

GAO Highlights

Highlights of [GAO-18-96](#), a report to congressional requesters

Why GAO Did This Study

The Office of Commercial Space Transportation, which regulates and promotes the U.S. commercial space launch industry, was established in 1984 within the Office of the Secretary of Transportation and transferred to FAA in 1995. In 2015, GAO reported that the Office of Commercial Space Transportation faced challenges associated with the growth of the commercial space launch industry such as licensing more launches. To help meet these and other challenges such as updating regulations, some industry stakeholders and others suggested that the Office of Commercial Space Transportation should be moved back to the Office of the Secretary of Transportation.

GAO was asked to review issues regarding transferring the Office of Commercial Space Transportation from FAA to the Office of the Secretary of Transportation. This report addresses: (1) selected stakeholders' and officials' perspectives on transferring the Office of Commercial Space Transportation from FAA to the Office of the Secretary of Transportation, (2) what steps would be required to make this transfer, and (3) key practices and considerations GAO has previously identified for organizational changes that could be instructive for such a transfer. GAO interviewed industry stakeholders and FAA and DOT officials, reviewed the steps taken during the office's 1995 transfer, and reviewed prior reports on key practices and questions to consider regarding organizational changes.

GAO is making no recommendations in this report.

View [GAO-18-96](#). For more information, contact Gerald L. Dillingham, Ph.D. at (202) 512-2834 or dillingham@gao.gov

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FEDERAL AVIATION ADMINISTRATION

Stakeholders' Perspectives on Potentially Moving the Office of Commercial Space Transportation

What GAO Found

Representatives from commercial space launch companies and spaceports GAO interviewed described advantages and disadvantages of moving the Office of Commercial Space Transportation to the Office of the Secretary of Transportation, but most of them favored moving the office. Conversely, most Federal Aviation Administration (FAA) officials GAO interviewed did not favor the idea. A senior official in the Office of Commercial Space Transportation said that there are advantages and disadvantages to moving the office and that whether such an action would be beneficial depends on the implementation details and the administration's preferences. Officials from the Office of the Secretary of Transportation said they currently do not have plans to move the office. Stakeholders' and officials' perspectives are based on what they perceive could occur as a result of a move, for example:

- *Communication and coordination:* Department of Transportation (DOT) officials said that a possible advantage of moving the office would be having a unified point of contact for the industry in communicating about commercial space launch issues, while FAA officials said that moving the office could make it more difficult for FAA offices to coordinate on commercial space activities.
- *Regulations:* Some stakeholders said that moving the office could help accelerate the pace of commercial space regulatory reform, but DOT officials said that moving the office would not necessarily do so.
- *Resources:* According to some stakeholders and a senior official in the Office of Commercial Space Transportation, moving the office out of FAA could give commercial space launch issues a higher profile and more resources because FAA is focused on aviation as opposed to commercial space. However, officials from the Office of the Secretary of Transportation said that it is uncertain whether the office would receive more resources if it were moved to the Secretary's office.

The Secretary of Transportation could move all or part of the office through a delegation of responsibilities for commercial space, as was the case in the prior move in 1995. If the office were moved, other necessary steps would include addressing the differences in pay scales between FAA and the Office of the Secretary of Transportation, obtaining support services and office space, and establishing new coordination and communication processes and procedures.

GAO's prior work has identified key practices and questions for consideration when evaluating proposals for or implementing organizational changes such as a consolidation or merger. These key practices include: (1) focusing on a key set of principles and priorities at the outset of the transformation, (2) setting implementation goals and a timeline to build momentum and show progress, and (3) establishing a communication plan. Questions to consider when evaluating consolidation proposals include (1) What are the goals of the consolidation? and (2) What will be the likely costs and benefits of the consolidation?