



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 29, 2014

S. 2140

**A bill to improve the transition between experimental permits
and commercial licenses for commercial reusable launch vehicles**

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on April 9, 2014*

The Department of Transportation (DOT) regulates commercial launches of orbital and suborbital rockets. Firms that engage in such launches must obtain either an experimental permit—which allows repeated launches to test rocket design concepts and operating procedures—or a commercial license, which goes beyond an experimental permit by also allowing the licensee to transport commercial passengers. Under current law, obtaining a commercial license effectively negates the licensee’s experimental permits.

S. 2140 would amend current law to specify that a firm could obtain a commercial license without relinquishing its experimental permits, and make other clarifications to activities that could be pursued under experimental permits.

CBO estimates that enacting the legislation would not significantly affect the federal budget. Based on information from DOT, we expect the proposed change would have a negligible effect on the department’s administrative costs. S. 2140 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 2140 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Megan Carroll. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.