

105TH CONGRESS
1ST SESSION

H. R. 1702

IN THE SENATE OF THE UNITED STATES

NOVEMBER 5, 1997

Received; read twice and referred to the Committee on Commerce, Science,
and Transportation

AN ACT

To encourage the development of a commercial space
industry in the United States, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Commercial Space Act of 1997”.

4 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

Sec. 101. Commercialization of space station.

Sec. 102. Commercial space launch amendments.

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TITLE II—REMOTE SENSING

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SERVICES**

Sec. 301. Requirement to procure commercial space transportation services.

Sec. 302. Acquisition of commercial space transportation services.

Sec. 303. Launch Services Purchase Act of 1990 amendments.

Sec. 304. Shuttle privatization.

5 **SEC. 2. DEFINITIONS.**

6 For purposes of this Act—

7 (1) the term “Administrator” means the Ad-
8 ministrator of the National Aeronautics and Space
9 Administration;

10 (2) the term “commercial provider” means any
11 person providing space transportation services or
12 other space-related activities, primary control of
13 which is held by persons other than Federal, State,
14 local, and foreign governments;

1 (3) the term “payload” means anything that a
2 person undertakes to transport to, from, or within
3 outer space, or in suborbital trajectory, by means of
4 a space transportation vehicle, but does not include
5 the space transportation vehicle itself except for its
6 components which are specifically designed or adapt-
7 ed for that payload;

8 (4) the term “space-related activities” includes
9 research and development, manufacturing, process-
10 ing, service, and other associated and support activi-
11 ties;

12 (5) the term “space transportation services”
13 means the preparation of a space transportation ve-
14 hicle and its payloads for transportation to, from, or
15 within outer space, or in suborbital trajectory, and
16 the conduct of transporting a payload to, from, or
17 within outer space, or in suborbital trajectory;

18 (6) the term “space transportation vehicle”
19 means any vehicle constructed for the purpose of op-
20 erating in, or transporting a payload to, from, or
21 within, outer space, or in suborbital trajectory, and
22 includes any component of such vehicle not specifi-
23 cally designed or adapted for a payload;

24 (7) the term “State” means each of the several
25 States of the Union, the District of Columbia, the

1 Commonwealth of Puerto Rico, the Virgin Islands,
2 Guam, American Samoa, the Commonwealth of the
3 Northern Mariana Islands, and any other common-
4 wealth, territory, or possession of the United States;
5 and

6 (8) the term “United States commercial pro-
7 vider” means a commercial provider, organized
8 under the laws of the United States or of a State,
9 which is—

10 (A) more than 50 percent owned by United
11 States nationals; or

12 (B) a subsidiary of a foreign company and
13 the Secretary of Transportation finds that—

14 (i) such subsidiary has in the past evi-
15 denced a substantial commitment to the
16 United States market through—

17 (I) investments in the United
18 States in long-term research, develop-
19 ment, and manufacturing (including
20 the manufacture of major components
21 and subassemblies); and

22 (II) significant contributions to
23 employment in the United States; and

24 (ii) the country or countries in which
25 such foreign company is incorporated or

1 organized, and, if appropriate, in which it
2 principally conducts its business, affords
3 reciprocal treatment to companies de-
4 scribed in subparagraph (A) comparable to
5 that afforded to such foreign company's
6 subsidiary in the United States, as evi-
7 denced by—

8 (I) providing comparable oppor-
9 tunities for companies described in
10 subparagraph (A) to participate in
11 Government sponsored research and
12 development similar to that authorized
13 under this Act;

14 (II) providing no barriers, to
15 companies described in subparagraph
16 (A) with respect to local investment
17 opportunities, that are not provided to
18 foreign companies in the United
19 States; and

20 (III) providing adequate and ef-
21 fective protection for the intellectual
22 property rights of companies de-
23 scribed in subparagraph (A).

1 **TITLE I—PROMOTION OF COM-**
2 **MERCIAL SPACE OPPORTUNI-**
3 **TIES**

4 **SEC. 101. COMMERCIALIZATION OF SPACE STATION.**

5 (a) **POLICY.**—The Congress declares that a priority
6 goal of constructing the International Space Station is the
7 economic development of Earth orbital space. The Con-
8 gress further declares that free and competitive markets
9 create the most efficient conditions for promoting eco-
10 nomic development, and should therefore govern the eco-
11 nomic development of Earth orbital space. The Congress
12 further declares that the use of free market principles in
13 operating, servicing, allocating the use of, and adding ca-
14 pabilities to the Space Station, and the resulting fullest
15 possible engagement of commercial providers and partici-
16 pation of commercial users, will reduce Space Station
17 operational costs for all partners and the Federal Govern-
18 ment’s share of the United States burden to fund oper-
19 ations.

20 (b) **REPORTS.**—(1) The Administrator shall deliver to
21 the Committee on Science of the House of Representatives
22 and the Committee on Commerce, Science, and Transpor-
23 tation of the Senate, within 90 days after the date of the
24 enactment of this Act, a study that identifies and exam-
25 ines—

1 (A) the opportunities for commercial providers
2 to play a role in International Space Station activi-
3 ties, including operation, use, servicing, and aug-
4 mentation;

5 (B) the potential cost savings to be derived
6 from commercial providers playing a role in each of
7 these activities;

8 (C) which of the opportunities described in sub-
9 paragraph (A) the Administrator plans to make
10 available to commercial providers in fiscal year 1998
11 and 1999;

12 (D) the specific policies and initiatives the Ad-
13 ministrator is advancing to encourage and facilitate
14 these commercial opportunities; and

15 (E) the revenues and cost reimbursements to
16 the Federal Government from commercial users of
17 the Space Station.

18 (2) The Administrator shall deliver to the Committee
19 on Science of the House of Representatives and the Com-
20 mittee on Commerce, Science, and Transportation of the
21 Senate, within 180 days after the date of the enactment
22 of this Act, an independently-conducted market study that
23 examines and evaluates potential industry interest in pro-
24 viding commercial goods and services for the operation,
25 servicing, and augmentation of the International Space

1 Station, and in the commercial use of the International
2 Space Station. This study shall also include updates to
3 the cost savings and revenue estimates made in the study
4 described in paragraph (1) based on the external market
5 assessment.

