

105th Congress

1st Session

H. R. 1702

IN THE HOUSE OF REPRESENTATIVES

May 22, 1997

A BILL

To encourage the development of a commercial space industry in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE- This Act may be cited as the `Commercial Space Act of 1997'.

(b) TABLE OF CONTENTS-

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I--PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

Sec. 101. Commercialization of space station.

Sec. 102. Commercial space launch amendments.

Sec. 103. Launch voucher demonstration program.

Sec. 104. Promotion of United States Global Positioning System standards.

Sec. 105. Acquisition of space science data.

TITLE II--REMOTE SENSING

Sec. 201. Land Remote Sensing Policy Act of 1992 amendments.

Sec. 202. Acquisition of earth science data.

### TITLE III--FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES

Sec. 301. Requirement to procure commercial space transportation services.

Sec. 302. Acquisition of space transportation services.

Sec. 303. Launch Services Purchase Act of 1990 amendments.

### SEC. 2. DEFINITIONS.

For purposes of this Act--

(1) the term `Administrator' means the Administrator of the National Aeronautics and Space Administration;

(2) the term `commercial provider' means any person providing space transportation services or other space-related activities, primary control of which is held by persons other than Federal, State, local, and foreign governments;

(3) the term `payload' means anything that a person undertakes to transport to, from, or within outer space, or in suborbital trajectory, by means of a space transportation vehicle, but does not include the space transportation vehicle itself except for its components which are specifically designed or adapted for that payload;

(4) the term `space-related activities' includes research and development, manufacturing, processing, service, and other associated and support activities;

(5) the term `space transportation services' means the preparation of a space transportation vehicle and its payloads for transportation to, from, or within outer space, or in suborbital trajectory, and the conduct of transporting a payload to, from, or within outer space, or in suborbital trajectory;

(6) the term `space transportation vehicle' means any vehicle constructed for the purpose of operating in, or transporting a payload to, from, or within, outer space, or in suborbital trajectory, and includes any component of such vehicle not specifically designed or adapted for a payload;

(7) the term `State' means each of the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States; and

(i) such subsidiary has in the past evidenced a substantial commitment to the United States market through--

(I) investments in the United States in long-term research, development, and manufacturing (including the manufacture of major components and subassemblies); and

(II) significant contributions to employment in the United States;  
and

(ii) the country or countries in which such foreign company is incorporated or organized, and, if appropriate, in which it principally conducts its business, affords reciprocal treatment to companies described in subparagraph (A) comparable to that afforded to such foreign company's subsidiary in the United States, as evidenced by--

(I) providing comparable opportunities for companies described in subparagraph (A) to participate in Government sponsored research and development similar to that authorized under this Act;

(II) providing no barriers, to companies described in subparagraph (A) with respect to local investment opportunities, that are not provided to foreign companies in the United States; and

(III) providing adequate and effective protection for the intellectual property rights of companies described in subparagraph (A).

## TITLE I--PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

### SEC. 101. COMMERCIALIZATION OF SPACE STATION.

(a) POLICY- The Congress declares that a priority goal of constructing the International Space Station is the economic development of Earth orbital space. The Congress further declares that free and competitive markets create the most efficient conditions for promoting economic development, and should therefore govern the economic development of Earth orbital space. The Congress further declares that the use of free market principles in operating, servicing, allocating the use of, and adding capabilities to the Space Station, and the resulting fullest possible engagement of commercial providers and participation of commercial users, will reduce Space Station operational costs for all partners and the Federal Government's share of the United States burden to fund operations.

(b) REPORTS- (1) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 90 days after the date of the enactment of this Act, a study that identifies and examines--

(A) the opportunities for commercial providers to play a role in International Space Station activities, including operation, use, servicing, and augmentation;

(B) the potential cost savings to be derived from commercial providers playing a role in each of these activities;

(C) which of the opportunities described in subparagraph (A) the Administrator plans to make available to commercial providers in fiscal year 1998 and 1999;

(D) the specific policies and initiatives the Administrator is advancing to encourage and facilitate these commercial opportunities; and

(E) the revenues and cost reimbursements to the Federal Government from commercial users of the Space Station.

