



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

October 20, 1998

**H.R. 1702
Commercial Space Act of 1998**

As cleared by the Congress on October 8, 1998

H.R. 1702 would revise federal policies related to the procurement and licensing of services and products provided by the commercial space industry and would authorize appropriations for the Office of Commercial Space Transportation (OCST, within the Department of Transportation) for fiscal years 1999 and 2000. Enacting this legislation could affect direct spending and governmental receipts, but CBO estimates that any such effects would be negligible.

Increasing the government's use of commercial launch services could increase the use of federal launch property or services by the private sector. Under current law, nonfederal entities reimburse the Department of Defense and the National Aeronautics and Space Administration for using such facilities, and agencies spend the proceeds to cover the costs incurred. Because any increase in collections resulting from additional commercial activity would be offset by new spending, the net effect of H.R. 1702 on direct spending would be negligible.

H.R. 1702 also would allow OCST to impose civil penalties for violations of licensing agreements for space transportation systems that involve reentry vehicles, sites, and operations. Enacting H.R. 1702 could result in increased collections of civil fines, which are classified as governmental receipts (revenues), but CBO estimates that any such increase would not be significant.

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