6 (3) The Administrator shall deliver to the Congress,
7 no later than the submission of the President's annual
8 budget request for fiscal year 1999, a report detailing how
9 many proposals (whether solicited or not) the National
10 Aeronautics and Space Administration received during
11 calendar year 1997 regarding commercial operation, serv-
12 icing, utilization, or augmentation of the International
13 Space Station, broken down by each of these four cat-
14 egories, and specifying how many agreements the National
15 Aeronautics and Space Administration has entered into in
16 response to these proposals, also broken down by these
17 four categories.

18 (4) Each of the studies and reports required by para-
19 graphs (1), (2), and (3) shall include consideration of the
20 potential role of State governments as brokers in promot-
21 ing commercial participation in the International Space
22 Station program.

23 **SEC. 102. COMMERCIAL SPACE LAUNCH AMENDMENTS.**

24 (a) AMENDMENTS.—Chapter 701 of title 49, United
25 States Code, is amended—

1 (1) in the table of sections—

2 (A) by amending the item relating to sec-
3 tion 70104 to read as follows:

“70104. Restrictions on launches, operations, and reentries.”;

4 (B) by amending the item relating to sec-
5 tion 70108 to read as follows:

“70108. Prohibition, suspension, and end of launches, operation of launch sites
and reentry sites, and reentries.”;

6 (C) by amending the item relating to sec-
7 tion 70109 to read as follows:

“70109. Preemption of scheduled launches or reentries.”;

8 and

9 (D) by adding at the end the following new
10 items:

“70120. Regulations.

“70121. Report to Congress.”.

11 (2) in section 70101—

12 (A) by inserting “microgravity research,”
13 after “information services,” in subsection
14 (a)(3);

15 (B) by inserting “, reentry,” after “launch-
16 ing” both places it appears in subsection (a)(4);

17 (C) by inserting “, reentry vehicles,” after
18 “launch vehicles” in subsection (a)(5);

19 (D) by inserting “and reentry services”
20 after “launch services” in subsection (a)(6);

1 (E) by inserting “, reentries,” after
2 “launches” both places it appears in subsection
3 (a)(7);

4 (F) by inserting “, reentry sites,” after
5 “launch sites” in subsection (a)(8);

6 (G) by inserting “and reentry services”
7 after “launch services” in subsection (a)(8);

8 (H) by inserting “reentry sites,” after
9 “launch sites,” in subsection (a)(9);

10 (I) by inserting “and reentry site” after
11 “launch site” in subsection (a)(9);

12 (J) by inserting “, reentry vehicles,” after
13 “launch vehicles” in subsection (b)(2);

14 (K) by striking “launch” in subsection
15 (b)(2)(A);

16 (L) by inserting “and reentry” after “con-
17 duct of commercial launch” in subsection
18 (b)(3);

19 (M) by striking “launch” after “and trans-
20 fer commercial” in subsection (b)(3); and

21 (N) by inserting “and development of re-
22 entry sites,” after “launch-site support facili-
23 ties,” in subsection (b)(4);

24 (3) in section 70102—

25 (A) in paragraph (3)—

1 (i) by striking “and any payload” and
2 inserting in lieu thereof “or reentry vehicle
3 and any payload from Earth”;

4 (ii) by striking the period at the end
5 of subparagraph (C) and inserting in lieu
6 thereof a comma; and

7 (iii) by adding after subparagraph (C)
8 the following:

9 “including activities involved in the preparation of a
10 launch vehicle or payload for launch, when those ac-
11 tivities take place at a launch site in the United
12 States.”;

13 (B) in paragraph (5)—

14 (i) by redesignating subparagraphs
15 (A) and (B) as subparagraphs (B) and
16 (C), respectively; and

17 (ii) by inserting before subparagraph
18 (B), as so redesignated by clause (i) of this
19 subparagraph, the following new subpara-
20 graph:

21 “(A) activities directly related to the prep-
22 aration of a launch site or payload facility for
23 one or more launches;”;

24 (C) by inserting “or reentry vehicle” after
25 “means of a launch vehicle” in paragraph (8);

1 (D) by redesignating paragraphs (10),
2 (11), and (12) as paragraphs (14), (15), and
3 (16), respectively;

4 (E) by inserting after paragraph (9) the
5 following new paragraphs:

6 “(10) ‘reenter’ and ‘reentry’ mean to return or
7 attempt to return, purposefully, a reentry vehicle
8 and its payload, if any, from Earth orbit or from
9 outer space to Earth.

10 “(11) ‘reentry services’ means—

11 “(A) activities involved in the preparation
12 of a reentry vehicle and its payload, if any, for
13 reentry; and

14 “(B) the conduct of a reentry.

15 “(12) ‘reentry site’ means the location on Earth
16 to which a reentry vehicle is intended to return (as
17 defined in a license the Secretary issues or transfers
18 under this chapter).

19 “(13) ‘reentry vehicle’ means a vehicle designed
20 to return from Earth orbit or outer space to Earth,
21 or a reusable launch vehicle designed to return from
22 outer space to Earth, substantially intact.”; and

23 (F) by inserting “or reentry services” after
24 “launch services” each place it appears in para-

1 graph (15), as so redesignated by subparagraph
2 (D) of this paragraph;

3 (4) in section 70103(b)—

4 (A) by inserting “AND REENTRIES” after
5 “LAUNCHES” in the subsection heading;

6 (B) by inserting “and reentries” after
7 “commercial space launches” in paragraph (1);
8 and

9 (C) by inserting “and reentry” after
10 “space launch” in paragraph (2);

11 (5) in section 70104—

12 (A) by amending the section designation
13 and heading to read as follows:

14 **“§ 70104. Restrictions on launches, operations, and**
15 **reentries”;**

16 (B) by inserting “or reentry site, or to re-
17 enter a reentry vehicle,” after “operate a
18 launch site” each place it appears in subsection
19 (a);

