business, and are also quite aware of the significant risks that exist. Our greatest risk comes not from the competitive marketplace, but from government intervention.

While we are confident of our ability to compete on a level playing field, one of our biggest risks is that well-intentioned government actions might improperly tilt the playing field by rewarding or penalizing various competitors, essentially predetermining the winners and losers.

There is no lack of financial capital in the United States. A book and music seller named amazon.com has raised many billions of dollars and has a current market value of some $22 billion. Two new EELV rocket families are currently being built with more than $1 billion dollars in private sector investment. While it's true that military dollars assisted these programs, it is unclear that these programs would have stalled without direct military investment. In fact, the evidence is quite compelling that if the military had simply agreed to purchase enough launches on a "pay-for-successful-launch-only" basis, these efforts would have proceeded without development subsidies.

If the government wants to assist the space transportation business, it must reward success only and stay out of the rocket development business. The risk / reward ratio can be tilted in favor of all companies to provide greater reward to EVERY successful launch company.

The government can stimulate the business by either reducing risk or increasing reward. There are simple ways that the government could reduce risk or increase reward. An income tax holiday for all profits generated from launches would substantially increase the rewards of being successful, without subsidizing anyone unable to produce successful launches. A commitment by the government or NASA to purchase launches, and to only pay for successful launches, would also reward only success.

Please, please, please, structure whatever you do so that only success is rewarded and so that anyone that achieves that success is equally rewarded. The government should not reward fancy ideas, glossy brochures, and unsuccessful effort as it has in past aerospace programs. PLEASE, PLEASE do not give companies billions of our dollars to play around with experimental programs.

You will create jobs by spending public money, but you absolutely will not produce low-cost commercial access to space.

Beal Aerospace has seasoned rocket engineers from Boeing, Lockheed Martin, Orbital Sciences, and other leading launch providers. We believe that we will succeed in substantially lowering the cost to orbit with our Titan-class rocket. Our rocket uses the latest techniques in lightweight composites combined with the newest series of simple rocket engines in the world. We have built and successfully ground tested these engines for the past year. In the next 90 days we will ground test our stage 2 engine which is the second largest liquid rocket engine ever built or fired in the United States, second only to the power of the Saturn V engines.

We don't mind the risks and we are confident of our ability to succeed. Please help either no one, or everyone.

Thank you.

Andrew Beal
President and CEO
Beal Aerospace
8000 Dallas North Parkway
Frisco, Texas 75034
(972) 668-2000