

COMMITTEE ON  
**SCIENCE, SPACE, AND  
TECHNOLOGY**  
CHAIRMAN LAMAR SMITH



For Immediate Release  
May 13, 2015

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**Statement of Chairman Lamar Smith (R-Texas)**  
Full Committee Markup of the *Spurring Private Aerospace Competitiveness  
and Entrepreneurship Act of 2015 (SPACE Act) (HR 2262)*

**Chairman Smith:** Thanks go to Majority Leader Kevin McCarthy for sponsoring this important legislation.

The *Spurring Private Aerospace Competitiveness and Entrepreneurship Act of 2015*, or SPACE Act, facilitates a pro-growth environment for the developing commercial space sector. It creates more stable regulatory conditions and improves safety, which in turn attracts private investment. The Act secures American leadership in space and fosters the development of advanced space technologies.

The SPACE Act preserves the Federal Aviation Administration's (FAA) ability to regulate commercial human spaceflight in order to protect national security, public health and safety, and safety of property. And the Act preserves FAA's ability to regulate spaceflight participation and crew safety in the event of an accident.

This bill calls for a progress report on the knowledge the industry and FAA have gained about the operation and licensing of commercial human spaceflight. This allows industry to develop consensus standards and coordinate those efforts with the FAA so the industry can grow in a stable regulatory environment without the threat of arbitrary regulations impacting their ability to innovate.

International law places liability for damages that result from space accidents on the launching nation. All spacefaring nations require some form of third party liability insurance for launching entities. The current U.S. risk-sharing structure expires in 2016. This Act extends indemnification to the year 2023 and requires an update on how the FAA calculates the maximum probable loss associated with launches.

Indemnification has never been utilized and is subject to future appropriations. This provision will prevent U.S. space companies from going overseas where other nations have more favorable liability protection. The SPACE Act also closes a statutory loophole that negates an experimental permit once a launch license is issued for the same vehicle design. This fosters greater innovation and allows an experimental permit holder to continue testing while a license holder conducts operations.

Current law only allows for two categories of individuals carried within a spacecraft – crew and space flight participants. Now that NASA is procuring astronaut access to the International Space Station, a new category is necessary to outline the roles, responsibilities and protections for astronauts on a commercial human spaceflight launch.

This bill also closes a loophole that carved out an exception for spaceflight participants from indemnification coverage. By including these individuals in the indemnification provision, spaceflight participants who may participate in a launch as a result of a contest or other means are not burdened with financial exposure above the limits.

The Launch Liability Convention, to which the U.S. is a party, places liability for space launch and reentry accidents on the federal government. This bill ensures that federal courts review lawsuits that result from accidents since the federal government is ultimately the responsible party, not the states.

Current law requires that all parties involved in a launch waive claims against each other. This bill adds spaceflight participants in the cross waiver requirement to ensure consistency and reinforce the informed consent requirements.

I would like to enter into the record a list of statements of support from various space community stakeholders, including Blue Origin, Virgin Galactic, Mojave Air & Space Port, SpaceX the National Space Society, and the Commercial Spaceflight Federation, which represents more than 50 commercial space companies across the United States.

I urge my colleagues to support this common-sense bill that will keep America at the forefront of aerospace technology, promote American jobs, reduce red tape, promote safety, inspire the next generation of explorers, and encourage students to study STEM fields.

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