

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

# H. R. 2443

To promote the development of the United States space tourism industry,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2001

Mr. LAMPSON introduced the following bill; which was referred to the Committee on Science, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To promote the development of the United States space  
tourism industry, 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 “Space Tourism Pro-  
5       motion Act of 2001”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds that—

1           (1) humans have long had a yearning to travel  
2           in space and experience conditions beyond Earth's  
3           atmosphere;

4           (2) forty years of human space flight experience  
5           have demonstrated the feasibility of safe travel to  
6           and from space as well as the ability of humans to  
7           live and work in space;

8           (3) the Nation's human space flight program  
9           has developed technologies and operational proce-  
10          dures that the private sector could make use of to  
11          enable American citizens to experience space travel;

12          (4) space tourism has the potential to become  
13          a significant industry and a powerful stimulus for  
14          advances in space transportation;

15          (5) the Federal Government could play an im-  
16          portant role in stimulating the development of space  
17          tourism by means of guaranteed loans, tax credits,  
18          expeditious establishment of a straightforward and  
19          predictable regulatory structure, and research and  
20          development in technologies that may enable the pri-  
21          vate sector to develop operational passenger-carrying  
22          space transportation systems and on-orbit habi-  
23          tations;

24          (6) as the agency of the Federal Government  
25          primarily responsible for the development of Amer-

1        ica’s commercial sector, the Department of Com-  
2        merce, and in particular its Office of Space Com-  
3        mercialization, should have the lead role in encour-  
4        aging the growth of space tourism;

5            (7) as the agency of the Federal Government  
6        currently responsible for regulating America’s com-  
7        mercial space transportation industry, the Federal  
8        Aviation Administration, and in particular its Office  
9        of Commercial Space Transportation, should have  
10       the lead role in establishing the regulatory structure  
11       necessary to ensure the safety of United States  
12       space tourism;

13           (8) as the agency of the Federal Government  
14       responsible for carrying out the major share of the  
15       Nation’s civil space activities, the National Aero-  
16       nautics and Space Administration should continue  
17       its traditional role of conducting research and devel-  
18       opment related to new space technologies and sys-  
19       tems and facilitating their transfer to the private  
20       sector;

21           (9) it is an appropriate role for the Federal  
22       Government to undertake measures to encourage the  
23       development of space tourism in the United States;  
24       and

1           (10) at the same time, it is an inappropriate  
2           role and a misallocation of taxpayer-provided re-  
3           sources for the Federal Government to compete with  
4           the private sector in the provision of transportation  
5           vehicles or facilities for space tourism.

6 **SEC. 3. DEFINITIONS.**

7           In this Act—

8           (1) terms that are defined in the Federal Credit  
9           Reform Act of 1990 have the meaning given those  
10          terms in that Act; and

11          (2) the term “space tourism” means travel to,  
12          from, or within outer space, or to the surface of a  
13          body in space other than Earth, or habitation in  
14          outer space, for the purpose of recreation.

15 **SEC. 4. LOAN GUARANTEES.**

16          (a) **AUTHORITY.**—

17           (1) **IN GENERAL.**—The Secretary of Commerce  
18           may guarantee up to 85 percent of the value of  
19           loans for the purpose of developing transportation  
20           systems, habitation facilities, or other infrastructure  
21           required for space tourism.

22           (2) **LIMITATION.**—The maximum aggregate  
23           amount of loan commitments that may be guaran-  
24           teed under this section by the Secretary of Com-  
25           merce at any one time shall be \$2,000,000,000.

1           (3) ADMINISTRATIVE FEE.—The Secretary of  
2           Commerce is authorized to collect from any bor-  
3           rower, and to the extent provided for in advance in  
4           appropriations Acts to use, an amount not to exceed  
5           0.5 percent of the amount borrowed, for covering the  
6           administrative expenses and other annual costs to  
7           the Department of Commerce of the loan guarantee.

8           (b) TERMS AND CONDITIONS.—A loan guaranteed  
9           under this section shall be on such terms and conditions  
10          as the Secretary of Commerce may prescribe.

11          (c) TERM OF LOANS.—Loans guaranteed under this  
12          section shall be for a term of not to exceed 20 years, or  
13          100 percent of the useful life of the substantial portion  
14          of the physical assets to be financed by the loans, which-  
15          ever is shorter, as determined by the Secretary of Com-  
16          merce.

17          (d) LIEN ON INTERESTS IN ASSETS.—Upon pro-  
18          viding a loan guarantee to a borrower under this section,  
19          the Secretary of Commerce shall have liens which shall  
20          be superior to all other liens on assets of the borrower  
21          equal to 85 percent of the unpaid balance of the loan sub-  
22          ject to the guarantee.

23          (e) PROTECTION.—No loan shall be guaranteed  
24          under this section unless the Secretary of Commerce de-  
25          termines that the borrower is responsible and that ade-

1 quate provision is made for servicing the loan on reason-  
2 able terms and for protecting the interests of the United  
3 States.

4 (f) VALIDITY.—A loan guarantee under this section  
5 shall be conclusive evidence that such guarantee has been  
6 properly obtained, and that the underlying loan qualifies  
7 for such guarantee. In an action for fraud or material mis-  
8 representation by the holder of a loan guaranteed under  
9 this section, such guarantee shall be presumed to be valid,  
10 legal, and enforceable.