20 (C) by inserting “or reentry” after “launch
21 or operation” in subsection (a)(3) and (4);

22 (D) in subsection (b)—

23 (i) by striking “launch license” and
24 inserting in lieu thereof “license”;

1 (ii) by inserting “or reenter” after
2 “may launch”; and

3 (iii) by inserting “or reentering” after
4 “related to launching”; and
5 (E) in subsection (c)—

6 (i) by amending the subsection head-
7 ing to read as follows: “PREVENTING
8 LAUNCHES AND REENTRIES.—”;

9 (ii) by inserting “or reentry” after
10 “prevent the launch”; and

11 (iii) by inserting “or reentry” after
12 “decides the launch”;

13 (6) in section 70105—

14 (A) by inserting “(1)” before “A person
15 may apply” in subsection (a);

16 (B) by striking “receiving an application”
17 both places it appears in subsection (a) and in-
18 serting in lieu thereof “accepting an application
19 in accordance with criteria established pursuant
20 to subsection (b)(2)(D)”;

21 (C) by adding at the end of subsection (a)
22 the following: “The Secretary shall transmit to
23 the Committee on Science of the House of Rep-
24 resentatives and the Committee on Commerce,
25 Science, and Transportation of the Senate a

1 written notice not later than 30 days after any
2 occurrence when a license is not issued within
3 the deadline established by this subsection.

4 “(2) In carrying out paragraph (1), the Secretary
5 may establish procedures for safety approvals of launch
6 vehicles, reentry vehicles, safety systems, processes, serv-
7 ices, or personnel that may be used in conducting licensed
8 commercial space launch or reentry activities.”;

9 (D) by inserting “or a reentry site, or the
10 reentry of a reentry vehicle,” after “operation
11 of a launch site” in subsection (b)(1);

12 (E) by striking “or operation” and insert-
13 ing in lieu thereof “, operation, or reentry” in
14 subsection (b)(2)(A);

15 (F) by striking “and” at the end of sub-
16 section (b)(2)(B);

17 (G) by striking the period at the end of
18 subsection (b)(2)(C) and inserting in lieu there-
19 of “; and”;

20 (H) by adding at the end of subsection
21 (b)(2) the following new subparagraph:

22 “(D) regulations establishing criteria for ac-
23 cepting or rejecting an application for a license
24 under this chapter within 60 days after receipt of
25 such application.”; and

1 (I) by inserting “, including the require-
2 ment to obtain a license,” after “waive a re-
3 quirement” in subsection (b)(3);

4 (7) in section 70106(a)—

5 (A) by inserting “or reentry site” after
6 “observer at a launch site”;

7 (B) by inserting “or reentry vehicle” after
8 “assemble a launch vehicle”; and

9 (C) by inserting “or reentry vehicle” after
10 “with a launch vehicle”;

11 (8) in section 70108—

12 (A) by amending the section designation
13 and heading to read as follows:

14 **“§ 70108. Prohibition, suspension, and end of**
15 **launches, operation of launch sites and**
16 **reentry sites, and reentries”;**

17 and

18 (B) in subsection (a)—

19 (i) by inserting “or reentry site, or re-
20 entry of a reentry vehicle,” after “oper-
21 ation of a launch site”; and

22 (ii) by inserting “or reentry” after
23 “launch or operation”;

24 (9) in section 70109—

1 (A) by amending the section designation
2 and heading to read as follows:

3 **“§ 70109. Preemption of scheduled launches or reen-**
4 **tries”;**

5 (B) in subsection (a)—

6 (i) by inserting “or reentry” after
7 “ensure that a launch”;

8 (ii) by inserting “, reentry site,” after
9 “United States Government launch site”;

10 (iii) by inserting “or reentry date
11 commitment” after “launch date commit-
12 ment”;

13 (iv) by inserting “or reentry” after
14 “obtained for a launch”;

15 (v) by inserting “, reentry site,” after
16 “access to a launch site”;

17 (vi) by inserting “, or services related
18 to a reentry,” after “amount for launch
19 services”; and

20 (vii) by inserting “or reentry” after
21 “the scheduled launch”; and

22 (C) in subsection (c), by inserting “or re-
23 entry” after “prompt launching”;

24 (10) in section 70110—

1 (A) by inserting “or reentry” after “pre-
2 vent the launch” in subsection (a)(2); and

3 (B) by inserting “or reentry site, or re-
4 entry of a reentry vehicle,” after “operation of
5 a launch site” in subsection (a)(3)(B);

6 (11) in section 70111—

7 (A) by inserting “or reentry” after
8 “launch” in subsection (a)(1)(A);

9 (B) by inserting “and reentry services”
10 after “launch services” in subsection (a)(1)(B);

11 (C) by inserting “or reentry services” after
12 “or launch services” in subsection (a)(2);

13 (D) by inserting “or reentry” after “com-
14 mercial launch” both places it appears in sub-
15 section (b)(1);

16 (E) by inserting “or reentry services” after
17 “launch services” in subsection (b)(2)(C);

18 (F) by inserting after subsection (b)(2) the
19 following new paragraph:

20 “(3) The Secretary shall ensure the establishment of
21 uniform guidelines for, and consistent implementation of,
22 this section by all Federal agencies.”;

23 (G) by striking “or its payload for launch”
24 in subsection (d) and inserting in lieu thereof

1 “or reentry vehicle, or the payload of either, for
2 launch or reentry”; and

3 (H) by inserting “, reentry vehicle,” after
4 “manufacturer of the launch vehicle” in sub-
5 section (d);

6 (12) in section 70112—

7 (A) in subsection (a)(1), by inserting
8 “launch or reentry” after “(1) When a”;

9 (B) by inserting “or reentry” after “one
10 launch” in subsection (a)(3);

11 (C) by inserting “or reentry services” after
12 “launch services” in subsection (a)(4);

13 (D) in subsection (b)(1), by inserting
14 “launch or reentry” after “(1) A”;

15 (E) by inserting “or reentry services” after
16 “launch services” each place it appears in sub-
17 section (b);

