

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 258

To establish a non-Federal, for-profit Launch Services Corporation for providing space launch services to the Federal Government and other domestic and foreign customers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. HEFLEY introduced the following bill; which was referred to the  
Committee on Science

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## A BILL

To establish a non-Federal, for-profit Launch Services Corporation for providing space launch services to the Federal Government and other domestic and foreign customers, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Launch Services Cor-  
5        poration Act of 1995”.

6        **SEC. 2. DEFINITIONS.**

7        For purposes of this Act—

1           (1) the term “Corporation” means the Launch  
2 Services Corporation created under section 4 of this  
3 Act; and

4           (2) the terms “launch”, “launch property”,  
5 “launch services”, “launch site”, and “launch vehi-  
6 cle” have the meaning given such terms under sec-  
7 tion 70102 of title 49, United States Code, except  
8 that the provisions of this Act shall not apply to ac-  
9 tivities relating to suborbital trajectories.

10 **SEC. 3. FEDERAL RESPONSIBILITIES.**

11       (a) PRESIDENT.—The President shall—

12           (1) coordinate the activities of Federal agencies  
13 with space launch responsibilities, so as to ensure  
14 that there is full and effective compliance at all  
15 times with this Act;

16           (2) ensure that timely treaties, trade agree-  
17 ments, and other appropriate arrangements are  
18 made, and appropriate regulations are issued, to en-  
19 able foreign customers to obtain launch services  
20 from the Corporation and to otherwise participate in  
21 the launch services system established pursuant to  
22 this Act; and

23           (3) after consultation with appropriate Federal  
24 agencies, issue a statement of the technical require-

1       ments of the Federal Government for the system re-  
2       ferred to in paragraph (2).

3       (b) RESEARCH AND DEVELOPMENT.—The National  
4       Aeronautics and Space Administration and the Depart-  
5       ment of Defense shall cooperate with the Corporation on  
6       research and development related to the purposes of the  
7       Corporation.

8       (c) FEDERAL AGENCIES IN GENERAL.—The Federal  
9       Government shall—

10           (1) procure, to the maximum extent feasible,  
11           needed launch services from the Corporation;

12           (2) pay fair market value for services provided  
13           to the Federal Government by the Corporation;

14           (3) extend to the Corporation first priority for  
15           access to launch property and launch sites in a mu-  
16           tually agreeable manner;

17           (4) furnish range safety for launches from Gov-  
18           ernment-owned facilities; and

19           (5) to the extent feasible, furnish other services  
20           to the Corporation as may be required in connection  
21           with the establishment and operation of the Cor-  
22           poration.

23       **SEC. 4. LAUNCH SERVICES CORPORATION.**

24       (a) CREATION.—There is authorized to be created a  
25       Launch Services Corporation, a for-profit corporation

1 which shall not be an agency or establishment of the  
2 United States Government and which shall be incor-  
3 porated under the laws of a State of the United States.

4 (b) PURPOSES.—(1) The purposes of the Corporation  
5 shall be—

6 (A) to broaden and speed the economic use of  
7 space;

8 (B) to enhance the economic competitiveness of  
9 the United States launch services industry and all  
10 industrial, commercial, and financial businesses re-  
11 lated thereto;

12 (C) to enhance national security;

13 (D) to serve the launch needs of—

14 (i) the Federal Government;

15 (ii) private sector customers in the United  
16 States; and

17 (iii) appropriate foreign customers; and

18 (E) to remain a viable and competitive corpora-  
19 tion.

20 (2) It shall not be a purpose of the Corporation to  
21 construct launch vehicles.

22 (c) PROCESS OF ORGANIZATION.—The President  
23 shall, as expeditiously as possible, appoint incorporators,  
24 by and with the advice and consent of the Senate, who  
25 shall serve as the initial board of directors of the Corpora-

1 tion until the first annual meeting of stockholders or until  
2 their successors are elected and appointed under sub-  
3 section (d) and qualified. Such incorporators shall arrange  
4 for an initial stock offering and shall take whatever other  
5 actions are necessary to establish the Corporation, includ-  
6 ing the filing of articles of incorporation, subject to the  
7 approval of the President.

