

NASA should enable multiple CLDs now and not pursue ISS 2.0

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Preface

The Space Frontier Foundation has fought for nearly forty years to promote the commercial development and human settlement of space. We are a public interest organization, made up of taxpayers, space experts, commercial space industry investors, entrepreneurs, and employees, and citizens of all ages who expect – and demand – that the U.S. national space enterprise will open the solar system to the American people and a free humanity as rapidly as possible. We have a long track record of advocating for reforms of the International Space Station, and for the earliest possible transition from ISS to multiple commercial crewed space platforms in Low Earth Orbit.

In general, the Foundation is very supportive of most of the announcements NASA made at its March 24, 2026, “Ignition” event, but we stand in strong opposition to the proposed changes in the strategic focus, program plans, and funding for the Commercial LEO Destinations program.

Summary

NASA’s March 24th “Alternative CLD strategy” proposal to acquire a new government-owned and -operated module for ISS, enabling CLD modules to attach to ISS, and which would eventually separate from ISS and serve as the core of a new hybrid government-commercial space station, is an unfortunate strategic mistake that will delay “cracking the code of the Orbital Economy” and is counter to both public law and national space policy.

Based on briefing materials from and public statements by NASA officials at “Ignition”, NASA appears to be reducing outyear budget resources for CLD by \$800m, diverting an unspecified amount of ISS or CLD resources into a new government ISS module, and potentially having to continue to spend significant resources on extended ISS operations and then on operating and managing the hybrid ISS replacement. None of these proposals are reflected in the just-



released Presidential Budget Request for NASA for FY2027, and it remains to be seen if the Administration supports this new approach.

Finally, and most importantly, NASA's defense of their Alternative not only runs counter to the goals for the CLD program established under President Biden and continued under President Trump, but undercuts NASA's legislative mandate to promote the fullest possible commercial use of space and the Space Superiority Executive Order's mandate to dramatically increase private investment in the space economy.

Objection 1: The ISS Program's Proposal Conflicts with U.S. Law and National Policy

Congress has, for decades, enacted bipartisan legislation directing NASA to transition the paradigm of LEO human spaceflight from government-controlled to commercially-led vehicles and platforms. Most recently, President Trump's Space Superiority Executive Order mandated that the U.S. government, including NASA, "grow a vibrant commercial space economy through the power of American free enterprise by...spurring private sector initiative and a commercial pathway to replace the International Space Station."

The ISS Program's "Alternative Proposal" for Commercial LEO Destinations postpones changing the paradigm and makes CLD company hardware mere appendages to a government space station. The arguments NASA makes today about the immaturity of an Orbital Economy could be used again (and again) in the future to perpetually postpone the actual yielding of leadership in LEO to the private sector. But national space policy does not call for limiting the role of the private sector in LEO; it calls for maximizing it.

Even worse, the presentations and official comments made by NASA managers during the Ignition announcements directly challenged the premise of a nascent Orbital Economy and implicitly questioned the wisdom of the private capital markets, which have already invested billions of dollars into CLD companies. The aforementioned Executive Order calls for a \$50 billion increase in private investment into the space economy, but at Ignition, NASA sent a clear message to CLD investors that "we don't agree with your professional expert judgment about making money in LEO."

Changing the entire structure of the CLD program after companies have raised and spent billions developing CLD capabilities pulls the rug out from under the commercial partners that NASA claims it needs to step up in LEO infrastructure. Some of these companies are also prospective commercial partners for the Lunar Base. Now, every company interested in the Lunar Base is closely watching how NASA manages the CLD program to predict how NASA will treat commercial partners on the Moon. The ISS Program's Proposal therefore directly undercuts the goals of Artemis, as well as indirectly by not supporting NASA's continued biological and engineering research in LEO to support exploration.

Objection 2: NASA statements about CLD funding contradict the FY2027 budget

Several NASA managers stated that CLD funding would be limited to approximately \$250 million per year until the ISS is retired, and therefore, there is not even enough money in the budget to support one CLD, let alone two. But that is not what the FY2027 budget proposes. Between FY27 and FY30, the budget proposes a total of \$1.8B for CLD development. If CLD funding were reduced to \$250 million per year, the total shortfall would be nearly \$800 million.

Year	FY 2026 (enacted)	FY 2027 (request)	FY 2028 (request)	FY 2029 (request)	FY 2030 (request)	FY 2031 (request)
Appropriated	\$273.2	\$299.7	\$299.8	\$599.7	\$599.8	\$1577.2
\$250M/yr	\$273.2	\$250	\$250	\$250	\$250	
Shortfall		\$48.7	\$49.8	\$349.7	\$349.8	
Cumulative					\$799	

If NASA is indeed proposing such a radical change to the President's budget, they owe the White House, Congress, and industry a complete justification.

Even assuming NASA does intend to significantly disinvest in the CLD initiative, the U.S. has other options than abandoning the fundamental goal of achieving a truly commercial LEO destination. NASA managers stated that their budget could perhaps support one CLD. Another approach would be to make a larger, advanced commitment to CLD utilization now so that CLD companies could finance their development costs privately. Still, a third approach would be to award 1.5 CLD contracts this year and utilize a "leader-follower" acquisition strategy.

