H. R. 2443

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

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

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Space Tourism Promotion Act of 2001”.

SEC. 2. FINDINGS.

The Congress finds that—
(1) humans have long had a yearning to travel
in space and experience conditions beyond Earth’s
atmosphere;

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

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

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

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

(6) as the agency of the Federal Government
primarily responsible for the development of Amer-
ica’s commercial sector, the Department of Commerce, and in particular its Office of Space Commercialization, should have the lead role in encouraging the growth of space tourism;

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

(8) as the agency of the Federal Government responsible for carrying out the major share of the Nation’s civil space activities, the National Aeronautics and Space Administration should continue its traditional role of conducting research and development related to new space technologies and systems and facilitating their transfer to the private sector;

(9) it is an appropriate role for the Federal Government to undertake measures to encourage the development of space tourism in the United States; and
(10) at the same time, it is an inappropriate role and a misallocation of taxpayer-provided re-
sources for the Federal Government to compete with the private sector in the provision of transportation vehicles or facilities for space tourism.

SEC. 3. DEFINITIONS.

In this Act—

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

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

SEC. 4. LOAN GUARANTEES.

(a) Authority.—

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

(2) LIMITATION.—The maximum aggregate amount of loan commitments that may be guaran-
teed under this section by the Secretary of Com-
merce at any one time shall be $2,000,000,000.
(3) Administrative Fee.—The Secretary of Commerce is authorized to collect from any borrower, and to the extent provided for in advance in appropriations Acts to use, an amount not to exceed 0.5 percent of the amount borrowed, for covering the administrative expenses and other annual costs to the Department of Commerce of the loan guarantee.

(b) Terms and Conditions.—A loan guaranteed under this section shall be on such terms and conditions as the Secretary of Commerce may prescribe.

(c) Term of Loans.—Loans guaranteed under this section shall be for a term of not to exceed 20 years, or 100 percent of the useful life of the substantial portion of the physical assets to be financed by the loans, whichever is shorter, as determined by the Secretary of Commerce.

(d) Lien on Interests in Assets.—Upon providing a loan guarantee to a borrower under this section, the Secretary of Commerce shall have liens which shall be superior to all other liens on assets of the borrower equal to 85 percent of the unpaid balance of the loan subject to the guarantee.

(e) Protection.—No loan shall be guaranteed under this section unless the Secretary of Commerce determines that the borrower is responsible and that ade-
quate provision is made for servicing the loan on reasonable terms and for protecting the interests of the United States.

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

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

(h) ADMINISTRATION AND OVERSIGHT RESPONSIBILITY.—The Office of Space Commercialization shall be responsible for the administration and oversight of this section on behalf of the Department of Commerce.

SEC. 5. CAPITAL GAINS EXCLUSION.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by adding at the end the following new section:
“SEC. 1203. EXCLUSION OF GAINS FOR QUALIFIED SPACE TOURISM CORPORATIONS.

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

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

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

“(2) such corporation derives at least 75 percent of its gross receipts from the active conduct of a trade or business of providing a service described in paragraph (1).

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

“(d) RELATED PERSON.—Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b). In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as pro-
viding services related to space tourism to an unrelated
person if such services are provided to such a person by
another member of such group.

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

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

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

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to sales and exchanges in taxable

SEC. 6. ESTABLISHMENT OF REGULATORY STANDARDS.

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

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

(2) activities related to the provision of and safe
operation of habitable facilities in outer space for
space tourism purposes.
(b) **Orbital Debris Avoidance.**—Not later than 2 years after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations to prevent, to the extent practicable, the growth of orbital debris resulting from activities associated with space tourism.

(c) **Legal Regime.**—Activities taking place on space tourism habitation facilities and passenger-carrying launch and reentry vehicles and spacecraft for space tourism licensed or otherwise regulated by the Secretary of Transportation shall be governed by the laws of the United States.

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

(a) **Prohibition Against Certain Uses of Federal Facilities.**—

(1) In general.—Launch, reentry, and space travel vehicles owned by the Federal Government shall not be used for the transport of any individuals other than those engaged in or supporting the conduct of official business of the United States or the conduct of scientific or engineering research and development, except in emergency situations.

(2) **International Space Station.**—The United States portion of the International Space Station shall not be visited or occupied by any individuals other than those engaged in or supporting
the conduct of official business of the United States
or the conduct of scientific or engineering research
and development, and those authorized by relevant
international agreements, except in emergency situa-
tions.

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