Interview with CEO (27)

Mark Albrecht

President, International Launch Services

Biography

Dr.Mark Albrecht is president of International Launch Services (ILS), the Russian/American joint venture company formed by Lockheed Martin, Khrunichev and Energia in 1995. ILS provides the Atlas, Proton and Angara launch vehicles and associated launch integration services to satellite customers worldwide.
Previously, Albrecht served as vice president of business development for Lockheed Martin Space Systems, where he was responsible for marketing and business development for the Space Systems operating companies and managing its strategic planning and customer relations.

Prior to joining Lockheed Martin, Albrecht was senior vice president of Science Applications International Corporation (SAIC). In this capacity, he coordinated all space business activities. He joined SAIC in 1992.

Albrecht was appointed in 1989 by President George Bush as the Executive Secretary of the White House National Space Council, serving until 1992.

Previously, he served as the legislative assistant for national security affairs to Sen. Pete Wilson. Albrecht has also held positions as a senior research analyst for the intelligence community staff in Washington, D.C., and the Rand Corp. and as a member of SAIC research staff.
Albrecht has been awarded the U.S. DoD Distinguished Civil Service Medal, and several other awards. He is an associate member of the Defense Service Board and serves on several advisory and corporate boards including United Space Alliance and the American Astronautical Society.

Albrecht holds bachelor's and master's degrees from UCLA and a doctorate from the Rand Graduate School.

(Interviewer: T.Ueda, AIAA-JFSC)

--- What is the state of the launch market today and what importance does the Japanese launch market have for ILS ?

Albrecht: The size of the commercial launch market depends on the number of satellites the satellite operators purchase. For the past three years, the launch market has been relatively flat while still representing a worldwide value of about $1.5 billion to $2 billion per year. In the intermediate and heavy lift class, there are five launch systems and over capacity. ILS has consistently captured between 40 and 50 percent of this market over the last few years. In 2004, the majority of our planned missions are supporting commercial satellite operators.

ILS is very pleased to have the major satellite operators in Japan as honored customers. Japan is a very important market for the satellite industry and we want to continue serving our customers with the most reliable and the highest quality launch services. We have successfully launched five satellites for customers in Japan [Superbird-C, JCSATs 3,4, and 6; and MBSAT-1], and the launch of a sixth scheduled for mid-April. It was particularly gratifying for us to have a successful Atlas launch for Mobile Broadcasting Company (MBC) in March, which will provide new, technologically advanced communications services for the Japanese people.

Launch of MBSAT by Atlas III

Launch of W3A by Proton

Photos by ILS

The other important aspect of the Japanese market is the achievement of launch capabilities by Japan. The Japanese space program has had some notable technical achievements and we applaud their advances in space exploration and applications. With the development of the H2A, Japan will enter the ranks of intermediate and heavy lift launch providers. After the technical accomplishments are passed, Japan will have

to penetrate the ranks of an already oversupplied, crowded market of launch vehicles.

---- In 2003, ILS received more new contracts than any other competing firms in the launch business. What do you think was the primary driving force inside ILS to achieve this excellent result?

Albrecht: First, such an accomplishment can only be achieved by having the most reliable launch systems and the commitment of the two best owner/partners, Lockheed Martin (Atlas) and Khrunichev (Proton). Together, the two rocket systems have amassed 885 launches, and Atlas has an impressive string of 70 consecutive successes. Over the years, the Atlas and Proton performance has been increased in an evolutionary manner, taking advantage of heritage proven technologies while incorporating product upgrades to meet market requirements. Thus we have the high-performance Atlas V and Proton/Breeze M available to meet the launch requirements of commercial and government satellite projects for the foreseeable future.

Second, ILS pioneered a unique, comprehensive customer service through its program of "schedule assurance." Since the Atlas and Proton have complementary performance capabilities, and ILS has an integrated management structure covering both vehicles, we have the flexibility to move a customer from one vehicle to the other, if they so choose, to meet deadlines for getting into orbit. Additionally, since both vehicles launch only one satellite at a time, there is no waiting for a co-passenger. Operationally, our launch facilities at Cape Canaveral, Florida; Vandenberg Air Force Base, California; and Baikonur, Kazakhstan, are all designed to handle a robust launch tempo. As of the end of March 2004, ILS has successfully launched three satellites, with up to eight more missions anticipated for launch this year.

