

National Aeronautics and
Space Administration
Headquarters
Washington, DC 20546-0001



September 7, 2007

Reply to Attn of: Exploration Systems Mission Directorate

Mr. Randolph Brinkley
Rocketplane Kistler
4300 Amelia Earhart Lane
Oklahoma City, OK 73159

Dear Mr. Brinkley:

Pursuant to Article 17 of our Space Act Agreement (NNJ06TA27S), this letter is to provide written notification to Rocketplane Kistler (RpK) that RpK has failed to perform under the Agreement.

RpK has failed to meet Milestone 4, Financing Round 2, on the agreed upon schedule of May 2007. On June 1, NASA requested additional information from RpK to ascertain the cause of the failure and better understand its plans towards developing Commercial Orbital Transportation Services. You presented this information to me at a briefing at NASA Headquarters on June 15. At that time you stated that RpK could achieve successful completion of this milestone by July 2007. NASA agreed, in a letter to you on June 25, that it was in the best interest of both parties for RpK to continue its efforts to complete the milestone. On August 3 you notified Alan Lindenmoyer, the Commercial Crew and Cargo Program Manager, that RpK was unable to complete the milestone in July but was actively continuing the fundraising efforts with several interested investors. You provided Mr. Lindenmoyer updates on RpK's plan to complete this milestone on August 10 and again on August 28, which he provided to me along with his assessment for my consideration.

RpK has also failed to meet Milestone 5 of the Agreement which required the completion of the Pressurized Cargo Module (PCM) Critical Design Review. It is my understanding that failure to complete this milestone was due to an inability to obtain sufficient financing to perform the work. Instead, RpK was able to conduct only a preliminary design review of the PCM in this timeframe. Further, it is my understanding that nearly all technical work has been suspended at this time pending further funding.

After review and consideration of RpK's performance to date and its proposed plans for completing Milestone 4, we have determined that additional efforts are not in the best interest of NASA.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott J. Horowitz".

Scott J. Horowitz
Associate Administrator
Exploration Systems Mission Directorate