

transferred from NASA to the National Oceanographic and Atmospheric Administration (NOAA).

While it is true that NOAA operates the weather satellites, it had no interest in running Landsat. NOAA never considered Landsat one of its most important programs, so when the EOSAT Company, a joint venture between Hughes Satellite and General Electric, took over the marketing of Landsat data, it reinforced NOAA's lack of interest in the program.

The first thing EOSAT did was to nearly quadruple the cost of each Landsat image. This meant, first, that government agencies, such as the Department of Agriculture, which had a fixed budget to purchase Landsat data and were the largest users of the images, could now purchase only one-third to one-quarter as much data. The amount of data sold was shrinking, though an *increase* in data sales would have been one way of reducing the price.

Second, it meant that the effort to expand the user market for Landsat data was halted in its tracks. Many of those who probably could have become Landsat data customers, were priced out of the market. Third, it virtually ensured that the United States would lose its leadership role in remote-sensing operations.

Over the past three years, the French SPOT system has entered the "free" market with government subsidies. The Soviet Union, using remote sensing since the dawn of the space age for military reconnaissance, has offered images for sale with very high resolution. Soyuzkarta, the state mapping agency, is selling images, as long as they are not images of the Soviet Union. Only the U.S. government expects remote sensing to sink or swim on its own.

There are now two aging Landsat satellites in orbit, past their projected lifetime, but still operational. With unabashed cynicism, the Reagan administration put *nothing* in the current FY 1989 NOAA budget for Landsat operations, because they expected the two satellites to fail! Not much better, Congress funded Landsat operations for only six months. On March 31, the \$9.4 million available was to run out. For want of a measly additional \$9.4 million, the United States was ready to shut off Landsat.

Vice President Dan Quayle, head of the newly reconstituted National Space Council, intervened in early March, and organized the government agencies which use Landsat data to come up with the money. The entire U.S. remote-sensing program is now under review.

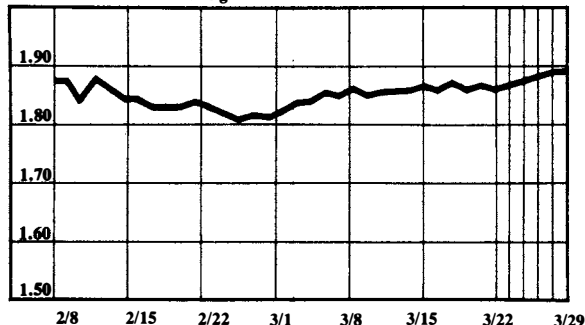
Lest anyone think that this privatization effort saves money, observe the record of the Tracking and Data Relay Satellite. This multi-satellite system was built by Contel Federal Systems, and is leased to NASA. The total cost to the space agency will be \$3.1 billion. Fully \$1.1 billion of that is interest on loans that Contel contracted with the Federal Finance Bank.

OMB has found a process with a proven track record of getting rid of unwanted "expensive" government R&D programs—turn them over prematurely to "private enterprise."

Currency Rates

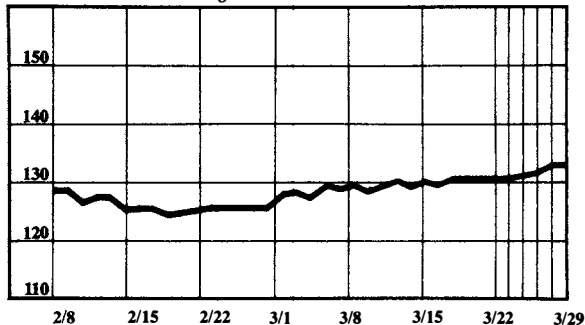
The dollar in deutschemarks

New York late afternoon fixing



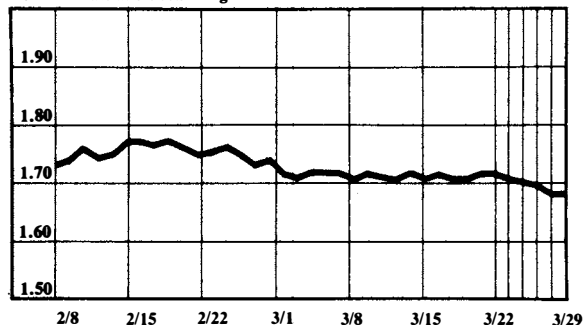
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

