

**VOLUME 11A, CHAPTER 13: “DOD SUPPORT TO UNITED STATES
COMMERCIAL SPACE ACTIVITIES”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by a * preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated March 1997 is archived.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
1304 130401 130403	<p>Redefined direct cost to include actual costs directly attributable to “processes” and the use of the facility or resource for support provided. This revision allows the definition of direct cost to be more in alignment with terminology cited Title 51 of the U.S.C., section 50504 and activity based costing concepts.</p> <p>Clarification provided with regards to location of information on pricing details and exceptions to this method of charging with direct links to Volume 11B, Chapter 15, subparagraphs 150301 and 150302 added.</p>	Update
1307	In promoting audit readiness, this section is added to require DoD components and activities to establish internal operational procedures and/or guidance in line with the overarching policy cited in this volume.	Add

Table of Contents

VOLUME 11A, CHAPTER 13: “DOD SUPPORT TO UNITED STATES COMMERCIAL SPACE ACTIVITIES” 1

1301 PURPOSE 3

1302 BACKGROUND..... 3

1303 APPLICABILITY 3

1304 PRICING..... 3

 130401. General Pricing..... 3

 130402. Pricing of Space Launch Property and Services to U.S. Private Sector Launch Vehicle Operators and Other Commercial Space Activities 4

 130403. Articles and Services Provided from Working Capital Fund Activities 4

 130404. Upgrades or Modifications to DoD Owned Property 4

 130405. Government-owned Production Facilities..... 5

 130406. Test and Evaluation..... 5

 130407. Fixed Price Estimates 5

1305 BILLING..... 5

1306 DISPOSITION OF COLLECTIONS..... 5

 130601. Proceeds from Sales 5

 130602. Proceeds from License and Lease of Launch Property 6

1307 AUDIT READINESS/INTERNAL CONTROLS 6

CHAPTER 13

DOD SUPPORT TO UNITED STATES COMMERCIAL SPACE ACTIVITIES

1301 PURPOSE

This chapter provides reimbursable policy and procedures for the sale of DoD support to U.S. commercial space activities.

1302 BACKGROUND

[Title 49, United States Code \(U.S.C.\), Sections 70101-70119](#), “Commercial Space Launch Activities;” [Title 51, U.S.C., Section 50504](#), “Commercial Space Competitiveness, Use Government Facilities” and [DoD Directive 3230.3](#), “DoD Support for Commercial Space Launch Activities,” encourage cooperation with the U.S. private sector in the development of commercial space launch operations and other related commercial space activities. [Public Law 107-314, Section 232](#), “Objective for Institutional Funding of Test and Evaluation Facilities,” defines direct and indirect costs with respect to a facility or resource within the Major Range and Test Facility Base (MRTFB).

1303 APPLICABILITY

This chapter applies to DoD organizations that provide support to U.S. commercial space activities, including support provided by MRTFB activities. See [Volume 11A, Chapter 12, page 12-6](#) (Figure 12-1) for a list of these activities.

1304 PRICING

* 130401. General Pricing

[Title 51, U.S.C., Section 50504](#), authorizes DoD to allow commercial activities to use its space related facilities provided that DoD is reimbursed for its direct costs accrued in supporting the commercial space activities. The term commercial means having private capital at risk, and primary financial and management responsibility for the activity residing with the private sector. Direct costs are actual costs (including salaries of United States civilian and contractor personnel) incurred by the United States as a result of use of the facility by the private sector. Specifically, these costs are actual costs directly attributable to processes and the use of the facility or resource for support provided to a particular commercial space program or customer, over and above the indirect costs with respect to the facility or resource and is reflective of costs that would not in any manner be borne by the United States Government in the absence of such use. Indirect costs are defined as the costs of maintaining, operating, upgrading and modernizing the facility or resource. This cost includes all overhead costs such as, General and Administrative (G&A) expenses of the MRTFB activities, and are not to be charged to commercial space customers. Refer to [Volume 11A, Chapter 12, paragraph 1202](#) for further discussion on reimbursement policy.

130402. Pricing of Space Launch Property and Services to U.S. Private Sector Launch Vehicle Operators and Other Commercial Space Activities

A. Space Launch Property. Space launch property consists of items built for, or used to perform launch or space recovery activities.

