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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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B-168707

July 2, 1971



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Dear Mr. Howard:

This is in response to your inquiry of June 3, 1971, concerning our draft report on charges for launch support services furnished by the Air Force to the Communications Satellite Corporation (Comsat).

First, we expect to issue our final report before the end of August.

In response to your second question, Comsat has not reimbursed the Air Force for the undercharged services. Our draft report position was based on the application of the policy of recovery of "full cost to the Federal Government" established by the User Charges Statute [31 U.S.C. 483(a)] and implementing regulations. This policy establishes the general principle that the Government should be reimbursed for the full cost of services furnished other than to the public-at-large.

We are considering comments on the draft report submitted to us by the Air Force for the Department of Defense, the National Aeronautics and Space Administration, and Comsat. To the extent we deem appropriate, our report to the Congress will include recognition of these comments. We plan to cover in the report the matter of recovery of costs incurred by the Air Force for prior launches and for the current series of Intelsat IV launches.

We will send you a copy of our report to the Congress as soon as it is issued.

Sincerely yours,

Assistant

*BY Kuttner*  
Comptroller General  
of the United States

The Honorable James J. Howard  
House of Representatives

*200644*

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