

UNCLASSIFIED

MEMORANDUM

TO: Senator Ted Cruz, Chairman, Senate Commerce, Space, and Transportation Committee

FROM: Zeinah Abdelsalam

RE: Assessing Expedited Hearings for The LAUNCH Act

DATE: March 11, 2026, 11:00 a.m. – 2:00 p.m., 5:00 p.m. – 10:00 p.m.

I. OVERVIEW

The “Licensing Aerospace Units to New Commercial Heights” or “LAUNCH” Act (S1961) addresses a genuine and urgent regulatory gap as commercial space launches accelerate exponentially and existing frameworks struggle to keep pace. Executive Order 14335's expansion of discretionary authority over environmental review demands a congressional response to reassert legislative oversight. This memo recommends you expedite S1961 hearings, with conditions. The bill must enshrine accountable modernization: digitizing licensing and environmental review simultaneously, preserving NEPA as a reformed rather than eliminated framework, and ensuring government retains regulatory authority over industry. S1961's narrow drafting and bipartisan sponsorship make it the right vehicle to reframe the debate – not deregulation versus environment, but analog versus digital governance – and build the political coalition needed for broader space policy reform ahead.

II. BACKGROUND

Commercial space has transformed from a government-dominated sector into a diverse private marketplace, with U.S. launch frequencies growing from 36 in 2020 to 117 by 2023 (Weeden & Woodburn 2024). The FAA's existing licensing framework, built for a slower era, has struggled to keep pace, prompting a transition to Part 450 performance-based rules intended to offer greater flexibility (CRS 2025). However, implementation ambiguity has created new delays, leaving commercial providers frustrated with an opaque and slow process that threatens U.S. global competitiveness. Congress responded with S1961, the LAUNCH Act, which proposes elevating the FAA's commercial space office, digitizing licensing, and streamlining oversight. Simultaneously, EO 14335 granted the executive branch new discretionary authority over environmental review, raising questions about congressional authority and NEPA compliance. Policymakers now face a problem: how to accelerate the commercial space economy without sacrificing safety, environmental standards, or public transparency.

III. SITUATION EVALUATION

Science/Technology: Commercial space operations depend on launch and reentry vehicles – increasingly reusable – powered by propellants including kerosene, liquid methane, and hydrazine (CRS 2025; Abelson & Thresher 2025). Supporting infrastructure includes coastal spaceports, integration facilities, fueling stations, and flight safety systems reliant on dedicated radio-frequency spectrum (Scherer 2026). While technological advances have dramatically

reduced costs and increased launch frequency, they have introduced new environmental pressures. Coastal spaceport sites sit in ecologically fragile transition zones between land and sea, and increasing launch rates generate cumulative impacts – atmospheric emissions from diverse propellants, noise pollution, and debris risk – that existing environmental review frameworks were not designed to handle at this scale (Abelson & Thresher 2025).

Domestic Policy Implications: The LAUNCH Act’s domestic policy implications reflect a complex balancing act. Elevating the FAA’s Office of Commercial Space Transportation to a standalone administration signals the sector’s growing importance, but risks complicating essential coordination with the FAA’s Air Traffic Organization if re-organization is rushed (CRS 2025). The ongoing transition to Part 450 performance-based rules, while well-intentioned, has introduced implementation ambiguity and exposed persistent staffing and expertise gaps within regulatory agencies. Meanwhile, aging spaceport infrastructure requires significant upgrades to accommodate higher launch cadences and newer, more volatile fuels (CRS 2025). Most critically, EO 14335’s categorical NEPA exclusions risk bypassing public comment and environmental fact-finding, while creating tensions with coastal states’ authority under the Coastal Zone Management Act (CSE 2025). The answer is not deregulation, but accountable modernization – digitizing licensing and environmental review simultaneously rather than eliminating oversight entirely.

Stakeholders: Stakeholders span the full spectrum of interests. Industry players, like SpaceX, Blue Origin, and Rocket Lab, alongside DOD and NASA, broadly support expediting S1961, prioritizing speed and competitiveness (CRS 2025; Congress S1961). Regulatory bodies like FAA/AST and DOT support modernization but require reorganization that preserves meaningful oversight (CRS 2025). Environmental groups, including the Center for Space Environmentalism and the Center for Biological Diversity, oppose NEPA exclusions, while coastal, local, and indigenous communities bear direct impacts from spaceport siting and launch activity (Abelson & Thresher 2025). State governments hold legitimate sovereignty concerns under the Coastal Zone Management Act. Your industry base demands speed, but Senators Cornyn and Kelly explicitly warn that ignoring environmental stakeholders risks galvanizing a powerful opposition coalition against the entire space program.

International Implications: The international dimension is urgent. China’s centralized governance model allows it to move faster on space development; an asymmetry the U.S. cannot match institutionally, nor should it attempt to by sacrificing democratic accountability. However, bureaucratic red tape remains a real bottleneck at a pivotal moment for global leadership. Space capabilities are inherently dual-use, making space policy inseparable from national security policy. At the same time, digital licensing systems must adhere to international treaty obligations (CRS 2025; Wooden & Woodburn 2024). Accountable modernization is therefore not merely a regulatory argument – it is a competitiveness argument, and the foundation upon which sustained U.S. leadership in space depends.

IV. PROPOSAL EVALUATION

Feasibility: S1961 is well-positioned for expedited hearings. Its bipartisan sponsorship (Sens. Cornyn (R-TX) and Kelly (D-AZ)) and narrow drafting make it less politically contentious than broader spaceport legislation. However, the recent delay of your FCC satellite bill – after

Democratic concerns about automatic approval loopholes when deadlines are missed – signals a live risk. Any expedited hearing process must proactively address these concerns to maintain bipartisan momentum.

Desirability: S1961 is both timely and necessary. EO 14335's expansion of executive discretionary authority over environmental review demands a congressional response to reassert legislative oversight. Digital modernization of the licensing process is long overdue. Crucially, digitizing licensing and environmental review simultaneously reframes the debate – this is not deregulation versus environmental protection, but analog versus digital governance. Additionally, expediting S1961 hearings builds the bipartisan political coalition needed for the harder infrastructure and science bills that must follow.

Unintended Consequences: Several risks warrant attention. Auto-approval mechanisms, as flagged in the FCC bill delay, set a dangerous precedent where speed overrides accountability. Categorical NEPA exclusions risk galvanizing environmental and coastal opposition into a powerful coalition against the broader space program. Rushed FAA/AST reorganization could disrupt critical coordination with the Air Traffic Organization. Finally, digital systems designed primarily for speed risk ceding meaningful regulatory control to industry; the government must retain the upper hand.

V. RECOMMENDATION

You should expedite hearings for S1961, but with clear conditions. The bill must enshrine accountable modernization: digitizing not just licensing but environmental review simultaneously, ensuring government retains regulatory authority over a private sector that must be incentivized to comply, not empowered to self-regulate. NEPA should be reformed, not eliminated, because bypassing environmental oversight risks triggering the very coalition of opposition that would set the broader space program back. S1961's bipartisan foundation makes it the right vehicle, at the right moment, to reassert congressional direction over executive overreach and build momentum for harder legislation ahead. The U.S. cannot afford to trip on its own red tape while China accelerates, but speed without accountability is not a strategy, it is a liability.

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