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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

January 7, 1999

Mr. Daniel S. Goldin
Administrator
National Aeronautics & Space Administration
300 E Street, SW
Washington, DC 20546

Dear Mr. Goldin:

I am writing to express my serious concerns about a contract that the Johnson Space Center has to provide charter flights to Russia for workers on the International Space Station Program. This contract came to my attention because your Inspector General concluded in a December 31, 1998, report that the charter flights were costing your agency millions of dollars more than commercial flights to Russia and recommended that the contract be terminated.

The audit's key findings were:

- NASA's use of the DOD charter service resulted in approximately \$3 million in excessive cost to the government during its first nine months of operation.
- For the charters to be cost effective, JSC established a goal of 90 passengers per one way flight. For the first 24 flights, the number of passengers ranged from 9 to 108--with most flights carrying less than 50 passengers.
- The average cost per passenger under the charter contract ranged from \$2,753 to \$19,883. In contrast, the average cost of a commercial round-trip flight is \$2,084.
- JSC management no longer maintains that the flights can be justified on the basis of cost effectiveness rather, they cite certain tangible and intangible benefits to the Space Station Program including "a rhythm of activity".
- JSC management says that passenger levels increased during recent months. However, the IG found that levels are still well below the goal of 90 passengers per one way flight--averaging only 44.
- JSC may have violated the Anti-Deficiency Act (31 U.S.C. 1341) by failing to provide sufficient funding to cover the charter services received.

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Although your Comptroller agreed with the IG that the contract should not have been justified on the basis of cost-effectiveness, NASA management rejected the IG's recommendation to cancel the contract and the flights continue.

I am concerned that this contract is wasting money that NASA could spend more effectively. I therefore suggest you halt this waste immediately and require that Space Station workers rely on commercial air carriers. My staff contacted the airlines to determine the cost of a flight to Moscow, and they were quoted a round trip fare of \$555. This is less than the \$2,084 cost of a commercial round-trip flight that the IG used in its analysis and considerably less than the highest average charter fare of \$19,883!

I look forward to hearing from you regarding this wasteful and inefficient contract.

Sincerely,

Fred Thompson
Chairman

A large, stylized handwritten signature in black ink, appearing to read 'Fred Thompson', is written over the typed name and title.

FT:bg