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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

11/4/74

MR 7

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK G. ZARB *gz*

THROUGH: ~~ROY L. ASH~~

SUBJECT: COST OF SPACE SHUTTLE VEHICLES

11/4/74

At your meeting today with Dr. Fletcher of NASA, you asked how many shuttle vehicles were planned and what the cost would be for each vehicle. Dr. Fletcher correctly responded that the cost would be \$250 million each. However, this unit cost excludes the research and development expenses required to develop the shuttle and the facilities required to launch them.

The overall cost of the shuttle program is estimated to be about \$6 billion (in FY 1975 dollars), which includes the procurement of three prototype vehicles. The \$6 billion figure does not include the future procurement of two additional vehicles by the Department of Defense.

No further procurements of shuttle vehicles (in addition to the five) are projected at this time. Each vehicle is expected to have a useful life of 100 flights.

The annual distribution of costs for this program over the 8-year period of its development is as follows:

In Millions of Dollars

FY 1973 and prior	375
FY 1974	475
FY 1975	800
FY 1976	1,150
FY 1977	1,170
FY 1978	1,100
FY 1979	840
FY 1980	<u>240</u>

Total 6,150