

**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 an * symbol 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 November 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated statutory references, terminology, and hyperlinks.	Update
1302	Renumbered Title 49, United States Code, sections 70101 to 70105a, 70106 to 70109a, and 70110 to 70121 (49 U.S.C. 070101 - 070121) to 51 U.S.C. 50901 - 50923.	Update
1302	Renumbered 15 U.S.C. 5807 as 51 U.S.C. 50504.	Update
130401	Clarified the definition of “direct costs” per 51 U.S.C. 50504.	Update
130402.B.	Clarified the definition of “launch services” per 51 U.S.C. 50902(6) and DoD Directive 3230.3, “DoD Support for Commercial Space Launch Activities.	Update
130403	Added Volume 11B, Chapter 15 reference for charging Defense Working Capital Fund standard prices/stabilized rates.	Update

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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 United States (U.S.) commercial space activities.

*1302 BACKGROUND

[Title 51, United States Code, sections 50901 - 50923](#), Commercial Space Launch Activities; [Title 51, U.S.C., section 50504](#), Commercial Space Competitiveness, Use of Government Facilities; and Department of Defense Directive, [\(DoDD\) 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, [Major Range and Test Facilities](#), for [access to a list of these activities](#).)

1304 PRICING

*130401. General Pricing

[51 U.S.C. 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, [with primary financial and management responsibility for the activity residing with the private sector](#). Direct costs are those [actual costs \(including salaries of U.S. civilian and contractor personnel\) incurred by the United States as a result of use of the facility by the private sector](#). The term “direct costs” means [the actual costs that are directly attributable to 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 they are reflective of costs that would not be borne by the U.S. Government in the absence of such use](#). Indirect costs are defined as the costs of maintaining, operating, upgrading and modernizing the facility or resource. Indirect costs are overhead costs of the MRTFB activities and are not to be charged to commercial space customers.

*130402. Pricing of Space Launch Property and Services

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 or Transfer. Space launch property that is excess or otherwise not needed for public use may be sold or transferred in lieu 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 51 U.S.C. 50902 (6) and DoDD 3230.3, space launch services are those activities involved in the preparation of a launch vehicle, its payload for launch, crew (including crew training), or space flight participation for launch; and the conduct of a launch. For space launch services, including utilities, otherwise not needed for public use, the acquisition price represents an amount equal to the direct costs, including the basic pay of Government civilians and total costs of contractor personnel (including salaries, General and Administrative costs, and overhead), incurred as a result of the acquisition.

*130403. Articles and Services Provided from Defense Working Capital Fund Activities

Generally, standard prices/stabilized rates shall be charged for articles and services provided by activities operating under a Defense Working Capital Fund (DWCF). Refer to Volume 11B, Chapter 15, paragraphs 150301-150302, for additional details and exceptions.

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 DoDD 3230.3.

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 DWCF Activities

Proceeds from the sale of articles and services from DWCF activities shall be deposited to the DWCF.

130602. Proceeds from Non-DWCF Activities

Proceeds from the sale of launch property by other than a DWCF activity shall be:

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

B. 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.

130603. Proceeds Deposits for License of Launch Property and Leases

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.

130604. Proceeds Deposits from the Sale of Launch Services

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 services.