1. By Sale. Space launch property that is excess or otherwise not needed for public use, may be sold or transferred by other transaction instead of sale to U.S. private sector launch vehicle operators and other commercial space activities (e.g., payload retrieval services, payload processing services).

2. By Lease/License. Space launch property that is excess or otherwise not needed for public use may be leased/licensed to U.S. private sector launch vehicle operators and other commercial space activities. The transaction shall be priced to recover direct costs, as defined in paragraph 130401. In addition to the costs identified in paragraph 130401, direct costs include specific wear and tear and property damage incurred by the Department as related to the launch property acquisition. Property damage costs represent the costs necessary to replace or restore the property, or site, to its condition before the lease/license.

B. Space Launch Services. As defined under [Title 49 U.S.C., Section 70102, \(6\) and DoD Directive 3230.3](#), space launch services are those activities involved in the preparation of a launch vehicle, payload, crew (including crew training), or space flight participation for launch, and the overall conducting of a launch, and/or space recovery activities. For space launch services, including utilities, otherwise not needed for public use, the acquisition price represents an amount equal to the direct costs (includes basic pay of Government civilian and contractor personnel costs) and other costs such as, a portion of [General and Administrative costs \(as applicable\)](#) incurred as a result of the acquisition.

* 130403. Articles and Services Provided from Working Capital Fund (WCF) Activities

Generally, standard prices/stabilized rates are charged for articles and services provided by activities operating under a WCF. [Additional details and exceptions to this method of charging \(standard price/stabilized rates\) are addressed in Volume 11B, Chapter 15, paragraphs 150301-150302.](#)

130404. Upgrades or Modifications to DoD Owned Property

Upgrades or modifications to DoD owned property, facilities or equipment for commercial space activities shall be reimbursed in accordance with the provisions contained in Chapter 1. Such upgrades or modifications must have documented approval from the parent DoD organization in accordance with [DoD Directive 3230.3](#), “DoD Support for Commercial Space Launch Activities.”

130405. Government-owned Production Facilities

Government-owned production facilities or related equipment used to support the production of a private sector commercial launch vehicle or a commercial launch process shall be provided on a direct cost basis, with terms and conditions established by a standard contract for DoD support to United States commercial space activities.

130406. Test and Evaluation

Commercial operators performing test and evaluation activities related to commercial space launch efforts using DoD facilities shall be charged on a direct cost basis in accordance with paragraph 130401.

130407. Fixed Price Estimates

Commercial space launch contractors may be offered fixed price quotes for the sale of launch services based on reasonable estimates of direct costs only when there is: (a) a well defined contractor requirement and (b) a reliable cost history of similar previous sales.

1305 BILLING

Invoices for support provided shall be completed and transmitted to the commercial space activity within 30 calendar days after the month in which performance occurred. The payment due date shall be no more than 30 days from the date of the invoice. See Chapter 1 for further discussion on invoicing and bill payment.

1306 DISPOSITION OF COLLECTIONS

130601. Proceeds from Sales

A. Proceeds from the sales of articles and services from WCF activities shall be deposited to the WCF.

B. Proceeds from the sale of launch property by other than a WCF activity shall be:

1. Credited to the general fund of the Treasury as miscellaneous receipts when the launch property is not to be replaced.

2. Deposited to the DoD appropriation account or fund, currently available for the procurement of the launch property, if the launch property is to be replaced.

C. Proceeds from the sale of launch services shall be deposited to the DoD appropriation account or fund that financed the provisioning of those launch services. These proceeds must be credited to the fiscal year in which the DoD Component provided the service

130602. Proceeds from License and Lease of Launch Property

Proceeds from the license of launch property shall be deposited to the DoD appropriation account or fund currently available for financing the direct costs incurred. Proceeds from leases shall be deposited to the Miscellaneous Receipts Account of the U.S. Treasury.

***1307 AUDIT READINESS/INTERNAL CONTROLS**

In enhancing audit readiness, each DoD component and activity is required to develop and implement internal operational procedures and/or guidance to implement the overarching policy contained in this volume, in a manner that ensures accurate, timely, and relevant reporting of financial data.