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PARTIAL OWNERSHIP FOR OUTER SPACE ECONOMY

Abstract

The most widely adopted agreement on space law, the Outer Space Treaty (OST) (1967), actively promotes international partnerships and peaceful uses of outer space. It also forbids any claims of sovereignty or private property on celestial bodies, however, nothing is explicitly written about the use of resources that can be found there. Other texts, like the Moon Agreement (1979), attempted to correct this, but only 17 nations signed this agreement, because it also contain obligations that remove all incentives for the private industry to participate in the exploitation of outer space resources, such as the obligation to disclose all discoveries and share the benefits between all state parties.

Today, most missions are scientific, so there is no need to compete for using space resources. If tomorrow society wants to incentivize participation, and leverage the available funds, from the private sector to explore and exploit outer space, an allocation mechanism that allows to dispute the use of resources needs to be set up. On Earth, this is achieved by the private property system and commercial competition. However, private property is not allowed by the OST, because it has a right of exclusion, and everyone shall be free to use space resources as long as it doesn't interfere with activities of other nations. An exclusivity of use for the first nation to exploit a given resource is not desired either, and is precisely why the OST was established in the first place.

In full compliance with the OST, this paper introduces the concept of Partial Ownership of Outer Space Resources (POOSR). This system allows to compete for the use of resources, without granting monopoly, as it keeps the competition for ownership open at all times. It is based on the introduction of a Harberger tax and a Partial Ownership system, that allows to expose commonly-owned resources (such as outer space asteroids, or surface land areas) to the efficiency of allocation provided by market dynamics, while preserving the incentives for investment to the current owners, and preventing resource locking.

This paper shows how such system would foster investments from private entities, as well as how it would benefit to all the international entities or nations participating to it. The synergy between such system, international regulations, and national laws, to establish a regulation for space mining and other outer space activities is also discussed.