



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 8, 1999

S. 832

A bill to extend the commercial space launch damage indemnification provisions of section 70113 of title 49, United States Code

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on June 23, 1999

S. 832 would provide a 10-year extension of the Department of Transportation's (DOT's) authority to indemnify nonfederal entities involved in commercial space transportation services licensed by DOT. The existing authorization, which is set to expire December 31, 1999, allows DOT to pay claims in excess of the amounts covered by private insurance under certain terms and conditions. This authority is contingent upon funding being provided in advance in an appropriation act or other legislation.

Extending DOT's indemnification authority could result in additional discretionary spending over the next five years, but CBO expects that any such costs would be negligible. According to agency officials, DOT has never had to pay claims to third parties for incidents involving such vehicles or services. Thus far, the costs associated with incidents have been small and have been covered by private insurance. S. 832 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 832 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not impose costs on state, local, or tribal governments.

The CBO staff contact is Kathleen Gramp. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.