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Regulatory Update

President Trump Issues Executive Order on Commercial Space Industry: Expected Impacts on Operators and Investors

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Operators and investors in the commercial space industry can expect sweeping regulatory changes in the coming months after the White House recently issued an executive order that promises to be a major milestone in American space policy.

Executive Order 14335 (the EO), titled “Enabling Competition in the Commercial Space Industry,” directs several near-term actions across multiple agencies relevant to operators and investors. The EO primarily aims to: (1) streamline licensing and permitting for commercial launches and reentries, (2) accelerate spaceport infrastructure development, and (3) establish a new regulatory posture for “novel” space activities (often called mission authorization).

The EO additionally sets a national policy goal to substantially increase U.S. commercial launch cadence and novel space activity by the year 2030. To this end, it instructs several agencies, including the Departments of Transportation (DOT), Commerce (DOC), Defense (DOD) and the Interior (DOI) as well as the National Aeronautic Science Administration (NASA) and others to take concrete steps over the next six months to overhaul the regulations and procedures currently governing the commercial space industry.

What to Expect — Principal Directives and Upcoming Deadlines

Key directives are set to be implemented soon. The key dates operators and investors should look out for in the coming months are as follows:

By October 12, 2025 — 60 Days After the EO

- **Agency Staffing and Institutional Reforms:** The DOT is directed to establish two positions: (1) a position in the Office of the Secretary to advise the secretary on fostering innovation and deregulation in the commercial space transportation industry, and (2) a senior executive to lead the Office of Commercial Space Transportation.
- **Elevating Office of Space Commerce:** The DOC is directed to elevate the Office of Space Commerce to report directly to the Secretary of Commerce.

By December 11, 2025 — 120 Days After the EO

- **Reevaluating Launch and Reentry Regulations:** The EO also directs reevaluation within 120 days of launch and reentry regulations in 14 C.F.R. Part 450, which was put in place during the first Trump administration.

By January 10, 2026 — 150 Days After the EO

- **Reforming Mission Authorization:** The DOC must propose a process for regulating novel space activities, not including human spaceflight (commonly referred to as mission authorization).

By February 9, 2026 — 180 Days After the EO

- **Executing MOU on Spaceport Development:** DOD, DOT and NASA are directed to align review processes and execute an interagency memorandum of understanding (MOU) for spaceport reviews.
- **Aligning State and Federal CZMA Compliance:** DOC (in consultation with DOD, DOT and NASA) is directed to evaluate states' compliance under the Coastal Zone Management Act (CZMA) if state actions may impede spaceport development, and to notify DOJ if state and local restrictions potentially conflict with federal law.

Other Key Directives

The EO also includes a few key directives without an official deadline:

- **Expediting Spaceport Licensing:** DOD, DOI, DOT and NASA are directed to use “all available authorities” to expedite environmental and administrative reviews for spaceport projects.
- **Eliminating or Expediting Environmental Reviews:** The EO requires that DOT and NASA “eliminate or expedite” environmental reviews and other obstacles to launch and reentry licenses, including identifying activities not subject to the National Environmental Policy Act (NEPA), and the creation of categorical exclusions under NEPA “for actions related to spaceport development that normally do not have a significant effect on the quality of the human environment.”
- **Considering ESA Exceptions for Spaceports:** DOD, DOT and NASA must be “mindful of the significant national security imperatives inherent in commercial space advancement” when considering exemptions to the Endangered Species Act (ESA) exemptions for spaceport projects.

Likely Commercial and Industry Impacts

The EO marks a significant step toward bolstering American-regulated commercial space companies by streamlining regulations to address long-standing industry concerns. The EO reflects a pro-growth, innovation-first approach to space policy that could serve as the most significant development of American space policy since the [Space Policy Directive 7](#).

In the meantime, operators in the industry should map current and planned projects against the EO timelines. Investors should consider revisiting transaction models to reflect the upside of regulatory acceleration and the downside of regulatory uncertainty. All stakeholders in the industry should monitor agency rulemaking dockets to participate in the formal agency rulemaking process.

Paul Hastings will continue its analysis surrounding this EO and is here to help with any questions or concerns.

If you have questions about how these developments may affect your business, please visit our [Presidential Actions Hub](#) for additional insights into the Trump administration's impact on business.



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