



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

May 19, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2262 — Spurring Private Aerospace Competitiveness and Entrepreneurship (SPACE) Act of 2015

(Rep. McCarthy, R-CA, and 12 cosponsors)

The Administration strongly supports the development of a commercial space sector that pushes the boundaries of space exploration while creating jobs and strengthening the American economy. The American commercial launch industry is the most competitive in the world. Over the past several years, the industry has rapidly increased its share of the global market for sending satellites and other payloads into space. The Administration agrees with the goal of H.R. 2262 to bring more stability and certainty to this growing market. While the Administration does not oppose House passage of the bill, it has serious concerns with certain provisions of the bill.

For example, the Administration believes that the “learning period” restricting Federal Aviation Administration (FAA) regulation of spacecraft should be extended for a shorter period than the ten-year extension through 2025 included in the bill. Over the next few years, several American companies are expected to bring commercial orbital and sub-orbital vehicles into service. A safety framework that relies on performance-based regulations which could be satisfied by voluntary industry consensus standards would provide for a flexible approach that enhances the overall safety of the industry. FAA rulemaking activity prior to 2025 may promote, rather than hinder, the development of the commercial spaceflight industry, depending on the pace at which the market for private spaceflight services grows.

With respect to space resource utilization, the Administration recognizes that steps have been taken to ensure that the bill itself is consistent with the United States' international obligations. While the Administration strongly supports the bill's efforts to facilitate innovative new space activities by U.S. companies, such as the commercial exploration and utilization of space resources to meet national needs, the Administration is concerned about the ability of U.S. companies to move forward with these initiatives absent additional authority to ensure continuing supervision of these initiatives by the U.S. Government as required by the Outer Space Treaty.

The Administration looks forward to working with the Congress to address these and other concerns as the bill moves through the legislative process.

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