(2) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 180 days after the date of the enactment of this Act, an independently-conducted market study that examines and evaluates potential industry interest in providing commercial goods and services for the operation, servicing, and augmentation of the International Space Station, and in the commercial use of the International Space Station. This study shall also include updates to the cost savings and revenue estimates made in the study described in paragraph (1) based on the external market assessment.

(3) The Administrator shall deliver to the Congress, no later than the submission of the President's annual budget request for fiscal year 1999, a report detailing how many proposals (whether solicited or not) the National Aeronautics and Space Administration received during calendar year 1997 regarding commercial operation, servicing, utilization, or augmentation of the International Space Station, broken down by each of these four categories, and specifying how many agreements the National Aeronautics and Space Administration has entered into in response to these proposals, also broken down by these four categories.

## SEC. 102. COMMERCIAL SPACE LAUNCH AMENDMENTS.

(a) AMENDMENTS- Chapter 701 of title 49, United States Code, is amended-

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(1) in the table of sections--

(A) by amending the item relating to section 70104 to read as follows:

`70104. Restrictions on launches, operations, and reentries.';

(B) by amending the item relating to section 70108 to read as follows:

`70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries.';

(C) by amending the item relating to section 70109 to read as follows:

`70109. Preemption of scheduled launches or reentries.';

and

(D) by adding at the end the following new items:

`70120. Regulations.

`70121. Report to Congress.'.

(2) in section 70101--

(A) by inserting `microgravity research,' after `information services,' in subsection (a)(3);

(B) by inserting `, reentry,' after `launching' both places it appears in subsection (a)(4);

(C) by inserting `, reentry vehicles,' after `launch vehicles' in subsection (a)(5);

(D) by inserting `and reentry services' after `launch services' in subsection (a)(6);

(E) by inserting `, reentries,' after `launches' both places it appears in subsection (a)(7);

(F) by inserting `, reentry sites,' after `launch sites' in subsection (a)(8);

(G) by inserting `and reentry services' after `launch services' in subsection (a)(8);

(H) by inserting `reentry sites,' after `launch sites,' in subsection (a)(9);

(I) by inserting `and reentry site' after `launch site' in subsection (a)(9);

(J) by inserting `, reentry vehicles,' after `launch vehicles' in subsection (b)(2);

(K) by striking `launch' in subsection (b)(2)(A);

(L) by inserting `and reentry' after `conduct of commercial launch' in subsection (b)(3);

(M) by striking `launch' after `and transfer commercial' in subsection (b)(3); and

(N) by inserting `and development of reentry sites,' after `launch-site support facilities,' in subsection (b)(4);

(3) in section 70102--

(A) by striking `and any payload' and inserting in lieu thereof `or reentry vehicle and any payload from Earth' in paragraph (3);

(B) in paragraph (5)--

(i) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(ii) by inserting before subparagraph (B), as so redesignated by clause (i) of this subparagraph, the following new subparagraph:

`(A) activities directly related to the preparation of a launch site or payload facility for one or more launches;';

(C) by inserting `or reentry vehicle' after `means of a launch vehicle' in paragraph (8);

(D) by redesignating paragraphs (10), (11), and (12) as paragraphs (14), (15), and (16), respectively;

(E) by inserting after paragraph (9) the following new paragraphs:

`(10) `reenter' and `reentry' mean to return or attempt to return, purposefully, a reentry vehicle and its payload, if any, from Earth orbit or from outer space to Earth.

`(11) `reentry services' means--

`(A) activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

`(B) the conduct of a reentry.

`(12) `reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary issues or transfers under this chapter).

