CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 7, 2017

H.R. 2809
American Space Commerce Free Enterprise Act of 2017

As ordered reported by the House Committee on Science, Space, and Technology on June 8, 2017

H.R. 2809 would expand the authorities of the Office of Space Commerce (OSC) within the Department of Commerce (DOC) to include supervision of commercial space activity. The private sector is increasingly investing in and developing spacecraft, satellites, and other technologies for nongovernmental exploration of outer space. H.R. 2809 would establish a certification process for the private sector to operate those objects in outer space. The bill also would eliminate the Office of Commercial Remote Sensing Regulatory Affairs (CRSRA) within the National Oceanic and Atmospheric Administration and transfer some of its responsibilities to the OSC. H.R. 2809 would authorize the appropriation of $5 million in 2018 for the OSC to undertake those activities.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 2809 would cost $5 million over the 2018-2019 period. In fiscal year 2017, the CRSRA and the OSC each received an appropriation of about $1 million. Under current law, no specific sums are authorized to be appropriated to the CRSRA after 2017.

The bill also would direct the President to maintain a database of commercially available capabilities for space-based remote sensing, for example, satellites; require DOC to undertake activities related to international treaty compliance; and have the Government Accountability Office submit a report to the Congress about the Office of Commercial Space Transportation. Based on the costs to undertake similar activities, CBO estimates that implementing those provisions would cost less than $500,000 each year; such spending would be subject to the availability of appropriated funds.

Enacting the bill would affect direct spending and revenues; therefore, pay-as-you-go procedures apply. CBO expects that some CRSRA employees could retire earlier than they otherwise would, which would increase direct spending over the 2017-2027 period. However, CBO estimates that those increases would not be significant. The bill also would repeal certain penalties, which are recorded in the budget as revenues, and authorize new ones. On net, CBO estimates that those changes would not significantly affect revenues.

CBO estimates that enacting H.R. 2809 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2809 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA). The bill would require entities that launch and operate spacecraft, satellites, or other objects in outer space to submit information about their planned launch operations, as well as a plan to mitigate space debris, to DOC when applying for certification to operate those objects. The requirements would affect both private space companies, such as Moon Express and SpaceX, as well as public entities, such as universities conducting research. After receiving certification, those entities also would be required to inform DOC about any material changes to the space object or the planned operations. In addition, the bill would require entities that apply for a permit to operate a space-based remote sensing system to provide specific information about the project to DOC. Based on information from companies in the space industry about the costs of complying with current regulations, CBO estimates that the total cost of complying with the mandates would fall well below the annual thresholds for intergovernmental and private-sector mandates established in UMRA ($78 million and $156 million in 2017, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Janani Shankaran (for federal costs), Jon Sperl (for intergovernmental mandates), and Paige Piper/Bach (for private-sector mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.