8 (d) DIRECTORS AND OFFICERS.—

9 (1) DIRECTORS.—The Corporation shall have a  
10 board of directors consisting of 15 individuals who  
11 are citizens of the United States, of whom one shall  
12 be elected annually by the board to serve as chair-  
13 man. Three members of the board shall be appointed  
14 by the President, by and with the advice and consent  
15 of the Senate, for terms of three years or until their  
16 successors have been appointed and qualified, except  
17 that one of the members first appointed under this  
18 sentence shall be appointed to a term of one year,  
19 and one of such members shall be appointed to a  
20 term of two years. Any member appointed to fill a  
21 vacancy shall be appointed only for the unexpired  
22 term of the director being replaced. The remaining  
23 12 members of the board shall be elected annually  
24 by the stockholders.

1           (2) OFFICERS.—The Corporation shall have  
2 such officers as may be named and appointed by the  
3 board, at rates of compensation fixed by the board,  
4 and serving at the pleasure of the board. No individ-  
5 ual other than a citizen of the United States may be  
6 an officer of the Corporation. No officer of the Cor-  
7 poration shall receive any salary from any source  
8 other than the Corporation while employed by the  
9 Corporation.

10       (e) FINANCING.—

11           (1) STOCK.—The Corporation may issue and  
12 have outstanding, in such amounts as it shall deter-  
13 mine, shares of capital stock, without par value,  
14 which shall carry voting rights and be eligible for  
15 dividends. The stock shall be sold in a manner to en-  
16 courage the widest distribution to the public. No  
17 company, including any company controlling, con-  
18 trolled by, or under common control with such com-  
19 pany, may hold more than 15 percent of the capital  
20 stock of the Corporation.

21           (2) ADDITIONAL INSTRUMENTS.—The Corpora-  
22 tion may issue, in addition to the stock authorized  
23 by paragraph (1), nonvoting securities, bonds, de-  
24 bentures, and other certificates of indebtedness.

1 (f) POWERS.—In order to achieve its purposes, the  
2 Corporation may—

3 (1) plan, initiate, own, manage, and operate it-  
4 self, or in conjunction with other business entities,  
5 a commercial launch services system;

6 (2) furnish, for hire, launch services to public  
7 and private entities of the United States and, except  
8 as otherwise prohibited by law, to foreign customers;

9 (3) own and operate launch property, launch  
10 sites, and one or more types of launch vehicle, pro-  
11 vide or contract for range safety operations at those  
12 launch sites, and provide or contract for any other  
13 such services as may be required to carry out its  
14 purposes; and

15 (4) conduct appropriate research and develop-  
16 ment.

17 (g) RECOUPMENT.—Not later than 180 days after  
18 the date of enactment of this Act, the President shall es-  
19 tablish procedures for the repayment by the Corporation  
20 to the Federal Government of an amount equal to the  
21 amount of Federal funding that has been provided to the  
22 Corporation.

23 **SEC. 5. FOREIGN BUSINESS NEGOTIATIONS.**

24 Whenever the Corporation shall enter into business  
25 negotiations with respect to launch property, operations,

1 or services authorized by this Act with any international  
2 or foreign entity, it shall notify the Department of State  
3 of the negotiations, and the Department of State shall ad-  
4 vise the Corporation of relevant foreign policy consider-  
5 ations. Throughout such negotiations the Corporation  
6 shall keep the Department of State informed with respect  
7 to such considerations. The Corporation may request the  
8 Department of State to assist in the negotiations, and that  
9 Department shall render such assistance as may be appro-  
10 priate.

11 **SEC. 6. REPORTS TO THE CONGRESS.**

12 (a) **PRESIDENT'S REPORT.**—The President shall  
13 transmit to the Congress in January of each year a report  
14 which shall include a comprehensive description of the ac-  
15 tivities and accomplishments of the Federal Government  
16 and the Corporation during the preceding calendar year  
17 under this Act, together with an evaluation of such activi-  
18 ties and accomplishments in terms of the purposes of the  
19 Corporation and any recommendations for additional leg-  
20 islative or other action which the President may consider  
21 necessary for such purposes.

22 (b) **CORPORATION'S REPORT.**—The Corporation shall  
23 transmit to the President and Congress, annually and at  
24 such other times as it considers appropriate, a comprehen-

1 sive and detailed report of its operations, activities, and  
2 accomplishments under this Act.

3 **SEC. 7. SUNSET.**

4 No Federal funding shall be provided to the Corpora-  
5 tion after December 31, 2001, except as payment for serv-  
6 ices provided to the Federal Government by the  
7 Corporation.

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