18 (F) by inserting “applicable” after “car-
19 ried out under the” in paragraphs (1) and (2)
20 of subsection (b);

21 (G) by striking “, Space, and Technology”
22 in subsection (d)(1);

23 (H) by inserting “OR REENTRIES” after
24 “LAUNCHES” in the heading for subsection (e);

1 (I) by inserting “or reentry site or a re-
2 entry” after “launch site” in subsection (e);
3 and

4 (J) in subsection (f), by inserting “launch
5 or reentry” after “carried out under a”;

6 (13) in section 70113(a)(1) and (d)(1) and (2),
7 by inserting “or reentry” after “one launch” each
8 place it appears;

9 (14) in section 70115(b)(1)(D)(i)—

10 (A) by inserting “reentry site,” after
11 “launch site,”; and

12 (B) by inserting “or reentry vehicle” after
13 “launch vehicle” both places it appears;

14 (15) in section 70117—

15 (A) by inserting “or reentry site, or to re-
16 enter a reentry vehicle” after “operate a launch
17 site” in subsection (a);

18 (B) by inserting “or reentry” after “ap-
19 proval of a space launch” in subsection (d);

20 (C) by amending subsection (f) to read as
21 follows:

22 “(f) LAUNCH NOT AN EXPORT; REENTRY NOT AN
23 IMPORT.—A launch vehicle, reentry vehicle, or payload
24 that is launched or reentered is not, because of the launch
25 or reentry, an export or import, respectively, for purposes

1 of a law controlling exports or imports, except that pay-
2 loads launched pursuant to foreign trade zone procedures
3 as provided for under the Foreign Trade Zones Act (19
4 U.S.C. 81a–81u) shall be considered exports with regard
5 to customs entry.”; and

6 (D) in subsection (g)—

7 (i) by striking “operation of a launch
8 vehicle or launch site,” in paragraph (1)
9 and inserting in lieu thereof “reentry, op-
10 eration of a launch vehicle or reentry vehi-
11 cle, operation of a launch site or reentry
12 site,”; and

13 (ii) by inserting “reentry,” after
14 “launch,” in paragraph (2); and

15 (16) by adding at the end the following new
16 sections:

17 **“§ 70120. Regulations**

18 “(a) IN GENERAL.—The Secretary of Transpor-
19 tation, within 9 months after the date of the enactment
20 of this section, shall issue regulations to carry out this
21 chapter that include—

22 “(1) guidelines for industry and State govern-
23 ments to obtain sufficient insurance coverage for po-
24 tential damages to third parties;

1 “(2) procedures for requesting and obtaining li-
2 censes to launch a commercial launch vehicle;

3 “(3) procedures for requesting and obtaining
4 operator licenses for launch;

5 “(4) procedures for requesting and obtaining
6 launch site operator licenses; and

7 “(5) procedures for the application of govern-
8 ment indemnification.

9 “(b) REENTRY.—The Secretary of Transportation,
10 within 6 months after the date of the enactment of this
11 section, shall issue a notice of proposed rulemaking to
12 carry out this chapter that includes—

13 “(1) procedures for requesting and obtaining li-
14 censes to reenter a reentry vehicle;

15 “(2) procedures for requesting and obtaining
16 operator licenses for reentry; and

17 “(3) procedures for requesting and obtaining
18 reentry site operator licenses.

19 **“§ 70121. Report to Congress**

20 “The Secretary of Transportation shall submit to
21 Congress an annual report to accompany the President’s
22 budget request that—

23 “(1) describes all activities undertaken under
24 this chapter, including a description of the process
25 for the application for and approval of licenses under

1 this chapter and recommendations for legislation
2 that may further commercial launches and reentries;
3 and

4 “(2) reviews the performance of the regulatory
5 activities and the effectiveness of the Office of Com-
6 mercial Space Transportation.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a)(6)(B) shall take effect upon the effective
9 date of final regulations issued pursuant to section
10 70105(b)(2)(D) of title 49, United States Code, as added
11 by subsection (a)(6)(H).

12 **SEC. 103. LAUNCH VOUCHER DEMONSTRATION PROGRAM.**

13 Section 504 of the National Aeronautics and Space
14 Administration Authorization Act, Fiscal Year 1993 (15
15 U.S.C. 5803) is amended—

16 (1) in subsection (a)—

17 (A) by striking “the Office of Commercial
18 Programs within”; and

19 (B) by striking “Such program shall not
20 be effective after September 30, 1995.”;

21 (2) by striking subsection (c); and

22 (3) by redesignating subsections (d) and (e) as
23 subsections (c) and (d), respectively.

1 **SEC. 104. PROMOTION OF UNITED STATES GLOBAL POSI-**
2 **TIONING SYSTEM STANDARDS.**

3 (a) FINDING.—The Congress finds that the Global
4 Positioning System, including satellites, signal equipment,
5 ground stations, data links, and associated command and
6 control facilities, has become an essential element in civil,
7 scientific, and military space development because of the
8 emergence of a United States commercial industry which
9 provides Global Positioning System equipment and related
10 services.

11 (b) INTERNATIONAL COOPERATION.—In order to
12 support and sustain the Global Positioning System in a
13 manner that will most effectively contribute to the na-
14 tional security, public safety, scientific, and economic in-
15 terests of the United States, the Congress encourages the
16 President to—

17 (1) ensure the operation of the Global Position-
18 ing System on a continuous worldwide basis free of
19 direct user fees; and

20 (2) enter into international agreements that
21 promote cooperation with foreign governments and
22 international organizations to—

23 (A) establish the Global Positioning Sys-
24 tem and its augmentations as an acceptable
25 international standard; and

1 (B) eliminate any foreign barriers to appli-
2 cations of the Global Positioning System world-
3 wide.

4 **SEC. 105. ACQUISITION OF SPACE SCIENCE DATA.**

5 (a) ACQUISITION FROM COMMERCIAL PROVIDERS.—

6 In order to satisfy the scientific requirements of the Na-
7 tional Aeronautics and Space Administration, and where
8 practicable of other Federal agencies and scientific re-
9 searchers, the Administrator shall to the maximum extent
10 possible acquire, where cost effective, space science data
11 from a commercial provider.

