



American Space Commerce Act of 2020

Background

The US is the only nation with a competitive private commercial space launch industry. Commercial space launch vehicles manufactured and launched in the US are crucial to continuing the country's economic, national security, scientific, and exploration leadership.

American companies developing small launch vehicles are financed predominately by private capital, while several foreign governments have begun to provide subsidies/developmental support for their own vehicles in order to compete for market share. These subsidized foreign launch providers can undercut American efforts, thereby substantially harming our American industrial base.

A 2019 Report to Congress by the US-China Economic and Security Review Commission stated, "China is taking steps to establish a commanding position in the commercial launch and satellite sectors relying in part on aggressive state-backed financing that foreign market-driven companies cannot match. China has already succeeded in undercutting some US and other foreign launch and satellite providers in the international market.". China announced a plan to advance its Space ambitions by creating a Space Economic Zone to generate \$10 trillion annually.

NASA and the Department of Defense depend on the US commercial launch industry, further emphasizing the need for increased use of US-manufactured commercial space vehicles launched domestically by US launch service providers.

To help maintain and bolster US leadership in the space industry, enhance public-private partnerships with American companies and further increase US innovation, Florida Senators Marco Rubio and Rick Scott have introduced S 3875 - the American Space Commerce Act of 2020 and Representatives Charlie Crist and Bill Posey introduced the House version of the legislation (HR 6873). This legislation is supported by Space Florida, SpaceX, United Launch Alliance, Aerospace Industry Association, Boeing, and Blue Origin.

The American Space Commerce Act would allow bonus depreciation for qualified domestic space launch property that is placed in service before January 1, 2033. The same would apply to equipment used to facilitate a domestic launch, including any space transportation vehicles or payloads that are substantially manufactured within the US.

Position

The Daytona Regional Chamber supports the American Space Commerce Act S 3875/HR 6873 which would amend the Internal Revenue Code of 1986 to provide bonus depreciation for certain space launch expenditures, and for other purposes.

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