shall not be made for any part of such claims for which bodily injury or property damage results from willful misconduct by the party seeking payment.

(c) The United States shall provide for payment of claims by third parties for bodily injury or property damage that are payable under 49 U.S.C. 70113 and not covered by required insurance under §440.9(b), without regard to the limitation under paragraph (a)(1) of this section, because of an insurance policy exclusion that is usual. A policy exclusion is considered usual only if insurance covering the excluded risk is not commercially available at reasonable rates. The licensee must submit a certification in accordance with §440.15(c)(1)(iii) of this part for the United States to cover the claims.

(d) Upon the expiration of the policy period prescribed in accordance with §440.11(a), the United States shall provide for payment of claims that are payable under 49 U.S.C. 70113 from the first dollar of loss up to $1,500,000,000 (as adjusted for inflation occurring after January 1, 1989).

(e) Payment by the United States of excess third-party claims under 49 U.S.C. 70113 shall be subject to:

(1) Prompt notice by the licensee to the FAA that the total amount of claims arising out of licensed activities exceeds, or is likely to exceed, the required amount of financial responsibility. For each claim, the notice must specify the nature, cause, and amount of the claim or lawsuit associated with the claim, and the party or parties who may otherwise be liable for payment of the claim;

(2) Participation or assistance in the defense of the claim or lawsuit by the United States, at its election;

(3) Approval by the FAA of any settlement, or part of a settlement, to be paid by the United States; and

(4) Approval by Congress of a compensation plan prepared by the FAA and submitted by the President.

(f) The FAA will:

(1) Prepare a compensation plan outlining the total amount of claims and meeting the requirements set forth in 49 U.S.C. 70113;

(2) Recommend sources of funds to pay the claims; and

(3) Propose legislation as required to implement the plan.

(g) The FAA may withhold payment of a claim if it finds that the amount is unreasonable, unless it is the final order of a court that has jurisdiction over the matter.

APPENDIX A TO PART 440—INFORMATION REQUIREMENTS FOR OBTAINING A MAXIMUM PROBABLE LOSS DETERMINATION FOR LICENSED OR PERMITTED ACTIVITIES

Any person requesting a maximum probable loss determination shall submit the following information to the FAA, unless the FAA has waived a particular information requirement under 14 CFR 440.7(c):

Part 1: Information Requirements for Licensed Launch, Including Suborbital Launch

I. GENERAL INFORMATION

A. Mission description.

1. A description of mission parameters, including:

   a. Launch trajectory;

   b. Orbital inclination; and

   c. Orbit altitudes (apogee and perigee).

2. Flight sequence.

3. Staging events and the time for each event.

4. Impact locations.

5. Identification of the launch site facility, including the launch complex on the site, planned date of launch, and launch windows.

6. If the applicant has previously been issued a license or permit to conduct activities using the same vehicle from the same launch site, a description of any differences planned in the conduct of proposed activities.

B. Launch vehicle description.

1. General description of the launch vehicle and its stages, including dimensions.

2. Description of major systems, including safety systems.

3. Description of rocket motors and type of fuel used.

4. Identification of all propellants to be used and their hazard classification under the Hazardous Materials Table, 49 CFR 172.101.

5. Description of hazardous components.

C. Payload.

1. General description of the payload, including:

   a. Type (e.g., telecommunications, remote sensing), propellants, and hazardous components or materials, such as toxic or radioactive substances.

   b. Flight safety system.

   1. Identification of any flight safety system on the vehicle, including a description of operations and component location on the vehicle.
II. PRE-FLIGHT PROCESSING OPERATIONS
A. General description of pre-flight operations including vehicle processing consisting of an operational flow diagram showing the overall sequence and location of operations, commencing with arrival of vehicle components at the launch site facility through final safety checks and countdown sequence, and designation of hazardous operations, as defined in 14 CFR 440.3. For purposes of these information requirements, payload processing, as opposed to integration, is not a hazardous operation. 
B. For each hazardous operation, including but not limited to fueling, solid rocket motor build-up, ordnance installation, ordnance checkout, movement of hazardous materials, and payload integration:
1. Identification of location where each operation will be performed, including each building or facility identified by name or number.
2. Identification of facilities adjacent to the location where each operation will be performed and therefore exposed to risk, identified by name or number.
3. Maximum number of Government personnel and individuals not involved in licensed activities who may be exposed to risk during each operation. For Government personnel, identification of his or her employer.
4. Identification of launch site policies or requirements applicable to the conduct of operations.