12 (b) TREATMENT OF SPACE SCIENCE DATA AS COM-

13 MERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions

14 of space science data by the Administrator shall be carried
15 out in accordance with applicable acquisition laws and reg-
16 ulations (including chapters 137 and 140 of title 10, Unit-
17 ed States Code), except that space science data shall be
18 considered to be a commercial item for purposes of such
19 laws and regulations (including section 2306a of title 10,
20 United States Code (relating to cost or pricing data), sec-
21 tion 2320 of such title (relating to rights in technical data)
22 and section 2321 of such title (relating to validation of
23 proprietary data restrictions)).

24 (c) DEFINITION.—For purposes of this section, the

25 term “space science data” includes scientific data concern-

1 ing the elemental and mineralogical resources of the moon,
2 asteroids, planets and their moons, and comets, micro-
3 gravity acceleration, and solar storm monitoring.

4 (d) SAFETY STANDARDS.—Nothing in this section
5 shall be construed to prohibit the Federal Government
6 from requiring compliance with applicable safety stand-
7 ards.

8 (e) LIMITATION.—This section does not authorize the
9 National Aeronautics and Space Administration to provide
10 financial assistance for the development of commercial
11 systems for the collection of space science data.

12 **SEC. 106. ADMINISTRATION OF COMMERCIAL SPACE CEN-**
13 **TERS.**

14 The Administrator shall administer the Commercial
15 Space Center program in a coordinated manner from Na-
16 tional Aeronautics and Space Administration head-
17 quarters.

18 **TITLE II—REMOTE SENSING**

19 **SEC. 201. LAND REMOTE SENSING POLICY ACT OF 1992**
20 **AMENDMENTS.**

21 (a) FINDINGS.—The Congress finds that—

22 (1) a robust domestic United States industry in
23 high resolution Earth remote sensing is in the eco-
24 nomic, employment, technological, scientific, and na-
25 tional security interests of the United States;

1 (2) to secure its national interests the United
2 States must nurture a commercial remote sensing
3 industry that leads the world;

4 (3) the Federal Government must provide policy
5 and regulations that promote a stable business envi-
6 ronment for that industry to succeed and fulfill the
7 national interest;

8 (4) it is the responsibility of the Federal Gov-
9 ernment to create domestic and international condi-
10 tions favorable to the health and growth of the Unit-
11 ed States commercial remote sensing industry; and

12 (5) it is a fundamental goal of United States
13 policy to support and enhance United States indus-
14 trial competitiveness in the field of remote sensing,
15 while at the same time protecting the national secu-
16 rity concerns and international obligations of the
17 United States.

18 (b) AMENDMENTS.—The Land Remote Sensing Pol-
19 icy Act of 1992 is amended—

20 (1) in section 2 (15 U.S.C. 5601)—

21 (A) by amending paragraph (5) to read as
22 follows:

23 “(5) Commercialization of land remote sensing
24 is a near-term goal, and should remain a long-term
25 goal, of United States policy.”;

1 (B) by striking paragraph (6) and redesignig-
2 nating paragraphs (7) through (16) as para-
3 graphs (6) through (15), respectively;

4 (C) in paragraph (11), as so redesignated
5 by subparagraph (B) of this paragraph, by
6 striking “determining the design” and all that
7 follows through “international consortium” and
8 inserting in lieu thereof “ensuring the continu-
9 ity of Landsat quality data”; and

10 (D) by adding at the end the following new
11 paragraph:

12 “(16) The United States should encourage re-
13 mote sensing systems to promote access to land re-
14 mote sensing data by scientific researchers and edu-
15 cators.”;

16 (2) in section 101 (15 U.S.C. 5611)—

17 (A) in subsection (c)—

18 (i) by inserting “and” at the end of
19 paragraph (6);

20 (ii) by striking paragraph (7); and

21 (iii) by redesignating paragraph (8) as
22 paragraph (7); and

23 (B) in subsection (e)(1)—

24 (i) by inserting “and” at the end of
25 subparagraph (A);

1 (ii) by striking “, and” at the end of
2 subparagraph (B) and inserting in lieu
3 thereof a period; and

4 (iii) by striking subparagraph (C);

5 (3) in section 201 (15 U.S.C. 5621)—

6 (A) by inserting “(1)” after “NATIONAL
7 SECURITY.—” in subsection (b);

8 (B) in subsection (b)(1), as so redesign-
9 nated by subparagraph (A) of this paragraph—

10 (i) by striking “No license shall be
11 granted by the Secretary unless the Sec-
12 retary determines in writing that the appli-
13 cant will comply” and inserting in lieu
14 thereof “The Secretary shall grant a li-
15 cense if the Secretary determines that the
16 activities proposed in the application are
17 consistent”; and

18 (ii) by inserting “, and that the appli-
19 cant has provided assurances adequate to
20 indicate, in combination with other infor-
21 mation available to the Secretary that is
22 relevant to activities proposed in the appli-
23 cation, that the applicant will comply with
24 all terms of the license” after “concerns of
25 the United States”;

1 (C) by adding at the end of subsection (b)
2 the following new paragraph:

3 “(2) The Secretary, within 6 months after the date
4 of the enactment of the Commercial Space Act of 1997,
5 shall publish in the Federal Register a complete and spe-
6 cific list of all information required to comprise a complete
7 application for a license under this title. An application
8 shall be considered complete when the applicant has pro-
9 vided all information required by the list most recently
10 published in the Federal Register before the date the ap-
11 plication was first submitted. Unless the Secretary has,
12 within 30 days after receipt of an application, notified the
13 applicant of information necessary to complete an applica-
14 tion, the Secretary may not deny the application on the
15 basis of the absence of any such information.”;

