 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Review of the Outer Space Act (1986)	
<b>Lead Department/Agency</b>	Department for Business Innovation and Skills	
<b>Stage</b>	Final	
<b>IA number</b>	BIS0067	
<b>Origin</b>	Domestic	
<b>Expected date of implementation (and SNR number)</b>	2013 (SNR 6)	
<b>Date submitted to RPC</b>	20/06/2013	
<b>RPC Opinion date and reference</b>	25/06/2013	RPC13-BIS-1040(3)
<b>Overall Assessment</b>	<b>GREEN</b>	
<b>RPC comments</b>  <p>The IA is fit for purpose. The IA addresses the issues raised in our Opinion 12/03/2013 and provides sufficient analysis and evidence to enable validation of the equivalent annual net cost to business (EANCB) figure.</p>		
<b>Background (extracts from IA)</b>  <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p>The UK Outer Space Act 1986 and its licensing regime for UK space activities have continued without amendment for over 20 years. The UK Space Agency (UKSA) has carried out a formal review of the licensing system and identified areas where there is room for improvement. In particular, the treatment of contingent liabilities under the Act is inconsistent with practice in other space faring nations and in other UK sectors that have comparable contingent liabilities (e.g. nuclear power, offshore oil). The uncertainty surrounding contingent liabilities mean that premiums charged by insurance companies are higher than a functioning market price, leading to UK satellite operators being at a global competitive disadvantage.</p> <p><b>What are the policy objectives and the intended effects?</b></p> <p>To balance the risks to Government arising from UK space activity with the need to enable UK industry to exploit fully the opportunities available to them and to compete on a level playing field in the global space industry whilst also allowing better global access to the UK market. To address anomalies in comparison with other countries in the way the UK treats contingent liabilities arising from space activities and between the way contingent liabilities arising from space activities are treated in comparison with other UK sectors. The proposals will aim to improve certainty for the industry to operate and improve competition in global markets by bringing legislation in line with other countries'.</p>		
<b>Comments on the robustness of the OITO assessment</b>		

The IA addresses the issues raised in our previous Opinion of 12/03/2013 and now presents the estimated impacts on business consistently, and adequately explains the treatment of the non-preferred option.

The IA says that it is a deregulatory proposal (an OUT) with an EANCB of -£0.96m. This is consistent with the current Better Regulation Framework Manual (paragraph 1.9.11) and provides a reasonable assessment of the likely impacts.

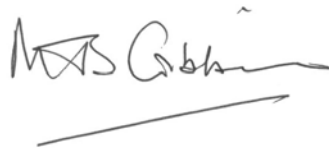
**Comments on the robustness of the Small & Micro Business Assessment (SMBA)**

The proposals regulate business but come into force before 1 April 2014 and therefore the SMBA is not applicable.

**Quality of the analysis and evidence presented in the IA**

No comments.

**Signed**

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

**Michael Gibbons, Chairman**