

# Khrunichev Space Center Reform to Cost \$825 Million

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The financial restructuring of the Khrunichev Space Center, one of Russia's most vital and most troubled space industry assets, will require 30 billion rubles (\$825 million) as the Russian space industry continues its far-reaching, life-or-death consolidation effort, space officials said Thursday.

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These concerns were bolstered in May, when a Proton rocket crashed into an advanced communications satellite — the fifth crash of the tried-and-true Soviet design, which was

first launched in 1965.

Efforts to reform Khrunichev will cost the state over \$825 million by preliminary estimates, ITAR-Tass reported, citing Igor Komarov, CEO of the United Rocket and Space Corporation (URSC).

The URSC was created in March in response to earlier Proton failures, but consolidation was accelerated after the collision in May. The corporation is meant to serve as the center of a massive industry consolidation and modernization effort by taking control of the state's shares in the Russian space industry's largest contractors, such as Khrunichev.

"A final estimate [of the cost of reforming Khrunichev] will be presented to the government by the end of September," Komarov said at a press briefing held by the URSC on Thursday, ITAR-Tass reported.

The URSC is set to take full ownership of Khrunichev and another major space industry firm, Lavochkin.

According to Komarov, Khrunichev cannot survive without measures to reform the company.

Khrunichev's current director Alexander Seliverstov also announced his resignation on Thursday. The federal space agency Roscosmos said in a statement later in the day that Andrei Kalinovsky, the former head of aircraft manufacturer Sukhoi's civil aviation division, is to take the helm of the center.

Roscosmos chief Oleg Ostapenko, who has presided over several leadership shuffles since coming on the job last October, said that Seliverstov would now become a URSC deputy tasked with managing industry activities.

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