III. FLIGHT OPERATIONS
A. Identification of launch site facilities exposed to risk during licensed flight.
B. Identification of accident failure scenarios, probability assessments for each, and estimation of risks to Government personnel, individuals not involved in licensed activities, and Government property, due to property damage or bodily injury. The estimation of risks for each scenario shall take into account the number of such individuals at risk as a result of lift-off and flight of a launch vehicle (on-range, off-range, and down-range) and specific, unique facilities exposed to risk. Scenarios shall cover the range of launch trajectories, inclinations and orbits for which authorization is sought in the license application.
C. On-orbit risk analysis assessing risks posed by a launch vehicle to operational satellites.
D. Reentry risk analysis assessing risks to Government personnel and individuals not involved in licensed activities as a result of reentering debris or reentry of the launch vehicle or its components.
E. Trajectory data as follows: Nominal and 3-sigma lateral trajectory data in x, y, z and x (dot), y (dot), z (dot) coordinates in one-second intervals, data to be pad-centered with x being along the initial launch azimuth and continuing through impact for suborbital flights, and continuing through orbital insertion or the end of powered flight for orbital flights.
F. Tumble-turn data for guided vehicles only, as follows: For vehicles with gimbaled nozzles, tumble turn data with zeta angles and velocity magnitudes stated. A separate table is required for each combination of fail times (every two to four seconds), and significant nozzle angles (two or more small angles, generally between one and five degrees).
G. Identification of debris lethal areas and the projected number and ballistic coefficient of fragments expected to result from flight termination, initiated either by command or self-destruct mechanism, for lift-off, land overflight, and reentry.

IV. POST-FLIGHT PROCESSING OPERATIONS
A. General description of post-flight ground operations including overall sequence and location of operations for removal of vehicle components and processing equipment from the launch site facility and for handling of hazardous materials, and designation of hazardous operations.
B. Identification of all facilities used in conducting post-flight processing operations.
C. For each hazardous operation:
1. Identification of location where each operation is performed, including each building or facility identified by name or number.
2. Identification of facilities adjacent to location where each operation is performed and exposed to risk, identified by name or number.
3. Maximum number of Government personnel and individuals not involved in licensed launch activities that may be exposed to risk during each operation. For Government personnel, identification of his or her employer.
4. Identification of launch site facility policies or requirements applicable to the conduct of operations.

Part 2: Information Requirements for Licensed Reentry

I. GENERAL INFORMATION
A. Reentry mission description.
1. A description of mission parameters, including:
   a. Orbital inclination; and
   b. Orbit altitudes (apogee and perigee).
   c. Reentry trajectories.
2. Reentry flight sequences.
3. Reentry initiation events and the time for each event.
4. Nominal landing location, alternative landing sites and contingency abort sites.
5. Identification of landing facilities, (planned date of reentry), and reentry windows.
6. If the applicant has previously been issued a license or permit to conduct reentry activities using the same reentry vehicle to the same reentry site facility, a description of any differences planned in the conduct of proposed activities.

B. Reentry vehicle description.
1. General description of the reentry vehicle, including dimensions.
2. Description of major systems, including safety systems.
3. Description of propulsion system (reentry initiation system) and type of fuel used.
4. Identification of all propellants to be used and their hazard classification under the Hazardous Materials Table, 49 CFR 172.101.
5. Description of hazardous components.
6. Identification of all propellants to be used and their hazard classification under the Hazardous Materials Table, 49 CFR 172.101.

C. Payload.
1. General description of any payload, including type (e.g., telecommunications, remote sensing), propellants, and hazardous components or materials, such as toxic or radioactive substances.

D. Flight Safety System:
1. Identification of any flight safety system on the reentry vehicle, including a description of operations and component location on the vehicle.

II. FLIGHT OPERATIONS
A. Identification of reentry site facilities exposed to risk during vehicle reentry and landing.
B. Identification of accident failure scenarios, probability assessments for each, and estimation of risks to Government personnel, individuals not involved in licensed reentry, and Government property, due to property damage or bodily injury. The estimation of risks for each scenario shall take into account the number of such individuals at risk as a result of reentry (flight) and landing of a reentry vehicle (on-range, off-range, and down-range) and specific, unique facilities exposed to risk. Scenarios shall cover the range of reentry trajectories for which authorization is sought.
C. On-orbit risk analysis assessing risks posed by a reentry vehicle to operational satellites during reentry.
D. Reentry risk analysis assessing risks to Government personnel and individuals not involved in licensed activities as a result of inadvertent or random reentry of the launch vehicle or its components.
E. Nominal and 3-sigma dispersed trajectories in one-second intervals, from reentry initiation through landing or impact. (Coordinate system will be specified on a case-by-case basis)
F. Three-sigma landing or impact dispersion area in downrange (±) and crossrange (±) measured from the nominal and contingency landing or impact target. The applicant is responsible for including all significant landing or impact dispersion constituents in the computations of landing or impact dispersion areas. The dispersion constituents should include, but not be limited to: Variation in orbital position and velocity at the reentry initiation time; variation in re-entry initiation time offsets, either early or late; variation in the bodies’ ballistic coefficient; position and velocity variation due to winds; and variations in re-entry retro-maneuvers.
G. Malfunction turn data (tumble, trim) for guided (controllable) vehicles. The malfunction turn data shall include the total angle turned by the velocity vector versus turn duration time at one second intervals; the magnitude of the velocity vector versus turn duration time at one second intervals; and an indication on the data where the reentry body will impact the Earth, or breakup due to aerodynamic loads. A malfunction turn data set is required for each malfunction time. Malfunction turn start times shall not exceed four-second intervals along the trajectory.
H. Identification of debris casualty areas and the projected number and ballistic coefficient of fragments expected to result from each failure mode during reentry, including random reentry.