16 (D) in subsection (c), by amending the sec-
17 ond sentence thereof to read as follows: “If the
18 Secretary has not granted the license within
19 such 120-day period, the Secretary shall inform
20 the applicant, within such period, of any pend-
21 ing issues and actions required to be carried
22 out by the applicant or the Secretary in order
23 to result in the granting of a license.”; and

24 (E) in subsection (e)(2)(B), by striking
25 “and the importance of promoting widespread

1 access to remote sensing data from United
2 States and foreign systems”;

3 (4) in section 202 (15 U.S.C. 5622)—

4 (A) by striking “section 506” in subsection
5 (b)(1) and inserting in lieu thereof “section
6 507”;

7 (B) in subsection (b)(2), by striking “as
8 soon as such data are available and on reason-
9 able terms and conditions” and inserting in lieu
10 thereof “on reasonable terms and conditions,
11 including the provision of such data in a timely
12 manner subject to United States national secu-
13 rity and foreign policy interests”;

14 (C) in subsection (b)(6), by striking “any
15 agreement” and all that follows through “na-
16 tions or entities” and inserting in lieu thereof
17 “any significant or substantial agreement with
18 new foreign customers”; and

19 (D) by inserting after paragraph (6) of
20 subsection (b) the following:

21 “The Secretary may not seek to enjoin a company from
22 entering into a foreign agreement the Secretary receives
23 notification of under paragraph (6) unless the Secretary
24 has, within 30 days after receipt of such notification,
25 transmitted to the licensee a statement that such agree-

1 ment is inconsistent with the national security or inter-
2 national obligations of the United States, including an ex-
3 planation of such inconsistency.”;

4 (5) in section 203(a)(2) (15 U.S.C.
5 5623(a)(2)), by striking “under this title and” and
6 inserting in lieu thereof “under this title and/or”;

7 (6) in section 204 (15 U.S.C. 5624), by striking
8 “may” and inserting in lieu thereof “shall”;

9 (7) in section 205(c) (15 U.S.C. 5625(c)), by
10 striking “if such remote sensing space system is li-
11 censed by the Secretary before commencing oper-
12 ation” and inserting in lieu thereof “if such private
13 remote sensing space system will be licensed by the
14 Secretary before commencing its commercial oper-
15 ation”;

16 (8) by adding at the end of title II the following
17 new section:

18 **“SEC. 206. NOTIFICATION.**

19 “(a) LIMITATIONS ON LICENSEE.—Not later than 30
20 days after a determination by the Secretary to require a
21 licensee to limit collection or distribution of data from a
22 system licensed under this title, the Secretary shall provide
23 written notification to Congress of such determination, in-
24 cluding the reasons therefor, the limitations imposed on

1 the licensee, and the period during which such limitations
2 apply.

3 “(b) TERMINATION, MODIFICATION, OR SUSPEN-
4 SION.—Not later than 30 days after an action by the Sec-
5 retary to seek an order of injunction or other judicial de-
6 termination pursuant to section 202(b) or section
7 203(a)(2), the Secretary shall provide written notification
8 to Congress of such action and the reasons therefor.”;

9 (9) in section 301 (15 U.S.C. 5631)—

10 (A) by inserting “, that are not being com-
11 mercially developed” after “and its environ-
12 ment” in subsection (a)(2)(B); and

13 (B) by adding at the end the following new
14 subsection:

15 “(d) DUPLICATION OF COMMERCIAL SECTOR ACTIVI-
16 TIES.—The Federal Government shall not undertake ac-
17 tivities under this section which duplicate activities avail-
18 able from the United States commercial sector, unless
19 such activities would result in significant cost savings to
20 the Federal Government, or are necessary for reasons of
21 national security or international obligations.”;

22 (10) in section 302 (15 U.S.C. 5632)—

23 (A) by striking “(a) GENERAL RULE.—”;

24 (B) by striking “, including unenhanced
25 data gathered under the technology demonstra-

1 tion program carried out pursuant to section
2 303,” and inserting in lieu thereof “that is not
3 otherwise available from the commercial sec-
4 tor”; and

5 (C) by striking subsection (b);

6 (11) by repealing section 303 (15 U.S.C. 5633);

7 (12) in section 401(b)(3) (15 U.S.C.
8 5641(b)(3)), by striking “, including any such en-
9 hancements developed under the technology dem-
10 onstration program under section 303,”;

11 (13) in section 501(a) (15 U.S.C. 5651(a)), by
12 striking “section 506” and inserting in lieu thereof
13 “section 507”;

14 (14) in section 502(c)(7) (15 U.S.C.
15 5652(c)(7)), by striking “section 506” and inserting
16 in lieu thereof “section 507”; and

17 (15) in section 507 (15 U.S.C. 5657)—

18 (A) by amending subsection (a) to read as

19 follows:

20 “(a) RESPONSIBILITY OF THE SECRETARY OF DE-
21 FENSE.—The Secretary shall consult with the Secretary
22 of Defense on all matters under title II affecting national
23 security. The Secretary of Defense shall be responsible for
24 determining those conditions, consistent with this Act,
25 necessary to meet national security concerns of the United

1 States, and for notifying the Secretary promptly of such
2 conditions. Not later than 60 days after receiving a re-
3 quest from the Secretary to review a completed applica-
4 tion, the Secretary of Defense shall notify the Secretary
5 and the licensee of, and describe in appropriate detail, any
6 specific national security concerns of the United States
7 that the Secretary of Defense determines are an appro-
8 priate reason for delaying, modifying, or rejecting a license
9 application. The Secretary of Defense shall convey to the
10 Secretary any conditions for a license issued under title
11 II, consistent with this Act, that the Secretary of Defense
12 determines necessary to meet the national security con-
13 cerns of the United States. If no such notification has
14 been received by the Secretary within such 60-day period,
15 the Secretary shall deem that activities proposed in the
16 license application meet the national security concerns of
17 the United States.”;

18 (B) by striking subsection (b)(1) and (2)
19 and inserting in lieu thereof the following:

20 “(b) RESPONSIBILITY OF THE SECRETARY OF
21 STATE.—(1) The Secretary shall consult with the Sec-
22 retary of State on all matters under title II affecting inter-
23 national obligations of the United States. The Secretary
24 of State shall be responsible for determining those condi-
25 tions, consistent with this Act, necessary to meet inter-

