



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 20, 2005

**H.R. 3070
National Aeronautics and Space Administration
Authorization Act of 2005**

As reported by the House Committee on Science on July 18, 2005

SUMMARY

H.R. 3070 would authorize appropriations for National Aeronautics and Space Administration (NASA) activities for fiscal years 2006 and 2007. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3070 would cost \$33 billion over the 2006-2010 period. The legislation would extend NASA's authority to indemnify or insure developers of experimental aerospace vehicles from damage claims by third parties. That provision could increase direct spending, but CBO estimates any such costs would be insignificant over the 2006-2015 period.

H.R. 3070 contains no intergovernmental or private-sector mandates as defined by the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3070 is shown in the following table. The costs of this legislation fall within budget functions 250 (general science, space, and technology) and 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION						
NASA Spending Under Current Law						
Budget Authority ^a	16,196	0	0	0	0	0
Estimated Outlays	14,783	5,948	770	282	77	0
Proposed Changes						
Authorization Level	0	16,471	16,962	0	0	0
Estimated Outlays	0	10,107	15,649	6,168	912	286
NASA Spending Under H.R. 3070						
Authorization Level ^a	16,196	16,471	16,962	0	0	0
Estimated Outlays	14,783	16,055	16,419	6,450	989	286

a. The 2005 level is the amount appropriated for NASA for that year.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the amounts authorized by the bill will be appropriated near the start of each fiscal year and that outlays will follow the historical spending patterns for NASA activities.

Spending Subject to Appropriation

H.R. 3070 would authorize the appropriation of \$16.5 billion in 2006 and almost \$17 billion in 2007 for NASA activities, including science, aeronautics and education, exploration systems, space operations, and funding for NASA's Inspector General.

Direct Spending

H.R. 3070 also would extend through 2015 NASA's authority to indemnify or insure developers of experimental aerospace vehicles operated by civilian developers from damage claims by third parties. The Administrator would be able to indemnify or insure a single event for up to \$1.5 billion (in 1989 dollars) beyond the developer's private insurance coverage, regardless of whether amounts are available from appropriations to pay such claims.

Extending NASA’s authority to indemnify developers of experimental aerospace vehicles could result in direct spending, but we estimate that any such spending would not be significant. Assuming that the risk of claims would be similar to that of existing launch vehicles and that private insurance and appropriated funds would be tapped first to pay any claims, CBO expects that the likelihood of direct spending for indemnification payments would be small. If NASA were obligated to pay claims in excess of the amounts available from private insurance and appropriations, CBO assumes that any additional payments would be made from the Claims and Judgments Fund, which would increase direct spending.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3070 contains no intergovernmental or private-sector mandates as defined by UMRA and would impose no costs on state, local, or tribal governments.

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