

Commercial

# Sierra Nevada Corporation to spin off space division

by Jeff Foust

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Sierra Nevada announced Nov. 17 that the first flight of the Dream Chaser spacecraft to the ISS will slip to 2022 due to development delays caused by the pandemic. Credit: Sierra Nevada

WASHINGTON — Sierra Nevada Corporation (SNC) will spin off its space division into a separate company, a move reflecting the “historic growth” it foresees for that business in the next several years.

In a message to employees April 14, SNC Chairwoman and President Eren Ozmen said the company’s Space Systems division will become a standalone company, called Sierra Space, although

remain a subsidiary of SNC.

Creating Sierra Space, she said, will enable the company to better capture expected growth in the space industry. SNC's space business currently generates \$400 million in annual revenue, and she projected that increasing to \$4 billion in 5 to 10 years. Privately-held SNC has traditionally disclosed few details about its revenue.

“To achieve this growth and even greater impact more quickly, today we are announcing our space business area will transition to become an independent, commercial space company – Sierra Space,” she wrote. “Our teams and technologies are uniquely positioned to realize this significant current market opportunity to build the new space economy.”

Ozmen provided few details about how the transition of SNC's space business to Sierra Space would unfold, but she said it would take several months to complete. Even after the transition, Sierra Space will “continue deep cooperation and synergy” with SNC's other business areas in aviation and defense.

## How SNC built its space business

SNC's space business dates back to acquisitions in 2008 of MicroSat Systems, a small satellite developer, and of SpaceDev, a company with expertise in spacecraft components and hybrid propulsion systems. SNC acquired Orbital Technologies Corporation, a space technology company involved in propulsion and life support systems, in 2014.

The SpaceDev acquisition brought with it the technology for Dream Chaser, a lifting-body spacecraft that SNC developed first through NASA's commercial crew program and then its commercial cargo program. **The first cargo Dream Chaser is being built for launch in 2022** under a NASA contract to resupply the International Space Station.

SNC remains interested in developing a crewed version of Dream Chaser, and is also working on inflatable module technology called Large Inflatable Fabric Environment (LIFE) through NASA's Next Space Technologies for Exploration Partnerships, or NextSTEP, program. The company is proposing to combine Dream Chaser and LIFE into concepts for a commercial space station.

# "Vibrant low-Earth orbit economy"

At a March 31 media event, SNC officials described their space station concepts, as well as the company's intent to participate in **NASA's new Commercial LEO Destinations program**, which will provide funding through Space Act Agreements to mature commercial space station designs.

At that event, an executive said the company was disappointed in NASA's planned funding for that program, which will be limited to between \$300 million and \$400 million combined over as many as four Space Act Agreements. "We're a little disappointed in the amount of money NASA wants to put against it and the timeline," John Roth, vice president of business development at Sierra Nevada Space Systems, said at the briefing.

He called for greater investment by NASA to speed up development of commercial space stations. "We have done financial modeling and it's not going to be inexpensive," he said. "We're prepared to invest beside NASA in a public-private partnership to make that happen."

Ozmen, in her memo, described the company's role in creating a "vibrant low-Earth orbit economy" with Dream Chaser and that commercial space station, along with the use of LIFE modules for exploration and other technologies SNC has developed.

"Demand is soaring for experienced, cutting-edge technologies like ours, and the high barrier to entry gives us an important competitive advantage," she wrote. "We have the right team and the right tech at the right time, and our customers expect even more great things from us in the future."



**Jeff Foust**

Jeff Foust writes about space policy, commercial space, and related topics for SpaceNews. He earned a Ph.D. in planetary sciences from the Massachusetts Institute of Technology and a bachelor's degree with honors in geophysics and planetary science...

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