

AMENDMENT TO RULES COMMITTEE PRINT 119-

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OFFERED BY MR. MILLS OF FLORIDA

At the appropriate place in subtitle F of title X, insert the following:

1 **SEC. 10__ . AUTHORITY FOR THE CHIEF OF SPACE OPER-**
2 **ATIONS OF THE UNITED STATES SPACE**
3 **FORCE TO ISSUE DIRECT LOANS TO CERTAIN**
4 **SMALL BUSINESSES.**

5 (a) **AUTHORITY TO ISSUE DIRECT LOANS.—**

6 (1) **IN GENERAL.—**Subject to the Federal Cred-
7 it Reform Act of 1990 (2 U.S.C. 661 et seq.), the
8 Chief of Space Operations shall issue a direct loan
9 under this section to an eligible entity for the pur-
10 pose of financing the covered costs of an eligible
11 project of the eligible entity.

12 (2) **MAXIMUM AMOUNT OF DIRECT LOANS AU-**
13 **THORIZED.—**The aggregate principal amount of di-
14 rect loans issued under this section, including all
15 capitalized interest, may not exceed \$2,500,000,000.

16 (b) **APPLICATIONS.—**

17 (1) **IN GENERAL.—**To receive a direct loan
18 under this section, an eligible entity shall submit to

1 the Chief of Space Operations an application for
2 such a loan at such time, in such manner, and con-
3 taining such information as the Chief of Space Oper-
4 ations may require.

5 (2) DEMONSTRATION OF PROSPECTS OF REPAY-
6 MENT.—An application for a direct loan submitted
7 under paragraph (1) shall include information dem-
8 onstrating that the applicant has a reasonable ability
9 to repay the loan without using the proceeds of sales
10 to the Federal Government, in accordance with sub-
11 section (d)(2)(B).

12 (3) COMPLETE APPLICATION.—

13 (A) TIMING ON NOTIFICATION AS TO COM-
14 PLETENESS.—Not later than 30 business days
15 after the date on which the Chief of Space Op-
16 erations receives an application submitted under
17 paragraph (1), the Chief of Space Operations
18 shall notify the applicant as to whether such
19 application is complete.

20 (B) SUBMISSION DATE FOR COMPLETE AP-
21 PPLICATION.—Except as provided in subpara-
22 graph (D), a complete application shall be
23 treated as submitted on the date on which the
24 application is originally received by the Chief of
25 Space Operations.

1 (C) NOTIFICATION OF INCOMPLETE-
2 NESS.—If the Chief of Space Operations deter-
3 mines that an application submitted under
4 paragraph (1) is incomplete, the Chief of Space
5 Operations shall notify the applicant and pro-
6 vide for a reasonable opportunity, as deter-
7 mined by the Chief of Space Operations, for the
8 applicant to submit the additional information
9 necessary to complete the application.

10 (D) SUBMISSION DATE FOR PREVIOUSLY
11 INCOMPLETE APPLICATION.—In the case of an
12 application that is completed under subpara-
13 graph (C), the completed application shall be
14 treated as submitted on the date on which the
15 additional information necessary to complete
16 the application is received by the Chief of Space
17 Operations under that subparagraph.

18 (4) NOTICE TO APPLICANTS.—Not later than
19 180 days after the date on which the Chief of Space
20 Operations receives from an eligible entity a com-
21 plete application under this subsection, the Chief of
22 Space Operations shall provide to the eligible entity
23 written notice—

24 (A) approving the application; or

1 (B) denying the application and providing
2 guidance as to the reason the application was
3 so denied.

4 (5) SOLICITATIONS.—Not later than one year
5 after the date of the enactment of this Act, the
6 Chief of Space Operations shall solicit applications
7 under this subsection.

8 (c) CREDITWORTHINESS.—

9 (1) IN GENERAL.—No direct loan for an eligible
10 project may be issued to an eligible entity under this
11 section unless the Chief of Space Operations deter-
12 mines that—

13 (A) the project has the potential to enable
14 the Space Force to meet mission-critical needs
15 of the Space Force;

16 (B) the eligible entity is creditworthy; and

17 (C) there is a reasonable assurance of re-
18 payment of the principal of, and any interest
19 on, the proposed direct loan by the eligible enti-
20 ty without the eligible entity using the proceeds
21 of sales to the Federal Government, in accord-
22 ance with subsection (d)(2)(B).

23 (2) CONSIDERATIONS.—In making the deter-
24 minations under paragraph (1), the Chief of Space

1 Operations shall take into consideration relevant fac-
2 tors, including the following:

3 (A) The terms, conditions, financial struc-
4 ture, and security features of the proposed di-
5 rect loan.

6 (B) The dedicated revenue sources pro-
7 posed to secure or fund the repayment of the
8 proposed direct loan.

9 (C) The financial assumptions upon which
10 the proposed eligible project is based.

11 (D) The financial soundness and credit
12 history of the eligible entity.