`(13) `reentry vehicle' means a vehicle designed to return from Earth orbit or outer space to Earth, or a reusable launch vehicle designed to return from outer space to Earth, substantially intact.'; and

(F) by inserting `or reentry services' after `launch services' each place it appears in paragraph (15), as so redesignated by subparagraph (D) of this paragraph;

(4) in section 70103(b)--

(A) by inserting `AND REENTRIES' after `LAUNCHES' in the subsection heading;

(B) by inserting `and reentries' after `commercial space launches' in paragraph (1); and

(C) by inserting `and reentry' after `space launch' in paragraph (2);

(5) in section 70104--

(A) by amending the section designation and heading to read as follows:

`Sec. 70104. Restrictions on launches, operations, and reentries';

(B) by inserting `or reentry site, or to reenter a reentry vehicle,' after `operate a launch site' each place it appears in subsection (a);

(C) by inserting `or reentry' after `launch or operation' in subsection (a)(3) and (4);

(D) in subsection (b)--

(i) by striking `launch license' and inserting in lieu thereof `license';

(ii) by inserting `or reenter' after `may launch'; and

(iii) by inserting 'or reentering' after 'related to launching'; and

(E) in subsection (c)--

(i) by amending the subsection heading to read as follows:  
'PREVENTING LAUNCHES AND REENTRIES- ';

(ii) by inserting 'or reentry' after 'prevent the launch'; and

(iii) by inserting 'or reentry' after 'decides the launch';

(6) in section 70105--

(A) by inserting '(1)' before 'A person may apply' in subsection (a);

(B) by striking 'receiving an application' both places it appears in subsection (a) and inserting in lieu thereof 'accepting an application in accordance with criteria established pursuant to subsection (b)(2)(D)';

(C) by adding at the end of subsection (a) the following: 'The Secretary shall transmit to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a written notice not later than 7 days after any occurrence when a license is not issued within the deadline established by this subsection.'

(2) In carrying out paragraph (1), the Secretary may establish procedures for certification of the safety of launch vehicles, reentry vehicles, safety systems, procedures, services, or personnel that may be used in conducting licensed commercial space launch or reentry activities.;

(D) by inserting 'or a reentry site, or the reentry of a reentry vehicle,' after 'operation of a launch site' in subsection (b)(1);

(E) by striking 'or operation' and inserting in lieu thereof ', operation, or reentry' in subsection (b)(2)(A);

(F) by striking 'and' at the end of subsection (b)(2)(B);

(G) by striking the period at the end of subsection (b)(2)(C) and inserting in lieu thereof '; and';

(H) by adding at the end of subsection (b)(2) the following new subparagraph:

`(D) regulations establishing criteria for accepting or rejecting an application for a license under this chapter within 60 days after receipt of such application.'; and

(I) by inserting `, including the requirement to obtain a license,' after `waive a requirement' in subsection (b)(3);

(7) in section 70106(a)--

(A) by inserting `or reentry site' after `observer at a launch site';

(B) by inserting `or reentry vehicle' after `assemble a launch vehicle';  
and

(C) by inserting `or reentry vehicle' after `with a launch vehicle';

(8) in section 70108--

(A) by amending the section designation and heading to read as follows:

`Sec. 70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries';

and

(B) in subsection (a)--

(i) by inserting `or reentry site, or reentry of a reentry vehicle,' after `operation of a launch site'; and

(ii) by inserting `or reentry' after `launch or operation';

(9) in section 70109--

(A) by amending the section designation and heading to read as follows:

`Sec. 70109. Preemption of scheduled launches or reentries';

(B) in subsection (a)--

(i) by inserting `or reentry' after `ensure that a launch';

(ii) by inserting `, reentry site,' after `United States Government launch site';

(iii) by inserting `or reentry date commitment' after `launch date commitment';

(iv) by inserting `or reentry' after `obtained for a launch';

(v) by inserting `, reentry site,' after `access to a launch site';

(vi) by inserting `, or services related to a reentry,' after `amount for launch services'; and

(vii) by inserting `or reentry' after `the scheduled launch'; and

(C) in subsection (c), by inserting `or reentry' after `prompt launching';

(10) in section 70110--

(A) by inserting `or reentry' after `prevent the launch' in subsection (a)(2); and

(B) by inserting `or reentry site, or reentry of a reentry vehicle,' after `operation of a launch site' in subsection (a)(3)(B);

(11) in section 70111--

(A) by inserting `or reentry' after `launch' in subsection (a)(1)(A);

(B) by inserting `and reentry services' after `launch services' in subsection (a)(1)(B);

(C) in subsection (a)(1), by inserting after subparagraph (B) the following:

`The Secretary shall coordinate the establishment of criteria and procedures for determining the priority of competing requests from the private sector and State governments for property and services under this section.';