III. POST-FLIGHT PROCESSING OPERATIONS
A. General description of post-flight ground operations including overall sequence and location of operations for removal of vehicle and components and processing equipment from the reentry site facility and for handling of hazardous materials, and designation of hazardous operations.
B. Identification of all facilities used in conducting post-flight processing operations.
C. For each hazardous operation:
1. Identification of location where each operation is performed, including each building or facility identified by name or number.
2. Identification of facilities adjacent to location where each operation is performed and exposed to risk, identified by name or number.
3. Maximum number of Government personnel and individuals not involved in licensed reentry activities who may be exposed to risk during each operation. For Government personnel, identification of his or her employer.
4. Identify and provide reentry site facility policies or requirements applicable to the conduct of operations.

Part 3: Information Requirements for Permitted Activities

In addition to the information required in part 437 subpart B, an applicant for an experimental permit must provide, for each permitted pre-flight and post-flight operation, the following information to the FAA:
A. Identification of location where each operation will be performed, including any U.S. Government or third party facilities identified by name or number.

B. Identification of any U.S. Government or third party facilities adjacent to the location where each operation will be performed and therefore exposed to risk, identified by name or number.

C. Maximum number of Government personnel and individuals not involved in permitted activities that may be exposed to risk during each operation. For Government personnel, identification of his or her employer.

APPENDIX B TO PART 440—AGREEMENT FOR WAIVER OF CLAIMS AND ASSUMPTION OF RESPONSIBILITY FOR LICENSED ACTIVITIES

PART I—WAIVER OF CLAIMS AND ASSUMPTION OF RESPONSIBILITY FOR LICENSED LAUNCH, INCLUDING SUBORBITAL LAUNCH

Subpart A—Waiver of Claims and Assumption of Responsibility for Licensed Launch, Including Suborbital Launch, With One Customer

This agreement is entered into this __ day of ____, 20__, by and among [Licensee] (the “Licensee”), [Customer] (the “Customer”) and the Federal Aviation Administration of the Department of Transportation, on behalf of the United States Government (collectively, the “Parties”), to implement the provisions of section 440.17(c) of the Commercial Space Transportation Licensing Regulations, 14 CFR Ch. III (the “Regulations”). This agreement applies to the launch of [Payload] vehicle at [Location of Launch Site]. In consideration of the mutual releases and promises contained herein, the Parties hereby agree as follows:

1. Definitions

   Contracts and Subcontractors means entities described in §440.3 of the Regulations.

   Customer means the above-named Customer.

   License means License No. ______, issued on __________, by the Associate Administrator for Commercial Space Transportation, Federal Aviation Administration, Department of Transportation, to the Licensee, including all license orders issued in connection with the License.


   United States means the United States and its agencies involved in Licensed Activities. Except as otherwise defined herein, terms used in this Agreement and defined in 51 U.S.C. Subtitle V, ch. 509—Commercial Space Launch Activities, or in the Regulations, shall have the same meaning as contained in 51 U.S.C. Subtitle V, ch. 509, or the Regulations, respectively.

2. Waiver and Release of Claims

   (a) Licensee hereby waives and releases claims it may have against Customer and the United States, and against their respective Contractors and Subcontractors, for Property Damage it sustains and for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault.

   (b) Customer hereby waives and releases claims it may have against Licensee and the United States, and against their respective Contractors and Subcontractors, for Property Damage it sustains and for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault.

   (c) The United States hereby waives and releases claims it may have against Licensee and Customer, and against their respective Contractors and Subcontractors, for Property Damage it sustains, and for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault, to the extent that claims it would otherwise have for such damage or injury exceed the amount of insurance or demonstration of financial responsibility required under sections 440.9(c) and (e), respectively, of the Regulations.

3. Assumption of Responsibility

   (a) Licensee and Customer shall each be responsible for Property Damage it sustains and for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault. Licensee and Customer shall each hold harmless and indemnify each other, the United States, and the Contractors and Subcontractors of each Party, for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault.

   (b) The United States shall be responsible for Property Damage it sustains, and for Bodily Injury or Property Damage sustained by its own employees, resulting from Licensed Activities, regardless of fault, to the extent that claims it would otherwise have for such damage or injury exceed the amount of insurance or demonstration of financial responsibility required under sections 440.9(c) and (e), respectively, of the Regulations.

4. Extension of Assumption of Responsibility and Waiver and Release of Claims

   (a) Licensee shall extend the requirements of the waiver and release of claims, and the assumption of responsibility, hold harmless,