

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



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**Statement of Space Subcommittee Chairman Steven Palazzo (R-Miss.)  
Hearing on Necessary Changes to the Commercial Space Launch Act**

**Chairman Palazzo:** Good morning. I would like to welcome everyone to our hearing today and I want to thank our witnesses for taking time to appear before the Committee.

Before we get started I want to take a moment to acknowledge the NASA Day of Remembrance, which was observed last Friday, as a tribute to the crews of Apollo 1 and the space shuttles Columbia and Challenger. These men and women lost their lives in the pursuit of exploration and discovery, and they will never be forgotten.

In his 1984 State of the Union speech, President Reagan reminded us that our progress in space “is a tribute to American teamwork and excellence.” He challenged our best and brightest to develop launch companies ready to lift payloads to orbit regularly with minimal government interference. Shortly after his speech, Congress responded with passage of the Commercial Space Launch Act.

As we once more consider changes to this ground-breaking legislation, President Reagan’s words ring just as true for us today as they did three decades ago. We must continue providing a framework for supporting the development of commercial space launch. As the commercial space industry evolves, so too should our laws and federal regulations. While there are many issues we will address in the next CSLA, it is my desire that we give special focus to issues surrounding launch indemnification and the regulatory learning period.

The third-party liability risk-sharing regime, which we know today as indemnification, provided a much needed safety net for new companies that were developing to fill the nation’s launch needs after commercial satellite launches with shuttle ended. Since it was first created in 1988, the regime has been extended six times, most recently a few weeks ago on the omnibus spending bill. I look forward to hearing what our witnesses have to say about this provision and any changes to it that might be helpful.

In 2004, as part of the Commercial Space Launch Amendments Act, Congress placed a moratorium on most regulations related to space flight participants and vehicle design to ensure ample flexibility for a developing commercial human space launch industry. The need for this provision at the time was clear, how can the FAA regulate an industry that does not exist and has not flown a single paying customer? Today, the situation hasn’t changed much. The FAA still has no data to use for regulations and the commercial human space launch industry is still working hard to get off the ground.

The Commercial Crew Development Program at NASA has done a lot to move the industry along by providing an anchor tenant for orbital commercial human spaceflight, funding for early stage development, and funding to mature spacecraft designs. While the suborbital market seems to be maturing rapidly, it is still not clear that there is a business case for non-government orbital human space

tourism in the near future. What is clear is that if the FAA begins trampling on these companies with regulations based in speculation instead of data, we may never see the promise of commercial human spaceflight realized. The learning period will expire in 2015 and I look forward to what our witnesses have to say about this provision and its relative importance to the industry.

There are many other issues that may need to be address in a potential commercial space bill such as streamlining the permitting process, offering more flexibility for experimental aircraft, better defining the various types of spacecraft, and strengthening the informed consent provisions. We must also ensure that export controls and International Trafficking in Arms Regulations (ITAR) are rational and productive. We need to provide stable, certain, and competitive regulatory environments at the Federal Aviation Administration (FAA), the Federal Communications Commission (FCC), and the National Oceanic and Atmospheric Administration (NOAA) that facilitate domestic investment.

I have to mention that as I prepared for this hearing I reviewed an article in the Journal of Space Law, which is published by the University of Mississippi School of Law. Ole' Miss has a world premier space law program, and I'm happy to know that Mississippi is at the forefront of these challenging issues. I look forward to working with both sides of the aisle in the next few months to come up with bipartisan solutions to these issues. There is a lot of promise in the future of commercial spaceflight. If we work together I know we can put in place policies that will help grow our economy and this great industry.

With that I recognize the ranking member, Ms. Edwards, for an opening statement.

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