



Aerospace Advisory Committee

June 6, 2007 10:00 am

Speaker's Conference Room, 6th Floor, General Assembly Building

- **Call to order, roll call:**

Delegate John Cosgrove, chairman of the Aerospace Advisory Committee called the meeting to order. The members of the committee and JCOTS staff introduced themselves and shared their interest and experience in Aerospace policy within the Commonwealth and nationally.

- **Chairman's Opening Remarks.**

Delegate Cosgrove emphasized the diversity and accomplishments of the committee's members. He stated that aerospace research and development is a growing industry and expanding in Northern Virginia.

- **Overview of the role of JCOTS advisory committees.**

Staff provided a brief introduction to the committee about the role of JCOTS in establishing science and technology policy in the Commonwealth, and how the various committees work with JCOTS in establishing this policy. A copy of the presentation is available at the JCOTS website.

- **Overview of state and federal aerospace law.**

JCOTS staff provided an overview of state and federal aerospace law. Staff emphasized the evolution of federal law and recent Commonwealth policy initiatives aimed at furthering commercial investment. Of particular note was Virginia code sections § 58.1-609.3 and §§ 8.01-227.8, 227.9, and 227.10. Section 58.1-609.3, passed in 1997, establishes exemptions for local sales and use taxes for equipment, fuel, and machinery used to operate or maintain orbital or suborbital space facilities. HB 3184 (Kilgore 2007) established §§ 8.01-227.8, 227.9, and 227.10, entitled the Space Flight Liability and Immunity Act. The Act grants immunity to space flight entities providing space flight activities to any participant in a suborbital flight.



Staff also discussed the role of the Governor's Aerospace Advisory Council. A copy of the presentation is available at the JCOTS website.

- **Overview of the Mid-Atlantic Regional Spaceport (MARS):**

Billie Reed, Executive Director of the Virginia Commercial Space Flight Authority, provided a presentation on the history and current activities at MARS. He explained the administration of MARS and the Memorandum of Agreement between the Governors of Virginia and Maryland signed in 2003. Mr. Reed also explained that the 2006 Federal Appropriations Bill for NASA appropriated \$500K for the Authority to conduct a study for the "Expansion of Wallops Island Flight Center into a Next Generation Cargo Spaceport."

Mr. Reed also explained that the spaceport has had two successful launches in the past six months, with a third scheduled for October. A copy of Mr. Reed's presentation on MARS is available at the JCOTS website.

- **Discussion and formulation of work plan:**

Delegate Cosgrove opened the discussion by asking the committee what should be the focus of the committee and what should the committee seek to accomplish?

A member suggested the committee should focus on facilitating growth of commercial investment in space flights in the Commonwealth. The member suggested three items the committee should discuss; tax exemptions for earned income in a zero gravity environment, establishment of an Aerospace Venture Fund, and meeting with commercial space businesses in northern Virginia.

Another member stated the committee should address land use regulations to support sustainability of MARS. The members generally agreed that the Commonwealth should seek to avoid the problems that arose at Naval Air Station Oceana.

Members agreed that there exist obstacles which may inhibit increased growth. Transportation to the MARS facility, broadband capabilities, and land use planning were a concern of all the members.

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Members discussed what constitutes encroachments to the MARS facility (e.g., offshore wind mills, Commonwealth residents wishing to reside near the ocean, offshore oil exploration, etc.).

A member inquired about the size of the commercial market for larger vehicles. Members cited the Futron Study conducted in New Mexico, which suggests up to 10,000 commercial space passengers per year in the next ten to twenty years. There was some debate among the members as to the accuracy of launch market predictions, but the consensus was that it will continue to increase.

Funding was a key issue for many members. With the future of investment of \$200 million in New Mexico there is a great divide in capital investment among the states competing for launch business.

Education of the public about MARS and space exploration emerged as a central theme. All members agreed that the Commonwealth needs to educate its citizens, as well as citizens across the nation. Members feel it is important for the public to know that MARS is not a private facility and welcomes tourists. A member suggested that public education of blast zones and land use regulations are also important.

One member pointed out the current relationship between Langley and Wallops and the ability to strengthen the relationship to support the Research Center. Members agreed that continuing and expanding current relationships is important.

Delegate Plum stated that the Commonwealth is on the verge of something meaningful, and what the committee can do to impel the further educational and commercial objectives should be the goal of the committee.

Chairman Cosgrove made closing remarks. He thanked the members and stated his appreciation for their powerful and dynamic backgrounds. Delegate Cosgrove also stated that a Jamestown artifact would be carried aboard the Shuttle Atlantis to commemorate the 400 year anniversary of Jamestown.

• **Public comment:**

No public comment was received.

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- **Actions for next meeting.**

The committee identified several potential agenda items for future meetings, including:

- Study other states tax exemptions related to orbital and suborbital spaceflight;
- Identify obstacles and barriers which inhibit commercial investment of spaceflight in the Commonwealth;
- Discuss Incentives that can be used by the Commonwealth to increase commercial spaceflight;
- Research MARS facility encroachments and proper land use regulations;
- Educate the public on MARS and other space exploration information; and
- Potentially schedule an advisory committee meeting at the MARS facility or in northern Virginia at the Space Frontier Development Conference.

- **Adjournment.**