13 (d) DIRECT LOANS.—

14 (1) AGREEMENTS.—

15 (A) IN GENERAL.—Subject to paragraph
16 (2), the Chief of Space Operations shall enter
17 into an agreement with an eligible entity the
18 application of which is approved pursuant to
19 subsection (b)(4)(A) to issue a direct loan to
20 such eligible entity for the purpose of financing
21 the covered costs of the eligible project specified
22 in such application.

23 (B) CREDIT SUBSIDY FEE.—Prior to en-
24 tering into an agreement under this subsection

1 with respect to a proposed direct loan, the Chief
2 of Space Operations—

3 (i) in consultation with the Director of
4 the Office of Management and Budget,
5 shall determine the cost (as defined in sec-
6 tion 502 of the Federal Credit Reform Act
7 of 1990 (2 U.S.C. 661a)) to the Federal
8 Government of issuing the proposed direct
9 loan; and

10 (ii) shall charge and collect from the
11 eligible entity, as a credit subsidy fee, a
12 payment equal to the amount determined
13 under clause (i) to cover the cost of the
14 proposed direct loan.

15 (2) TERMS AND LIMITATIONS.—

16 (A) IN GENERAL.—A direct loan issued
17 under this section shall be subject to such
18 terms and conditions, and contain such cov-
19 enants, representations, warranties, and re-
20 quirements, including requirements for audits,
21 as the Chief of Space Operations determines
22 appropriate.

23 (B) REPAYMENT.—No direct loan issued
24 under this section, including any part of the
25 principal of, or interest on, such a direct loan,

1 may be repaid with the proceeds of a sale to the
2 Federal Government.

3 (C) INTEREST RATE.—The interest rate on
4 a direct loan issued under this section shall be
5 not less than the average market yield on out-
6 standing marketable United States Treasury se-
7 curities having maturities comparable to the
8 maturity of the direct loan on the date of execu-
9 tion of the loan agreement.

10 (D) MATURITY DATE.—The final maturity
11 date of a direct loan issued under this section
12 shall be the earlier of—

13 (i) the date that is 25 years after the
14 date of substantial completion of the rel-
15 evant project; or

16 (ii) if the useful life of the project, as
17 determined by the Chief of Space Oper-
18 ations, is less than 35 years, the end of the
19 useful life of the project.

20 (E) NONSUBORDINATION.—A direct loan
21 made under this section shall not be subordi-
22 nate to any other financing in the event of
23 bankruptcy, insolvency, or liquidation of the ob-
24 ligor.

1 (F) ADMINISTRATIVE EXPENSES.—In ad-
2 dition to the charging and collection of credit
3 subsidy fees under paragraph (1)(B), the Chief
4 of Space Operations may charge, collect, and
5 spend fees at a level sufficient to cover all or a
6 portion of the expense of administering this sec-
7 tion. Such administrative expenses may include
8 the costs of services obtained or retained under
9 subsection (e) with respect to the administra-
10 tion of this section or a particular direct loan
11 issued under this section.

12 (3) REPAYMENT.—

13 (A) IN GENERAL.—The term of any direct
14 loan obligation under this section shall require
15 full repayment of the principal of, and any in-
16 terest on, the direct loan by not later than the
17 maturity date set forth by paragraph (2)(D)
18 with respect to that direct loan.

19 (B) COMMENCEMENT.—Scheduled loan re-
20 payments of the principal of, and any interest
21 on, a direct loan issued under this section shall
22 commence by not later than—

23 (i) the date that is 4 years after the
24 date of substantial completion of the rel-
25 evant project; or

1 (ii) the date that is 8 years after the
2 disbursement date of such direct loan.

3 (C) CAPITALIZED INTEREST.—Interest on
4 the outstanding principal of a direct loan issued
5 under this section shall accrue during the pe-
6 riod before the first scheduled repayment date
7 under the repayment schedule for the loan and
8 shall be amortized for payment over the remain-
9 ing term of the loan.

10 (e) ASSISTANCE SERVICES.—In carrying out this sec-
11 tion, the Chief of Space Operations may—

12 (1) retain the services of persons, including
13 counsel and consultants, with expertise in such fields
14 as the Chief of Space Operations considers necessary
15 or helpful for purposes of this section; and

16 (2) enter into contracts, including contracts for
17 services authorized by section 3109 of title 5, United
18 States Code.

19 (f) REPORT TO CONGRESS.—

20 (1) SUBMISSION.—Not later than three years
21 after the date of the enactment of this Act, the
22 Chief of Space Operations shall submit to the Com-
23 mittees on Armed Services of the Senate and the
24 House of Representatives a report summarizing the

1 projects for which the Chief of Space Operations has
2 issued direct loans under this section.

3 (2) MATTERS.—The report required by para-
4 graph (1) shall include a description of the following:

5 (A) The applications received for direct
6 loans under this section.

7 (B) The projects selected for direct loans
8 under this section, including a description of
9 the projects and the basis for the selection of
10 such projects with respect to the requirements
11 of this section.

