(i) The likelihood of any hazardous condition that may cause death or serious injury to the public must be extremely remote.

(ii) The likelihood of any hazardous condition that may cause major property damage to the public, major safety-critical system damage or reduced capability, a significant reduction in safety margins, or a significant increase in crew workload must be remote.

(4) Identify and describe the risk elimination and mitigation measures required to satisfy paragraph (a)(3) of this section. The measures must include one or more of the following:

(i) Designing for minimum risk,

(ii) Incorporating safety devices,

(iii) Providing warning devices, or

(iv) Implementing procedures and training.

(5) Demonstrate that the risk elimination and mitigation measures achieve the risk levels of paragraph (a)(3)(i) of this section through validation and verification. Verification includes:

(i) Test data,

(ii) Inspection results, or

(iii) Analysis.

(b) A permittee must carry out the risk elimination and mitigation measures derived from its hazard analysis.

(c) A permittee must ensure the continued accuracy and validity of its hazard analysis throughout the term of its permit.

§ 437.57 Operating area containment.

(a) During each permitted flight, a permittee must contain its reusable suborbital rocket’s instantaneous impact point within an operating area determined in accordance with paragraph (b) and outside any exclusion area defined by the FAA in accordance with paragraph (c) of this section.

(b) An operating area—

(1) Must be large enough to contain each planned trajectory and all expected vehicle dispersions;

(2) Must contain enough unpopulated or sparsely populated area to perform key flight-safety events as required by §437.59;

(3) May not contain or be adjacent to a densely populated area or large concentrations of members of the public; and

(4) May not contain or be adjacent to significant automobile traffic, railway traffic, or waterborne vessel traffic.

(c) The FAA may prohibit a reusable suborbital rocket’s instantaneous impact point from traversing certain areas within an operating area by designating one or more areas as exclusion areas, if necessary to protect public health and safety, safety of property, or foreign policy or national security interests of the United States. An exclusion area may be confined to a specific phase of flight.

§ 437.59 Key flight-safety event limitations.

(a) A permittee must conduct any key flight-safety event so that the reusable suborbital rocket’s instantaneous impact point, including its expected dispersion, is over an unpopulated or sparsely populated area. At a minimum, a key flight-safety event includes:

(1) Ignition of any primary rocket engine,

(2) Any staging event, or

(3) Any envelope expansion.

(b) A permittee must conduct each reusable suborbital rocket flight so that the reentry impact point does not loiter over a populated area.

§ 437.61 Landing and impact locations.

For a nominal or any contingency abort landing of a reusable suborbital rocket, or for any nominal or contingency impact or landing of a component of that rocket, a permittee must use a location that—

(a) Is big enough to contain an impact, including debris dispersion upon impact; and

(b) At the time of landing or impact, does not contain any members of the public.

§ 437.63 Agreements with other entities involved in a launch or reentry.

A permittee must comply with the agreements required by this section.

(a) A permittee must have an agreement in writing with a Federal launch range operator, a licensed launch site operator, or any other party that provides access to or use of property and