But utilizing some of the limited CLD budget to fund a new government-owned and government-operated module to attach to ISS, and then separate and become the core of a new hybrid (government + commercial) space station does not appear to ease the financial pressure on CLD partners.

Furthermore, the FY2027 Presidential Budget Request clearly and repeatedly states that the funds requested are for the creation of multiple commercial LEO destinations. Until NASA explains why they believe CLD funding will or should be severely cut (or repurposed to some other NASA activity), and NASA secures White House and Congressional approval to walk away from the long-planned objective of at least two commercial space stations, the ISS Program's proposal seems in conflict with the President's budget request.

Objection 3: NASA's Alternative Appears to Create ISS 2.0 and therefore undercuts the stated goal of "cracking the code of the Orbital Economy"

The International Space Station is an engineering marvel and has enabled significant biological and physical research, including long-term human adaptation in space, for a quarter century. But as a government-developed, -managed, and -operated system, the ISS could not be optimized for lowest-cost operation or profitability. This is not a failure of ISS or NASA; it simply reflects the differing priorities of public-sector designers, builders, and operators versus those in the private sector. Ideally, a commercial human space platform would be optimized to enable the maximum number of iterative experiments in economic value creation. In other words, a CLD company will make more money if its customers are making money by discovering profitable activities they can carry out with people in Earth orbit.

Unfortunately, NASA's proposed alternative option for CLD postpones the day when a market-funded and market-focused entity is in charge of a LEO platform. Any commercial users of a commercial augmentation to the ISS will, of course, have to overcome the same bureaucratic barriers that have challenged commercial innovators on the ISS over the past two decades. But by determining now that even post-ISS activities will involve a NASA-designed, -owned, and -operated "core module" implies that the new station will still be substantially government-led, with government safety rules, review processes, and (potentially) government priorities for utilization.

Effectively, NASA's proposed alternative creates ISS 2.0, incorporating lessons from ISS 1.0 but ultimately retaining significant federal control, which is antithetical to an innovation- and profit-maximization CLD business strategy. Furthermore, because NASA has not been transparent in their estimation that there is insufficient market interest in CLDs to close their business case, there is good reason to assume that in a few years, NASA will claim that a sufficient market has still not emerged, and they must continue to postpone a full transition from government-led to commercial space stations.

Ultimately, the goals of the CLD program, and more importantly the direction given by Congress and the President, require that NASA give up managerial control of human spaceflight in Low Earth Orbit and instead trust in the marketplace to satisfy NASA's own research needs and aggressively pursue the economic development of LEO and the salutary effects of lower costs, better capabilities, and broader public benefit. The sooner NASA does this, the sooner the Orbital Economy will emerge, just as the COTS program ignited a revolution in commercial launch, small satellites, and now satellite mega-constellations.

What NASA should do now:

- 1) Recommit to the earliest feasible transition from the ISS to multiple commercially developed, owned, and operated crewed platforms in Low Earth orbit.
- 2) Reaffirm the goal of U.S. industry leading at least two Commercial LEO Destinations, with minimal barriers to entry to additional facilities as the Orbital Economy grows.
- 3) Demonstrate NASA's support for #1 and #2 above by recruiting and hiring a commercial human spaceflight expert to oversee the CLD Program, instead of leaving the position in acting status during this period of strategic upheaval.
- 4) Invite the Department of Commerce to help staff and provide support to the CLD Program, including:
 - a) using their superior market analysis capabilities to validate the CLD team's market assessment of the LEO economy;
 - b) bringing their expertise and legislative authority to promote investment in and the development of the LEO economy; and
 - c) Serve as an ombudsman and advocate within the CLD program for investors, users, developers, and suppliers.
- 5) Immediately issue an Announcement for Partnership Proposals with an intent to award multiple funded Space Act Agreements, and rapidly release a draft RFP for a FAR Part 12 acquisition of space habitation/laboratory services that will be open to all industry.
- 6) Publicly commit to accelerating the on-ramping of new commercial systems to more cheaply and frequently deliver crew and cargo to CLDs, enabling iterative improvement of on-orbit experimentation and easier short-term visits by specialized researchers.
- 7) Working with the Department of Commerce, provide a Safe Harbor that allows CLD providers to discuss making their stations coorbital (and other non-price coordination to promote greater utilization) without violating antitrust rules. For example, making CLDs co-orbital could enable a single resupply/crew-transfer launch to visit multiple CLDs, and potentially lower the cost of shared crew-rescue capabilities among co-orbiting CLDs. Other examples of appropriate coordination might include similar rendezvous support tools, docking mechanisms, equipment interface standards, and cargo integration approaches (packaging, containers, etc).

In partnership with the Department of Commerce and the Department of Transportation, create a CLD Program Advisory Committee to include investors, users, CLD developers, launch/recovery service and other providers, supply chain representatives, and public interest organizations to provide the Executive Office of the President, Congress, NASA,

and the Office of Space Commerce with “ground truth” on future strategic choices of the CLD Program.