



Commissioner Danny Werfel
United States Internal Revenue Service
1111 Constitution Ave. NW
Washington, DC 20224

June 5, 2023

Commissioner Werfel,

I first want to congratulate you on your recent appointment as the 50th U.S. IRS Commissioner; you are taking over during a unique time in our nation and our economy.

As the president and CEO of Space Florida, the state's aerospace finance and development authority, I am writing to strongly urge you to support adding spaceports as a qualified tax-exempt category of private activity bonds to encourage critical infrastructure improvements for the benefit of U.S. economic competitiveness in the global space industry and to strengthen our national security. Today it is well understood the historic and current imperative of assuring airports and seaports ("docks and wharfs") qualify for tax-exempt financing, but in stark contrast, spaceports are absent from this exemption. This is an oversight for which the contemporary economic landscape demands remedy.

Giving spaceport bonds tax exempt status on par with airports and seaports is crucial for the growth and development of the space industry, and by extension the broader economy. In Florida, space is an equal mode of transportation amongst roads, rail, air, and sea. As such, our spaceport system is a fundamental integrated component of our state's intermodal transportation infrastructure. It is one of the reasons Florida now leads the nation in the evolution of the commercial space marketplace. Similarly, across the nation, spaceports are critical infrastructure for the broader space industry, providing launch, landing, manufacturing, processing, and refurbishing facilities for spacecraft, vehicles, capsules, and habitats which enable commerce, research, and exploration in space. However, the capital-intensive nature of these facilities represents a major barrier. Enabling spaceports to access tax-exempt financing will provide the United States with a significantly more competitive posture to fund spaceports through the private capital markets in an increasingly competitive global marketplace. Infrastructure improvements have been at the forefront of national conversations and preparing the nation for the future is not complete without including spaceports into the mix. By removing an unfair and counterproductive tax burden, we will better propel the industry forward.

There is no doubt that a thriving space industry in Florida has ripple effects throughout the American economy, supporting businesses across the space industry supply chain and generating revenue for local and state entities. By supporting the development of the entire space ecosystem through tax-exempt financing of critical spaceport facilities and infrastructure, we can ensure that

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both Florida and the United States remain at the forefront of this rapidly growing global industry and continue to reap the economic benefits of space exploration and commercial activities.

I would be remiss if I failed to highlight the tremendous importance of the national security implications of making spaceport private activity bonds tax-exempt. Space companies are national defense companies. The U.S. Department of Defense increasingly relies upon the agility and innovation of the commercial space industry to meet their national security mission requirements. The commercial sector provides not only the launch vehicle, but also the satellites, payloads, and space-based services faster and cheaper. This frees up the U.S. military to focus its resources on core mission responsibilities. The growing number of spaceports also play critical roles in developing and deploying advanced technologies that have military applications, such as missile defense systems and hypersonic weapons. By providing tax-exempt financing to spaceport facilities and infrastructure across the country, we can stimulate the necessary private investment in the space industry and support the development of new technologies that can enhance American national security capabilities. In the face of growing competition from other nations such as China, the aggressive development of spaceport infrastructure across our nation—and particularly in Florida, the dominant state in the commercial space economy—is key to maintaining the United States' leadership in space.

Space Florida believes that enabling tax-exempt financing for spaceports will have a significant positive impact on the aerospace industry, not just in Florida but across the entire nation. It will enable the development of new technologies and encourage private investment in space exploration and commerce. Such treatment enabled the expansive development of the nation's airports and seaports, and not providing America's newest mode of transportation, space, with the same competitive advantage would be a disservice to future generations.

I urge the IRS to support adding spaceports as a qualified tax-exempt category of private activity bonds. I stand ready to discuss this further with you at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Frank DiBello". The signature is written in a cursive style.

Frank DiBello
President and CEO
Space Florida