1 national obligations and policies of the United States and
2 for notifying the Secretary promptly of such conditions.
3 Not later than 60 days after receiving a request from the
4 Secretary to review a completed application, the Secretary
5 of State shall notify the Secretary and the licensee of, and
6 describe in appropriate detail, any specific international
7 obligations of the United States that the Secretary of
8 State determines are an appropriate reason for delaying,
9 modifying, or rejecting a license application. The Sec-
10 retary of State shall convey to the Secretary any condi-
11 tions for a license issued under title II, consistent with
12 this Act, that the Secretary of State determines necessary
13 to meet the international obligations of the United States.
14 If no such notification has been received by the Secretary
15 within such 60-day period, the Secretary shall deem that
16 activities proposed in the license application meet the
17 international obligations of the United States.

18 “(2) Appropriate United States Government agencies
19 are authorized and encouraged to provide to developing
20 nations, as a component of international aid, resources for
21 purchasing remote sensing data, training, and analysis
22 from commercial providers.”; and

23 (C) in subsection (d), by striking “Sec-
24 retary may require” and inserting in lieu there-

1 of “Secretary shall, where appropriate, re-
2 quire”.

3 **SEC. 202. ACQUISITION OF EARTH SCIENCE DATA.**

4 (a) ACQUISITION.—For purposes of meeting Govern-
5 ment goals for Mission to Planet Earth, and in order to
6 satisfy the scientific requirements of the National Aero-
7 nautics and Space Administration, and where practicable
8 of other Federal agencies and scientific researchers, the
9 Administrator shall to the maximum extent possible ac-
10 quire, where cost-effective, space-based and airborne
11 Earth remote sensing data, services, distribution, and ap-
12 plications from a commercial provider.

13 (b) TREATMENT AS COMMERCIAL ITEM UNDER AC-
14 QUISTION LAWS.—Acquisitions by the Administrator of
15 the data, services, distribution, and applications referred
16 to in subsection (a) shall be carried out in accordance with
17 applicable acquisition laws and regulations (including
18 chapters 137 and 140 of title 10, United States Code),
19 except that such data, services, distribution, and applica-
20 tions shall be considered to be a commercial item for pur-
21 poses of such laws and regulations (including section
22 2306a of title 10, United States Code (relating to cost
23 or pricing data), section 2320 of such title (relating to
24 rights in technical data) and section 2321 of such title
25 (relating to validation of proprietary data restrictions)).

1 (c) STUDY.—(1) The Administrator shall conduct a
2 study to determine the extent to which the baseline sci-
3 entific requirements of Mission to Planet Earth can be
4 met by commercial providers, and how the National Aero-
5 nautics and Space Administration will meet such require-
6 ments which cannot be met by commercial providers.

7 (2) The study conducted under this subsection
8 shall—

9 (A) make recommendations to promote the
10 availability of information from the National Aero-
11 nautics and Space Administration to commercial
12 providers to enable commercial providers to better
13 meet the baseline scientific requirements of Mission
14 to Planet Earth;

15 (B) make recommendations to promote the dis-
16 semination to commercial providers of information
17 on advanced technology research and development
18 performed by or for the National Aeronautics and
19 Space Administration; and

20 (C) identify policy, regulatory, and legislative
21 barriers to the implementation of the recommenda-
22 tions made under this subsection.

23 (3) The results of the study conducted under this
24 subsection shall be transmitted to the Congress within 6
25 months after the date of the enactment of this Act.

1 (d) SAFETY STANDARDS.—Nothing in this section
2 shall be construed to prohibit the Federal Government
3 from requiring compliance with applicable safety stand-
4 ards.

5 (e) ADMINISTRATION AND EXECUTION.—This section
6 shall be carried out as part of the Commercial Remote
7 Sensing Program at the Stennis Space Center.

8 **TITLE III—FEDERAL ACQUI-**
9 **SION OF SPACE TRANSPOR-**
10 **TATION SERVICES**

11 **SEC. 301. REQUIREMENT TO PROCURE COMMERCIAL**
12 **SPACE TRANSPORTATION SERVICES.**

13 (a) IN GENERAL.—Except as otherwise provided in
14 this section, the Federal Government shall acquire space
15 transportation services from United States commercial
16 providers whenever such services are required in the
17 course of its activities. To the maximum extent prac-
18 ticable, the Federal Government shall plan missions to ac-
19 commodate the space transportation services capabilities
20 of United States commercial providers.

21 (b) EXCEPTIONS.—The Federal Government shall
22 not be required to acquire space transportation services
23 under subsection (a) if, on a case-by-case basis, the Ad-
24 ministrator or, in the case of a national security issue,
25 the Secretary of the Air Force, determines that—

1 (1) a payload requires the unique capabilities of
2 the space shuttle;

3 (2) cost effective space transportation services
4 that meet specific mission requirements would not be
5 reasonably available from United States commercial
6 providers when required;

7 (3) the use of space transportation services
8 from United States commercial providers poses an
9 unacceptable risk of loss of a unique scientific oppor-
10 tunity;

11 (4) the use of space transportation services
12 from United States commercial providers is incon-
13 sistent with national security objectives;

14 (5) the use of space transportation services
15 from United States commercial providers is incon-
16 sistent with foreign policy purposes, or launch of the
17 payload by a foreign entity serves foreign policy pur-
18 poses, and a specific exception to the requirements
19 of subsection (a) has been provided by a law, en-
20 acted after the date of the enactment of this Act,
21 that contains no matter other than that exception;

22 (6) it is more cost effective to transport a pay-
23 load in conjunction with a test or demonstration of
24 a space transportation vehicle owned by the Federal
25 Government; or

1 (7) a payload can make use of the available
2 cargo space on a Space Shuttle mission as a second-
3 ary payload, and such payload is consistent with the
4 requirements of research, development, demonstra-
5 tion, scientific, commercial, and educational pro-
6 grams authorized by the Administrator.

