

Ranking Member Brian Babin Space Subcommittee Hearing Opening Statement "The Commercial Space Landscape: Innovation, Market, and Policy" July 25, 2019

Our nation's history in space has always featured partnerships with industry. From McDonnell Aircraft Corporation building the Mercury and Gemini capsules, to Grumman building the Lunar Excursion Module for Apollo, or the United Space Alliance operating the Space Shuttle fleet, contractors and the private sector have worked hand-in-hand with NASA since the dawn of the space age. The future will be no different. In order to ensure that our nation, government, military, industrial base, and society will continue to benefit from the unique opportunities that space affords, we must carefully craft a framework for the future.

That is why I was pleased to see the Administration put forward Space Policy Directives (SPD) 1, 2, and 3. SPD-1 directed NASA to "lead an innovative and sustainable program of exploration with commercial and international partners to enable human expansion across the solar system and to bring back to Earth new knowledge and opportunities." I applaud this goal. Space exploration will require collaboration with the private sector just as it did 50 years ago when Apollo 11 first landed on the Moon. As we chart a new course, NASA must find the right balance for how it procures hardware and services.

If done correctly, NASA can leverage private sector investments to enable national exploration goals. If done poorly, public-private partnerships could end up simply as corporate welfare. We must carefully guard against subjecting our civil space enterprise to the uncertainty of markets.

To paraphrase a former Secretary of the Treasury and Director of the National Economic Council, the government is a poor venture capitalist. We must ensure that any cooperation is based on sound market projections, and that the private sector truly has "skin in the game."

Turning to the other Space Policy Directives related to commercial space, SPD 2 and 3 directed agencies to streamline the regulation of private sector space activities, and provide better space situational awareness to space operators. In response to these directives, agencies are working to craft rules to cut red-tape while also providing certainty to the market and meeting our domestic and international obligations. Despite the best intentions of the

Administration, the first attempts by the Department of Transportation, the Department of Commerce, and the Federal Communication Commission all seem to fall short.

This is not surprising. The regulatory path is fraught with uncertainty, beholden to the whims of unelected bureaucracies, and unresponsive to the needs of a rapidly innovating field. But there are a multitude of other constructs that can satisfy our obligations without stifling innovation or smothering the embers of creativity. Standards-setting bodies, self-regulating organizations, carefully crafted public-private partnerships, and many other solutions should all be on the table.

How we craft space regulations is imperative to our future in space. Other states stand willing to challenge U.S. leadership in space through regulatory competition. In a global environment, individuals and companies are free to shop for the most attractive environment to claim as "home." The implications of this choice go far beyond national pride. When space operators associate themselves with a particular nation, they bring jobs, economic growth, and tax revenue. They attract the best and brightest entrepreneurs, scientists, engineers, and technicians, and create an incubator for future success. We cannot afford to scare these folks away to other nations that will gladly provide a flag of convenience.

Aside from the established commercial space industries like communications, launch, and remote sensing, we must also consider new and unique activities such as space-to-space remote sensing, commercial space-based signals collection, space resource utilization, satellite servicing, and commercial habitat services, amongst others. None of these activities were seriously envisioned 50 years ago, so it stands to reason that we have no idea what the next 50 years will have in store.

How we structure partnerships between our civil and commercial space sector, and how will regulate our private sector activities is one of the fundamental space policy questions of our time. Whether or not our system of values will be carried by the future pioneers of outer space will likely hinge on the degree to which America is able to unleash the awesome power of freedom and protect against government overreach. I for one want to see the future of humanity in outer space guided by the principles of our great nation. The commercial space sector holds great promise. I look forward to working with my colleagues to make sure the commercial space policies, laws, and regulations we adopt in the future enable accomplishments just as amazing as those we celebrated last week.

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