Traditionally, launching satellites and other equipment into orbit has been the exclusive purview of the federal government, with NASA building and launching the equipment. However, in recent years several private firms have entered the industry, launching on contract for private firms as well as federal agencies, especially the Department of Defense. These launches are extremely expensive, with costs running from $100 million to $460 million, depending on the contractor and launch facility. However, due to federal budget cuts and steadily increasing demand from the private sector, new funding models have emerged to facilitate spaceport development.

In response to increasing demand for launch facilities, several states have established entities to provide oversight and support to the tenants of their commercial spaceports. In particular, Space Florida, an economic development agency, has operated the Cape Canaveral Spaceport, part of a facility where the U.S. government has launched rockets since the 1960s. The complex at Cape Canaveral, which is split between the Air Force, NASA, and Space Florida, is scheduled to conduct 24 launches, making it the busiest spaceport in the world.

Space Florida plans to construct or lease another launch facility in Brevard County, at or near the Cape. This location will benefit from its proximity to the existing NASA and Air Force launch centers at the Kennedy Space Center, and from Florida’s $17.7b aerospace industry.

The Mid-Atlantic Regional Spaceport (MARS), a joint venture between Maryland and Virginia, has also seen some success. Operated by the Virginia Commercial Space Flight Authority, MARS is located on NASA’s Wallops Flight Facility, one of the oldest launch centers in the world. Likewise, Alaska has also established the Kodiak Launch Complex (KLC), which is operated by the state-owned Alaska Aerospace Corporation. According to a recent press release, the Kodiak facility is “the first commercial spaceport in the United States not collocated on a federal range and […] the nation’s only high-latitude, full-service non-federal spaceport.”

MARS and KLC received $6 million in funding as part of the Federal Fiscal Year 2015 Appropriations Omnibus Bill.

However, other state-funded ventures have been less successful. A prime example is Spaceport America, funded largely by the state of New Mexico, which contributed over $200 million to the facility, located in the remote Jornada del Muerto desert basin. The $218 million facility was constructed using state and local funds, with additional support provided by the “anchor tenant,” Sir Richard Branson’s Virgin Galactic. The venture aimed to provide suborbital spaceflight tourism services, with an initial fee of $250,000. The viability of the operation has been called into question following the November, 2014 breakup of SpaceShipTwo during testing, which led to a halt in launch operations.

Other tenants have been sought for Spaceport America, including UP Aerospace and Elon Musk’s SpaceX, which intends to use the facility to test its re-useable first-stage booster. To date UP Aerospace has conducted the facility’s only successful commercial launches, sending nine rockets.
into suborbital space between 2006 and 2014.

Although a successful spaceport can generate economic benefits for states, there is a substantial amount of risk involved with such facilities, financial and otherwise. As G. Wayne Finger claimed in his presentation at SpaceOps 2008 [10], “the success of a Public-Private Spaceport hangs upon more than simply providing a place to launch a vehicle from. New entrepreneurial launch companies have many financial, scheduling, and technical needs that must be addressed.” Some launch interests clearly have different sets of priorities when choosing facilities, and some locations are better suited to meet those needs than others.

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