(D) by inserting `or reentry services' after `or launch services' in subsection (a)(2);

(E) by inserting `or reentry' after `commercial launch' both places it appears in subsection (b)(1);

(F) by inserting `or reentry services' after `launch services' in subsection (b)(2)(C);

(G) by inserting after subsection (b)(2) the following new paragraph:

`(3) The Secretary shall ensure the establishment of uniform guidelines for, and consistent implementation of, this section by all Federal agencies.';

(H) by striking `or its payload for launch' in subsection (d) and inserting in lieu thereof `or reentry vehicle, or the payload of either, for launch or reentry'; and

(I) by inserting `, reentry vehicle,' after `manufacturer of the launch vehicle' in subsection (d);

(12) in section 70112--

(A) in subsection (a)(1), by inserting `launch, reentry, or site operator' after `(1) When a';

(B) by inserting `or reentry' after `one launch' in subsection (a)(3);

(C) by inserting `or reentry services' after `launch services' in subsection (a)(4);

(D) in subsection (b)(1), by inserting `launch, reentry, or site operator' after `(1) A';

(E) by inserting `or reentry services' after `launch services' each place it appears in subsection (b);

(F) by inserting `applicable' after `carried out under the' in paragraphs (1) and (2) of subsection (b);

(G) by striking `, Space, and Technology' in subsection (d)(1);

(H) by inserting `OR REENTRIES' after `LAUNCHES' in the heading for subsection (e);

(I) by inserting `or reentry site or a reentry' after `launch site' in subsection (e); and

(J) in subsection (f), by inserting `launch, reentry, or site operator' after `carried out under a';

(13) in section 70113(a)(1) and (d)(1) and (2), by inserting `or reentry' after `one launch' each place it appears;

(14) in section 70115(b)(1)(D)(i)--

(A) by inserting `reentry site,' after `launch site,'; and

(B) by inserting `or reentry vehicle' after `launch vehicle' both places it appears;

(15) in section 70117--

(A) by inserting `or reentry site, or to reenter a reentry vehicle' after `operate a launch site' in subsection (a);

(B) by inserting `or reentry' after `approval of a space launch' in subsection (d);

(C) by amending subsection (f) to read as follows:

`(f) LAUNCH NOT AN EXPORT; REENTRY NOT AN IMPORT- A launch vehicle, reentry vehicle, or payload that is launched or reentered is not, because of the launch or reentry, an export or import, respectively, for purposes of a law controlling exports or imports.'; and

(D) in subsection (g)--

(i) by striking `operation of a launch vehicle or launch site,' in paragraph (1) and inserting in lieu thereof  
`reentry, operation of a launch vehicle or reentry vehicle, operation of a launch site or reentry site,'; and

(ii) by inserting `reentry,' after `launch,' in paragraph (2); and

(16) by adding at the end the following new sections:

`Sec. 70120. Regulations

`The Secretary of Transportation, within 6 months after the date of the enactment of this section, shall issue regulations to carry out this chapter that include--

(1) guidelines for industry to obtain sufficient insurance coverage for potential damages to third parties;

(2) procedures for requesting and obtaining licenses to operate a commercial launch vehicle or reentry vehicle;

`(3) procedures for requesting and obtaining operator licenses for launch or reentry;

`(4) procedures for requesting and obtaining launch site or reentry site operator licenses; and

`(5) procedures for the application of government indemnification.

#### `Sec. 70121. Report to Congress

`The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that--

`(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

`(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.'

(b) EFFECTIVE DATE- The amendments made by subsection (a)(6)(B) shall take effect upon the effective date of final regulations issued pursuant to section 70105(b)(2)(D) of title 49, United States Code, as added by subsection (a)(6)(H).

#### SEC. 103. LAUNCH VOUCHER DEMONSTRATION PROGRAM.

Section 504 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1993 (15 U.S.C. 5803) is amended--

(1) in subsection (a)--

(A) by striking `the Office of Commercial Programs within'; and

(B) by striking `Such program shall not be effective after September 30, 1995.';

(2) by striking subsection (c); and

(3) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

#### SEC. 104. PROMOTION OF UNITED STATES GLOBAL POSITIONING SYSTEM STANDARDS.

(a) FINDING- The Congress finds that the Global Positioning System, including satellites, signal equipment, ground stations, data links, and associated command and control facilities, has become an essential element in civil, scientific, and military space development because of the emergence of a United States commercial industry which provides Global Positioning System equipment and related services.