--- How do you assess the present result of strategic collaboration with Russian Khrunichev ?

Albrecht: The ILS partnership, between Lockheed Martin and Khrunichev, is one of the most successful U.S.-Russian joint venture in the aerospace industry. The relationship between Lockheed and Khrunichev started in 1993, and the ILS company was created in 1995 after the merger of Lockheed and Martin Marietta. Khrunichev brings to the partnership a huge depth of experience in production and launch operations; ILS brings its marketing, mission management, licensing, and contracting skills. We were recognized for these achievements with two major awards, the Frost & Sullivan Strategic Marketing Award (2002); and the Best Launch Innovation Award from PBI Media (2004).

First launch of Atlas-V in 2002

Photo by ILS

--- Are you going to expand or further improve the joint work with Khrunichev to be further supported by the customers?

Albrecht: The partners are always exploring new areas of business. For example, ILS will market the Angara launch vehicle, a new rocket to be manufactured by Khrunichev. In addition, we are exploring areas where further cooperation makes sense for us, such as in new space exploration.

--- ILS's motto of "mission success" should be most appreciated by the customers, but could be most difficult to commit. What are the outstanding activities at ILS, Lockheed Martin and Khrunichev to realize this motto by providing mission success for each customer?

Albrecht: First, we believe that there is no such thing as a "random success." Continuous success, such as more than 10 years of successful Atlas launches, is the result of discipline, dedication, and careful attention to details and quality control processes. I spoke earlier about evolutionary development—taking the best from the past and integrating it step-by-step

with current technologies. This has been a proven method to ensure steady and successive reliability. For example, Lockheed Martin has flown seven configurations of the Atlas vehicle over its operational lifetime, and all of them were 100 percent successful on the first launch. The heritage behind the success of Atlas comes from this history of more than 580 total flights.

On the Proton side, the transition to the Proton/Breeze M was performed to increase reliability and performance. This program built upon the heritage of the earlier Proton versions, which had accumulated more than 300 total flights.

Dr.Albrecht and Mr.Ueda during interview

--- It is sometimes said that ILS has changed much in the past several years from the traditional government business style company to different style company, more respecting commercial customers. If you agree to this comment, what was the biggest challenge you experienced in changing your company since you became CEO?

Albrecht: Five years ago, we developed a plan to sustain ILS as the leader in the launch service business. We recruited the most talented people from different areas of the satellite industry to maintain a customer-focused organization. We introduced innovative services, such as the schedule assurance program. ILS has a large number of repeat customers and we continue to attract new customers from around the world. That is the best indicator that we have chosen the correct strategy.

We believe that we have the best products, yet in the end, ILS is selling customer service. We bring an integrated service offering to our customers that extends from contract signing to launch and spacecraft separation, including mission management and licensing assistance.

One of my biggest challenges has been to take the best qualities of what we do in both the

commercial and government markets and make them work more smoothly and effectively. All launch service providers today need government launches in order to maintain themselves. Competing for commercial launches keeps us close to changing customer requirements and needs. Our government business adds stability, a high degree of technical expertise, and a sufficient number of flights to prove reliability. ILS's advantage is that it brings to its customers the best of both these areas of experience. We hope that satellite operators in Japan will continue to take note of these things, and will look to ILS when they need reliable, timely launch services. We are ready, willing and able to provide the highest level of service to all customers in Japan for launching their mission-critical programs.

--- Lastly, how do you spend or enjoy your time, off the work on holidays?

Albrecht: I've always been active in sports, so I like to play golf and tennis, and enjoy the activities at the sports centers I can find when I'm home or when I travel. I have enjoyed many golf games with my Japanese colleagues. Horseback riding has also been particularly enjoyable to me and I take the opportunity to ride whenever I can.