11 (g) FORBEARANCE.—The Secretary of Commerce  
12 may approve an agreement, between the parties to a loan  
13 guaranteed under this section, that provides for forbear-  
14 ance for the benefit of the borrower if the forbearance will  
15 result in no cost to the Federal Government.

16 (h) ADMINISTRATION AND OVERSIGHT RESPONSI-  
17 BILITY.—The Office of Space Commercialization shall be  
18 responsible for the administration and oversight of this  
19 section on behalf of the Department of Commerce.

20 **SEC. 5. CAPITAL GAINS EXCLUSION.**

21 (a) IN GENERAL.—Part I of subchapter P of chapter  
22 1 of the Internal Revenue Code of 1986 (relating to items  
23 specifically excluded from gross income) is amended by  
24 adding at the end the following new section:

1 **“SEC. 1203. EXCLUSION OF GAINS FOR QUALIFIED SPACE**  
2 **TOURISM CORPORATIONS.**

3 “(a) IN GENERAL.—Gross income shall not include  
4 gain on the sale or exchange of any stock of a qualified  
5 space tourism corporation held for more than one year.

6 “(b) QUALIFIED SPACE TOURISM CORPORATION.—  
7 For purposes of subsection (a), the term ‘qualified space  
8 tourism corporation’ means, with respect to any taxable  
9 year, a domestic corporation which is a C corporation if—

10 “(1) such corporation is organized exclusively  
11 for providing to unrelated persons any service of  
12 space tourism (as defined in section 3 of the Space  
13 Tourism Promotion Act of 2001), and

14 “(2) such corporation derives at least 75 per-  
15 cent of its gross receipts from the active conduct of  
16 a trade or business of providing a service described  
17 in paragraph (1).

18 “(c) CERTAIN PURCHASES BY CORPORATIONS OF ITS  
19 OWN STOCK.—For purposes of this section, rules similar  
20 to the rules of section 1202(c)(3) shall apply.

21 “(d) RELATED PERSON.—Persons shall be treated as  
22 related to each other if such persons would be treated as  
23 a single employer under the regulations prescribed under  
24 section 52(b). In the case of a corporation which is a mem-  
25 ber of an affiliated group of corporations filing a consoli-  
26 dated return, such corporation shall be treated as pro-

1 viding services related to space tourism to an unrelated  
2 person if such services are provided to such a person by  
3 another member of such group.

4 “(e) **TERMINATION.**—This section shall not apply to  
5 sales or exchanges after December 31, 2011.”.

6 (b) **CLERICAL AMENDMENT.**—The table of sections  
7 for part I of subchapter P of such Code is amended by  
8 adding at the end the following new item:

“Sec. 1203. Exclusion of gains for qualified space tourism cor-  
porations.”

9 (c) **EFFECTIVE DATE.**—The amendments made by  
10 this section shall apply to sales and exchanges in taxable  
11 years beginning after December 31, 2001.

12 **SEC. 6. ESTABLISHMENT OF REGULATORY STANDARDS.**

13 (a) **IN GENERAL.**—Not later than 2 years after the  
14 date of the enactment of this Act, the Secretary of Trans-  
15 portation shall issue regulations to govern—

16 (1) activities necessary to ensure the safe oper-  
17 ation of passenger-carrying launch and reentry vehi-  
18 cles and spacecraft for space tourism, to the extent  
19 to which regulatory procedures have not previously  
20 been established by law; and

21 (2) activities related to the provision of and safe  
22 operation of habitable facilities in outer space for  
23 space tourism purposes.



1 (b) ORBITAL DEBRIS AVOIDANCE.—Not later than 2  
2 years after the date of the enactment of this Act, the Sec-  
3 retary of Transportation shall issue regulations to prevent,  
4 to the extent practicable, the growth of orbital debris re-  
5 sulting from activities associated with space tourism.

6 (c) LEGAL REGIME.—Activities taking place on space  
7 tourism habitation facilities and passenger-carrying  
8 launch and reentry vehicles and spacecraft for space tour-  
9 ism licensed or otherwise regulated by the Secretary of  
10 Transportation shall be governed by the laws of the United  
11 States.

12 **SEC. 7. USE OF FEDERAL FACILITIES.**

13 (a) PROHIBITION AGAINST CERTAIN USES OF FED-  
14 ERAL FACILITIES.—

15 (1) IN GENERAL.—Launch, reentry, and space  
16 travel vehicles owned by the Federal Government  
17 shall not be used for the transport of any individuals  
18 other than those engaged in or supporting the con-  
19 duct of official business of the United States or the  
20 conduct of scientific or engineering research and de-  
21 velopment, except in emergency situations.

22 (2) INTERNATIONAL SPACE STATION.—The  
23 United States portion of the International Space  
24 Station shall not be visited or occupied by any indi-  
25 viduals other than those engaged in or supporting

1 the conduct of official business of the United States  
2 or the conduct of scientific or engineering research  
3 and development, and those authorized by relevant  
4 international agreements, except in emergency situa-  
5 tions.

6 (b) USE OF OTHER FEDERAL FACILITIES.—The use  
7 of other Federal facilities and infrastructure, such as  
8 launch ranges and data relay satellites, shall be made  
9 available to commercial entities engaged in space tourism  
10 on a cost-reimbursable basis to the extent that excess ca-  
11 pacity exists at the time the commercial entity requests  
12 the use of such facilities and infrastructure.

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