(b) INTERNATIONAL COOPERATION- In order to support and sustain the Global Positioning System in a manner that will most effectively contribute to the national security, public safety, scientific, and economic interests of the United States, the Congress encourages the President to--

(1) ensure the operation of the Global Positioning System on a continuous worldwide basis free of direct user fees;  
and

(2) enter into international agreements that promote cooperation with foreign governments and international organizations to--

(A) establish the Global Positioning System and its augmentations as an acceptable international standard; and

(B) eliminate any foreign barriers to applications of the Global Positioning System worldwide.

#### SEC. 105. ACQUISITION OF SPACE SCIENCE DATA.

(a) ACQUISITION FROM COMMERCIAL PROVIDERS- The Administrator shall, to the maximum extent possible and while satisfying the scientific requirements of the National Aeronautics and Space Administration, acquire, where cost effective, space science data from a commercial provider.

#### (b) TREATMENT OF SPACE SCIENCE DATA AS COMMERCIAL ITEM UNDER ACQUISITION LAWS-

Acquisitions of space science data by the Administrator shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code), except that space science data shall be considered to be a commercial item for purposes of such laws and regulations (including section 2306a of title 10, United

States Code (relating to cost or pricing data), section 2320 of such title (relating to rights in technical data) and section 2321 of such title (relating to validation of proprietary data restrictions)).

(c) DEFINITION- For purposes of this section, the term `space science data' includes scientific data concerning the elemental and mineralogical resources of

the moon, asteroids, planets and their moons, and comets, Earth environmental data obtained through remote sensing observations, and solar storm monitoring.

(d) SAFETY STANDARDS- Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) LIMITATION- This section does not authorize the National Aeronautics and Space Administration to provide financial assistance for the development of commercial systems for the collection of space science data.

## TITLE II--REMOTE SENSING

### SEC. 201. LAND REMOTE SENSING POLICY ACT OF 1992 AMENDMENTS.

(a) FINDINGS- The Congress finds that--

(1) a robust domestic United States industry in high resolution Earth remote sensing is in the economic, employment, technological, scientific, and national security interests of the United States;

(2) to secure its national interests the United States must nurture a commercial remote sensing industry that leads the world;

(3) the Federal Government must provide a stable business environment for that industry to succeed and fulfill the national interest; and

(4) it is the responsibility of the Federal Government to create domestic and international conditions favorable to the health and growth of the United States commercial remote sensing industry.

(b) AMENDMENTS- The Land Remote Sensing Policy Act of 1992 is amended--

(1) in section 2 (15 U.S.C. 5601)--

(A) by amending paragraph (5) to read as follows:

(5) Commercialization of land remote sensing is a near-term goal, and should remain a long-term goal, of United States policy.;

(B) by striking paragraph (6) and redesignating paragraphs (7) through (16) as paragraphs (6) through (15), respectively; and

(C) in paragraph (11), as so redesignated by subparagraph (B) of this paragraph, by striking `determining the design' and all that follows through `international consortium' and inserting in lieu thereof `ensuring the continuity of Landsat quality data';

(2) in section 101 (15 U.S.C. 5611)--

(A) by inserting the following after subsection (b)(4):

`The Director of the Office of Science and Technology Policy shall, no later than 60 days after the date of the enactment of the Commercial Space Act of 1997, transmit the management plan to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.';

(B) in subsection (c)--

(i) by inserting `and' at the end of paragraph (6);

(ii) by striking paragraph (7); and

(iii) by redesignating paragraph (8) as paragraph (7); and

(C) in subsection (e)(1)--

(i) by inserting `and' at the end of subparagraph (A);

(ii) by striking `, and' at the end of subparagraph (B) and inserting in lieu thereof a period; and

(iii) by striking subparagraph (C);

(3) in section 201 (15 U.S.C. 5621)--

(A) by inserting `(1)' after `NATIONAL SECURITY-' in subsection (b);

