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Earth Resources Technology Satellite (ERTS-C)Statement of the Issue

Is it necessary to proceed now with a third Earth Resources Technology Satellite (ERTS-C) to carry forward an effective experimental earth resources survey program within the current FY 1976 budget allowance for NASA? NASA recommends proceeding now while OMB recommends deferring ERTS-C for reconsideration in the FY 1977 budget.

Discussion

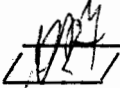
1. This issue remains open after the President's budget meeting on December 20 with NASA Administrator Fletcher when time did not permit full discussion. The issue has now been clarified by further OMB-NASA discussions.
2. It is now agreed that questions regarding classified systems do not relate to the current ERTS-C decision because additional experimentation, with alternative technologies, is needed before a decision can be made on the technologies needed for an operational system.

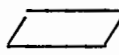
(If questions related to classified technologies are nevertheless considered to be an issue with respect to the ERTS-C decision, the NASA Administrator requests time to discuss this matter further with the President and his advisers.)

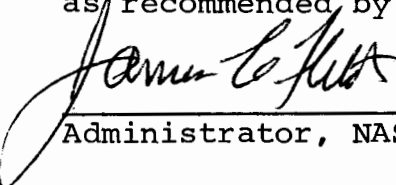
3. The central issue between OMB and NASA is a difference of opinion on the need to initiate ERTS-C now rather than reconsider the program during the FY 1977 budget.
  - NASA believes that data continuity through ERTS-C (but not beyond ERTS-C) is essential for the development and demonstration of operational techniques (e.g., crop forecasting) using remote sensing satellite systems. ERTS-1 (1972-1974) primarily demonstrated the feasibility of remote sensing systems. ERTS-B (1975-1977) will stress demonstrating the use of these systems. ERTS-C (1977-1979), which is technically more advanced than ERTS-1 and -B, will be required to demonstrate fully future operational potentials. NASA further believes that a gap between ERTS-B and -C would "dead-end" critical experiments; would tend to dissipate the technical teams; and would thus defer the large potential economic benefits for a period considerably longer than the proposed gap.

- OMB believes that continuity of data is not necessary to carry out an effective assessment of ERTS technology; that an experimental program should be carried out in a step-wise fashion with results from one phase of the experiment available before the next phase is started; that consideration of ERTS-C should be deferred to next year's budget when more information will be available to the Administration; and that proceeding with ERTS-C now could lead to premature commitments to future expenditures for an operational system.
  - In recognition of OMB's concerns on future commitments, NASA has now made two concessions: NASA not only agrees that approval of ERTS-C does not imply any commitment for data continuity beyond ERTS-C but also that another ERTS satellite or initiation of a large new remote sensing satellite will not be requested in the FY 1977 budget. These concessions were made to insure that a decision to proceed with ERTS-C now will not prejudice future decisions on operational systems.
  - The OMB nevertheless is concerned that NASA will not be able to abide by its agreements because strong Congressional pressure for further data continuity (beyond ERTS-C) will force the Administration to make premature decisions on the initiation of an operational system before alternative technologies can be fully assessed.
4. The NASA Administrator has the special concern that a negative decision on ERTS-C is likely to undercut support for the rest of the space program. OMB notes that without ERTS-C NASA would still have a \$50 million program in FY 1976 in earth resources activities.
  5. NASA has agreed to absorb the cost of ERTS-C, in FY 1976 out of its current allowance; however, about \$40 million in additional resources would be required in FY 1977 and FY 1978.
  6. The Science Adviser (Dr. Stever) has some reservations about the degree to which ERTS-C advances technology to serve the user needs and the need for continuity of data from ERTS satellites. However, he and the Department of Agriculture (Acting Secretary Yuetter) recommend approval of proceeding now with ERTS-C.

#### Decision

Proceed with ERTS-C now as recommended by NASA within its current FY 1976 budget allowance. 

Defer ERTS-C for reconsideration in FY 1977 budget as recommended by OMB. 

  
Administrator, NASA

  
for Director, OMB