7 The Administrator, in consultation with the Secretary of
8 State and the Secretary of Transportation, may propose
9 to the Congress that a specific exception described in para-
10 graph (5) be enacted for a launch or class of launches.
11 Any such proposal shall include a description of the for-
12 eign policy purposes that would be served by such an ex-
13 ception, and shall identify the impacts of such an excep-
14 tion on the commercial launch industry. Nothing in this
15 subsection shall prevent the Administrator from planning
16 or negotiating agreements with foreign entities for the
17 launch of Federal Government payloads for foreign policy
18 purposes, contingent on enactment of a specific exception
19 described in paragraph (5).

20 (c) DELAYED EFFECT.—Subsection (a) shall not
21 apply to space transportation services and space transpor-
22 tation vehicles acquired or owned by the Federal Govern-
23 ment before the date of the enactment of this Act, or with
24 respect to which a contract for such acquisition or owner-
25 ship has been entered into before such date.

1 (d) HISTORICAL PURPOSES.—This section shall not
2 be construed to prohibit the Federal Government from ac-
3 quiring, owning, or maintaining space transportation vehi-
4 cles solely for historical display purposes.

5 **SEC. 302. ACQUISITION OF COMMERCIAL SPACE TRANS-**
6 **PORTATION SERVICES.**

7 (a) TREATMENT OF COMMERCIAL SPACE TRANSPOR-
8 TATION SERVICES AS COMMERCIAL ITEM UNDER ACQUI-
9 SITION LAWS.—Acquisitions of space transportation serv-
10 ices by the Federal Government shall be carried out in
11 accordance with applicable acquisition laws and regula-
12 tions (including chapters 137 and 140 of title 10, United
13 States Code), except that space transportation services
14 shall be considered to be a commercial item for purposes
15 of such laws and regulations (including section 2306a of
16 title 10, United States Code (relating to cost or pricing
17 data), section 2320 of such title (relating to rights in tech-
18 nical data) and section 2321 of such title (relating to vali-
19 dation of proprietary data restrictions)).

20 (b) SAFETY STANDARDS.—Nothing in this section
21 shall be construed to prohibit the Federal Government
22 from requiring compliance with applicable safety stand-
23 ards.

1 **SEC. 303. LAUNCH SERVICES PURCHASE ACT OF 1990**
2 **AMENDMENTS.**

3 The Launch Services Purchase Act of 1990 (42
4 U.S.C. 2465b et seq.) is amended—

5 (1) by striking section 202;

6 (2) in section 203—

7 (A) by striking paragraphs (1) and (2);

8 and

9 (B) by redesignating paragraphs (3) and
10 (4) as paragraphs (1) and (2), respectively;

11 (3) by striking sections 204 and 205; and

12 (4) in section 206—

13 (A) by striking “(a) COMMERCIAL PAY-
14 LOADS ON THE SPACE SHUTTLE.—”; and

15 (B) by striking subsection (b).

16 **SEC. 304. SHUTTLE PRIVATIZATION.**

17 (a) **POLICY AND PREPARATION.**—The Administrator
18 shall prepare for an orderly transition from the Federal
19 operation, or Federal management of contracted oper-
20 ation, of space transportation systems to the Federal pur-
21 chase of commercial space transportation services for all
22 nonemergency launch requirements, including human,
23 cargo, and mixed payloads. In those preparations, the Ad-
24 ministrator shall take into account the need for short-term
25 economies, as well as the goal of restoring the National
26 Aeronautics and Space Administration’s research focus

1 and its mandate to promote the fullest possible commercial
2 use of space. As part of those preparations, the Adminis-
3 trator shall plan for the potential privatization of the
4 Space Shuttle program. Such plan shall keep safety and
5 cost effectiveness as high priorities. Nothing in this section
6 shall prohibit the National Aeronautics and Space Admin-
7 istration from studying, designing, developing, or funding
8 upgrades or modifications essential to the safe and eco-
9 nomical operation of the Space Shuttle fleet.

10 (b) FEASIBILITY STUDY.—The Administrator shall
11 conduct a study of the feasibility of implementing the rec-
12 ommendation of the Independent Shuttle Management Re-
13 view Team that the National Aeronautics and Space Ad-
14 ministration transition toward the privatization of the
15 Space Shuttle. The study shall identify, discuss, and,
16 where possible, present options for resolving, the major
17 policy and legal issues that must be addressed before the
18 Space Shuttle is privatized, including—

19 (1) whether the Federal Government or the
20 Space Shuttle contractor should own the Space
21 Shuttle orbiters and ground facilities;

22 (2) whether the Federal Government should in-
23 demnify the contractor for any third party liability
24 arising from Space Shuttle operations, and, if so,
25 under what terms and conditions;

1 (3) whether payloads other than National Aero-
2 nautics and Space Administration payloads should
3 be allowed to be launched on the Space Shuttle, how
4 missions will be prioritized, and who will decide
5 which mission flies and when;

6 (4) whether commercial payloads should be al-
7 lowed to be launched on the Space Shuttle and
8 whether any classes of payloads should be made in-
9 eligible for launch consideration;

10 (5) whether National Aeronautics and Space
11 Administration and other Federal Government pay-
12 loads should have priority over non-Federal payloads
13 in the Space Shuttle launch assignments, and what
14 policies should be developed to prioritize among pay-
15 loads generally;

16 (6) whether the public interest requires that
17 certain Space Shuttle functions continue to be per-
18 formed by the Federal Government; and

19 (7) how much cost savings, if any, will be gen-
20 erated by privatization of the Space Shuttle.

21 (c) REPORT TO CONGRESS.—Within 60 days after
22 the date of the enactment of this Act, the National Aero-
23 nautics and Space Administration shall complete the study
24 required under subsection (b) and shall submit a report
25 on the study to the Committee on Commerce, Science, and

- 1 Transportation of the Senate and the Committee on
- 2 Science of the House of Representatives.

Passed the House of Representatives November 4,
1997.

Attest:

ROBIN H. CARLE,

Clerk.