(B) in subsection (b)(1), as so designated by subparagraph (A) of this paragraph, by striking `No license' and inserting in lieu thereof `Except as provided in paragraph (3), no license';

(C) by adding at the end of subsection (b) the following new paragraphs:

(2) The Secretary, within 6 months after the date of the enactment of the Commercial Space Act of 1997, shall publish in

the Federal Register a complete and specific list of all information required to comprise a complete application for a license under this title. An application shall be considered complete when the applicant has provided all information required by the list most recently published in the Federal Register before the date the application was first submitted. Unless the Secretary has, within 30 days after receipt of an application, notified the applicant of information necessary to complete an application, the Secretary may not deny the application on the basis of the absence of any such information.

(3) The Secretary shall grant a license under this title to any United States commercial provider (as such term is defined in section 2 of the Commercial Space Act of 1997) whose application is in full compliance with the requirements of this title.;

(D) in subsection (c), by amending the second sentence thereof to read as follows: 'If the Secretary has not granted the license within such 120-day period, the Secretary shall inform the applicant, within such period, of any pending issues and actions required to be carried out by the applicant or the Secretary in order to result in the granting of a license.'; and

(E) in subsection (e)(2)(B), by striking 'and the importance of promoting widespread access to remote sensing data from United States and foreign systems';

(4) in section 202 (15 U.S.C. 5622)--

(A) by striking 'section 506' in subsection (b)(1) and inserting in lieu thereof 'section 507';

(B) in subsection (b)(2), by striking 'as soon as such data are available and on reasonable terms and conditions' and inserting in lieu thereof 'on reasonable terms and conditions, including the provision of such data in a timely manner';

(C) in subsection (b)(6), by striking 'any agreement' and inserting in lieu thereof 'any significant or substantial agreement relating to land remote sensing'; and

(D) by inserting after paragraph (6) of subsection (b) the following:

'The Secretary may not seek to enjoin a company from entering into a foreign agreement the Secretary receives notification of under paragraph (6) unless the Secretary has, within 30 days after receipt of such notification, transmitted to the licensee a statement that such agreement is inconsistent with the national security or international obligations of the United States, including an explanation of such inconsistency.';

(5) in section 203 (15 U.S.C. 5623)--

(A) in subsection (a)(2), by striking 'under this title and' and inserting in lieu thereof 'under this title or';

(B) in subsection (a)(3), by striking 'provide penalties' and inserting in lieu thereof 'seek, in a United States District Court with personal jurisdiction over the licensee, penalties'; and

(C) in subsection (b), by striking '(a)(3),';

(6) in section 204 (15 U.S.C. 5624), by striking 'may' and inserting in lieu thereof 'shall';

(7) in section 205(c) (15 U.S.C. 5625(c)), by striking 'if such remote sensing space system is licensed by the Secretary before commencing operation' and inserting in lieu thereof 'if such private remote sensing space system will be licensed by the Secretary before commencing its commercial operation';

(8) by adding at the end of title II the following new section:

'SEC. 206. NOTIFICATION.

'(a) LIMITATIONS ON LICENSEE- Not later than 30 days after a determination by the Secretary to require a licensee to limit collection or distribution of data from a system licensed under this title, the Secretary shall provide written notification to Congress of such determination, including the reasons therefor, the limitations imposed on the licensee, and the period during which such limitations apply.

'(b) TERMINATION, MODIFICATION, OR SUSPENSION- Not later than 30 days after an action by the Secretary to seek an order of injunction or other judicial determination pursuant to section 202(b) or section 203(a)(2), the Secretary shall provide written notification to Congress of such action and the reasons therefor.';

(9) in section 301 (15 U.S.C. 5631)--

(A) by inserting ', that are not being commercially developed' after 'and its environment' in subsection (a)(2)(B); and

(B) by adding at the end the following new subsection:

(d) DUPLICATION OF COMMERCIAL SECTOR ACTIVITIES- The Federal Government shall not undertake activities under this section which duplicate activities available from the United States commercial sector, unless such activities would result in significant cost savings to the Federal Government.';

(10) in section 302 (15 U.S.C. 5632)--

(A) by striking (a) GENERAL RULE- ';