12 (C) The amount of the direct loan provided
13 for each project selected under this section, re-
14 spectively.

15 (D) The financial performance of each
16 project selected under this section, including an
17 evaluation of whether the project furthers the
18 purposes of this section.

19 (E) The benefits and effects of the imple-
20 mentation of this section, including the benefit
21 to national security and other public benefits
22 provided by the projects selected under this sec-
23 tion.

24 (g) FUNDING.—

1 (1) USE OF FUNDS.—Obligations incurred by
2 the Chief of Space Operations under this section
3 shall be subject to the availability of funds provided
4 in advance specifically for the purpose of direct loans
5 authorized under this section. Such loans are subject
6 to the requirements of the Federal Credit Reform
7 Act of 1990 (2 U.S.C. 661 et seq.).

8 (2) ADMINISTRATIVE EXPENSES.—Administra-
9 tive expense fees collected pursuant to subsection
10 (d)(2)(F) shall be deposited into the appropriation
11 account for administrative expenses of the direct
12 loan program under this section and shall be—

13 (A) in addition to the amount of funds ap-
14 propriated to be expended for administrative ex-
15 penses; and

16 (B) available until expended for adminis-
17 trative expenses, including ongoing expenses, of
18 the direct loan program under this section.

19 (3) CREDIT SUBSIDY FEES.—Credit subsidy
20 fees collected pursuant to subsection (d)(1)(B)(ii)
21 shall be deposited into the financing account for the
22 direct loan program established pursuant to the
23 Federal Credit Reform Act of 1990 (2 U.S.C. 661
24 et seq.).

1 (4) APPROPRIATION.—Amounts appropriated to
2 administer the loan program shall be recouped by
3 the Federal agency administering the program from
4 the loanee, and such recoupment shall occur as de-
5 termined by the agency to ensure proper manage-
6 ment and oversight of the funds allocated for this
7 purpose.

8 (h) TERMINATION.—The authority to issue new di-
9 rect loans under this section shall terminate on the date
10 that is five years after the date of the enactment of this
11 Act.

12 (i) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion may be construed to allow or require the use of appro-
14 priated discretionary funds to repay the cost (as defined
15 in section 502 of the Federal Credit Reform Act of 1990
16 (2 U.S.C. 661a)) of direct loans authorized by this section.

17 (j) DEFINITIONS.—In this section:

18 (1) With respect to an eligible project, the term
19 “covered costs” means—

20 (A) the cost of—

21 (i) startup-phase activities, including
22 planning, feasibility analysis (including any
23 related analysis necessary to carry out an
24 eligible project), revenue forecasting, envi-
25 ronmental review, permitting, preliminary

1 engineering and design work, and other
2 preconstruction activities;

3 (ii) satellites, satellite launches, and
4 related expenses;

5 (iii) the acquisition and improvement
6 of real property or an interest in real prop-
7 erty;

8 (iv) the acquisition or manufacturing
9 of equipment and components of such
10 equipment; and

11 (v) capitalized interest necessary to
12 meet market requirements, reasonably re-
13 quired reserve funds, cost contingencies,
14 capital issuance expenses, and other car-
15 rying costs during construction; and

16 (B) any other cost with respect to the
17 project that the Chief of Space Operations de-
18 termines the financing of which is necessary to
19 promote participation by a small business in
20 satellite imaging capabilities for the acquisition
21 of persistent, all domain awareness in further-
22 ance of the national security of the United
23 States.

1 (2) The term “Chief of Space Operations”
2 means the Chief of Space Operations of the United
3 States Space Force.

4 (3) The term “direct loan”—

5 (A) means a disbursement of funds by the
6 Government to a non-Federal borrower under a
7 contract that requires the repayment of such
8 funds with or without interest;

9 (B) includes the purchase of, or participa-
10 tion in, a loan made by another lender and fi-
11 nancing arrangements that defer payment for
12 more than 90 days, including the sale of a Gov-
13 ernment asset on credit terms; and

14 (C) does not include the acquisition of a
15 federally guaranteed loan in satisfaction of de-
16 fault claims.

17 (4) The term “eligible entity” means a small
18 business concern (as defined in section 3 of the
19 Small Business Act (15 U.S.C. 632)) that produces
20 or supplies—

21 (A) a technology listed in the most up-to-
22 date version of the list of critical and emerging
23 technologies published by the Executive Office
24 of the President or the integrated priority list

1 published by the Administrator of the Defense
2 Technical Information Center; or

3 (B) any other technology that the Presi-
4 dent determines is necessary to the national se-
5 curity of the United States.

6 (5) The term “eligible project” means a project
7 that uses geostationary orbit satellites to acquire im-
8 mediate and continuous imagery of the Earth.

9 (6) The term “obligor” means an eligible entity
10 that is primarily liable for payment of the principal
11 of, and any interest on, a direct loan made under
12 this section.

13 (7) The term “substantial completion” means,
14 with respect to an eligible project, the date on which
15 a project is considered by the Chief of Space Oper-
16 ations to achieve full operational capability.

