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SpaceX and Uncle Sam Shrug Off Billion-Dollar Blame Game

Did you know that the government doesn't insure the cargo it sends into space? That means that when a satellite carrying government cargo explodes during or after launch, taxpayers are left footing the entire bill. This issue has become topical with the recent loss of a Northrop Grumman satellite launched by Elon Musk's privately owned company SpaceX earlier this month. Shooting a satellite into orbit is obviously inherently risky; however, that is all the more reason to protect taxpayers when the federal government contracts with private companies like Musk's.



We know little about the contract or the mission of the launch itself because that information is classified. What we do know for sure is that on Jan. 7, a top-secret satellite (code-named "Zuma") was launched on one of SpaceX's Falcon 9 rockets. Though the rocket didn't explode upon launch this time (something that has happened twice in recent years), the satellite — which is rumored to have cost upward of \$3 billion — seemingly failed to maintain orbit and is believed to have ended up in the Indian Ocean.

About the only other thing we know is that taxpayers will eat the loss. In fact, because the mission was classified, we can only speculate as to which government agency was responsible for the mission, not to mention what went wrong.

When questioned by a Bloomberg News reporter, Pentagon spokeswoman Dana White responded, "I would have to refer you to SpaceX, who conducted the launch." When SpaceX officials were questioned, they announced that they were as pleased as punch with their performance. SpaceX President Gwynne Shotwell noted, "After review of all data to date, Falcon 9 did everything correctly on Sunday night." In other words, it's someone else's fault.

Shifting the blame onto others fits the pattern of SpaceX officials. In its previous failures, the company blamed explosions on faulty parts supplied by other contractors. Shotwell added, "If we or others find otherwise based on further review, we will report it immediately." But those words are not reassuring, given that the classified nature of the mission could help SpaceX obfuscate responsibility — especially if enabled by the federal agency responsible for the mission. Indeed, NASA refused to disclose to the public any of its findings after the 2015 explosion of a Falcon 9, which destroyed \$118 million worth of taxpayer-financed cargo.

One might conclude that for whatever reason, the government agencies that contract with SpaceX are afraid of making the company look bad. According to a source of mine in the government's space launch universe, SpaceX is viewed as being able to "get away with murder." Perhaps Musk's extraordinary connections in Washington (his companies have received billions of dollars in subsidies and government



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contracts) have enabled more favorable terms. Or perhaps the bureaucrats who negotiated and signed the contract set taxpayers up for the fall because, hey, it isn't their money — and it isn't as if the government agency they work for will go out of business.

Nobody expects every attempt to expand our presence in space to be free of mistakes and complications. However, taxpayers are owed an account of what went wrong when these missions fail — even in cases in which the payload is of a classified nature.

Indeed, the need for oversight and accountability with government contracts will take on added importance because SpaceX is expected to carry astronauts to the International Space Station in the near future.

Sadly, the lack of transparency works to the favor of a Congress uninterested in putting America's fiscal house in order. After all, it's hard to shame the ruling political class into action when citizens have no idea what's actually being done with their money.

Veronique de Rugy is a senior research fellow at the Mercatus Center at George Mason University. To find out more about Veronique de Rugy and read features by other Creators Syndicate writers and cartoonists, visit the Creators Syndicate webpage at www.creators.com.

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