(B) by striking ', including unenhanced data gathered under the technology demonstration program carried out pursuant to section 303,' and inserting in lieu thereof 'that is not otherwise available from the commercial sector'; and

(C) by striking subsection (b);

(11) by repealing section 303 (15 U.S.C. 5633);

(12) in section 401(b)(3) (15 U.S.C. 5641(b)(3)), by striking ', including any such enhancements developed under the technology demonstration program under section 303,';

(13) in section 501(a) (15 U.S.C. 5651(a)), by striking 'section 506' and inserting in lieu thereof 'section 507';

(14) in section 502(c)(7) (15 U.S.C. 5652(c)(7)), by striking 'section 506' and inserting in lieu thereof 'section 507';  
and

(15) in section 507 (15 U.S.C. 5657)--

(A) by amending subsection (a) to read as follows:

(a) RESPONSIBILITY OF THE SECRETARY OF DEFENSE- The Secretary shall consult with the Secretary of Defense on all matters under this section affecting national security. The Secretary of Defense shall be responsible for determining those conditions, consistent with this Act, necessary to meet national security concerns of the United States, and for notifying the Secretary promptly of such conditions. Not later than 180 days after the date of the enactment of the Commercial Space Act of 1997, the Secretary of Defense shall publish in Commerce Business Daily, for the purpose of soliciting comments, notice of all national security concerns that pertain to the licensing of private remote sensing space systems. Not later than 60 days after receiving a request from the Secretary, the Secretary of Defense shall notify the Secretary and the licensee of, and describe in detail, any specific national security concerns of the United States that the Secretary of Defense determines are an appropriate

reason for delaying, modifying, or rejecting a license application. The Secretary of Defense shall concurrently recommend to the Secretary any conditions for a license issued under title II, consistent with this Act, that the Secretary of Defense considers necessary to secure the national security concerns of the United States. If no such notification has been received by the Secretary within such 60-day period, the Secretary shall deem activities proposed in the license application to be consistent with the protection of the national security of the United States.';

(B) by striking subsection (b)(1) and (2) and inserting in lieu thereof the following:

(b) RESPONSIBILITY OF THE SECRETARY OF STATE- (1) The Secretary shall consult with the Secretary of State on all matters under this section affecting international obligations of the United States. The Secretary of State shall be responsible for determining those conditions, consistent with this Act, necessary to meet international obligations of the United States and for notifying the Secretary promptly of such conditions. Not later than 180 days after the date of the enactment of the Commercial Space Act of 1997, the Secretary of State shall publish in Commerce Business Daily, for the purpose of soliciting comments, notice of all international obligations of the United States that pertain to the licensing of private remote sensing space systems. Not later than 60 days after receiving a request from the Secretary, the Secretary of State shall notify the Secretary and the licensee of, and describe in detail, any specific international obligations of the United States that the Secretary of State determines are an appropriate reason for delaying, modifying, or rejecting a license application. The Secretary of State shall concurrently recommend to the Secretary any conditions for a license issued under title II, consistent with this Act, that the Secretary of State considers necessary to secure the international obligations of the United States. If no such notification has been received by the Secretary within such 60-day period, the Secretary shall deem activities proposed in the license application to be consistent with the international obligations of the United States.

(2) Appropriate United States Government agencies are authorized and encouraged to provide to developing nations, as a component of international aid, resources for purchasing remote sensing data, training, and analysis from United States commercial providers.'; and

(C) in subsection (d), by striking 'Secretary may require' and inserting in lieu thereof 'Secretary shall, where appropriate, require'.

SEC. 202. ACQUISITION OF EARTH SCIENCE DATA.

(a) ACQUISITION- For purposes of meeting Government goals for Mission to Planet Earth, the Administrator shall, to the maximum extent possible and while satisfying the scientific requirements of the National Aeronautics and Space Administration, acquire, where cost-effective, space-based and airborne Earth remote sensing data, services, distribution, and applications from a commercial provider.

(b) TREATMENT AS COMMERCIAL ITEM UNDER ACQUISITION LAWS- Acquisitions by the Administrator of the data, services, distribution, and applications referred to in subsection (a) shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code), except that such data, services, distribution, and applications shall be considered to be a commercial item for purposes of such laws and regulations (including section 2306a of title 10, United States Code (relating to cost or pricing data), section 2320 of such title (relating to rights in technical data) and section 2321 of such title (relating to validation of proprietary data restrictions)).

(c) STUDY- (1) The Administrator shall conduct a study to determine the extent to which the baseline scientific requirements of Mission to Planet Earth can be met by commercial providers, and how the National Aeronautics and Space Administration will meet such requirements which cannot be met by commercial providers.

(2) The study conducted under this subsection shall--

(A) make recommendations to promote the availability of information from the National Aeronautics and Space Administration to commercial providers to enable commercial providers to better meet the baseline scientific requirements of Mission to Planet Earth;

(B) make recommendations to promote the dissemination to commercial providers of information on advanced technology research and development performed by or for the National Aeronautics and Space Administration; and

(C) identify policy, regulatory, and legislative barriers to the implementation of the recommendations made under this subsection.

(3) The results of the study conducted under this subsection shall be transmitted to the Congress within 6 months after the date of the enactment of this Act.

(d) SAFETY STANDARDS- Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) ADMINISTRATION AND EXECUTION- This section shall be carried out as part of the Commercial Remote Sensing Program at the Stennis Space Center.

### TITLE III--FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES

#### SEC. 301. REQUIREMENT TO PROCURE COMMERCIAL SPACE TRANSPORTATION SERVICES.

(a) IN GENERAL- Except as otherwise provided in this section, the Federal Government shall acquire space transportation services from United States commercial providers whenever such services are required in the course of its activities. To the maximum extent practicable, the Federal Government shall plan missions to accommodate the space transportation services capabilities of United States commercial providers.

(b) EXCEPTIONS- The Federal Government shall not be required to acquire space transportation services under subsection (a) if, on a case-by-case basis, the Administrator or, in the case of a national security issue, the Secretary of the Air Force, determines that--

(1) a payload requires the unique capabilities of the space shuttle;

(2) cost effective space transportation services that meet specific mission requirements would not be reasonably available from United States commercial providers when required;

(3) the use of space transportation services from United States commercial providers poses an unacceptable risk of loss of a unique scientific opportunity;

(4) the use of space transportation services from United States commercial providers is inconsistent with national security objectives;

(5) it is more cost effective to transport a payload in conjunction with a test or demonstration of a space transportation vehicle owned by the Federal Government; or

(6) a payload can make use of the available cargo space on a Space Shuttle mission as a secondary payload, and such payload is consistent with the requirements of research, development, demonstration, scientific, commercial, and educational programs authorized by the Administrator.

(c) DELAYED EFFECT- Subsection (a) shall not apply to space transportation services and space transportation vehicles acquired or owned by the Federal Government before the date of the enactment of this Act, or with respect to which

a contract for such acquisition or ownership has been entered into before such date.

(d) HISTORICAL PURPOSES- This section shall not be construed to prohibit the Federal Government from acquiring, owning, or maintaining space transportation vehicles solely for historical display purposes.

#### SEC. 302. ACQUISITION OF SPACE TRANSPORTATION SERVICES.

(a) TREATMENT OF SPACE TRANSPORTATION SERVICES AS COMMERCIAL ITEM UNDER ACQUISITION LAWS- Acquisitions of space transportation services by the Federal Government shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code), except that space transportation services shall be considered to be a commercial item for purposes of such laws and regulations (including section 2306a of title 10, United States Code (relating to cost or pricing data), section 2320 of such title (relating to rights in technical data) and section 2321 of such title (relating to validation of proprietary data restrictions)).

(b) SAFETY STANDARDS- Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

#### SEC. 303. LAUNCH SERVICES PURCHASE ACT OF 1990 AMENDMENTS.

The Launch Services Purchase Act of 1990 (42 U.S.C. 2465b et seq.) is amended--

(1) by striking section 202;

(2) in section 203--

(A) by striking paragraphs (1) and (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively;

(3) by striking sections 204 and 205; and

(4) in section 206--

(A) by striking "(a) COMMERCIAL PAYLOADS ON THE SPACE SHUTTLE-"; and

(B) by striking subsection (b).