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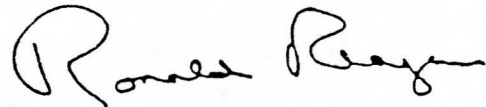
January 24, 1985

NATIONAL SECURITY STUDY
DIRECTIVE NUMBER 3-85

SHUTTLE PRICING

NSDD 144, National Space Strategy, directs that on October 1, 1988, prices for Space Transportation System (STS) services and capabilities provided to commercial and foreign users will reflect the full cost of services and capabilities. NASA was directed to develop a time-phased plan for implementing full cost recovery and OMB was directed to chair preparation of an interagency assessment of the ability of the U.S. private sector and the STS to maintain international competitiveness in the provision of launch services. Subsequent to the issuance of NSDD 144, the Commercial Space Working Group under the Cabinet Council on Commerce and Trade (CCCT) initiated a review of the Shuttle pricing issue.

Because of the impact of the Shuttle pricing issue on the overall U.S. Space Program, the Senior Interagency Group (SIG) for Space will assume lead responsibility on this issue, including the preparation of briefing papers and the NSDD for my consideration. The SIG(Space) Working Group, chaired by the NSC staff, will use the NASA time-phased plan, the OMB assessment, the CCCT/Commercial Space Working Group review and any other relevant material as the basis for framing the issue and identifying appropriate options. The CCCT Commercial Space Working Group will review the NASA Shuttle pricing proposal with regard to its impact on commercial activity in space. The CCCT will be briefed by the SIG(Space) on the results of this effort, and comments will be solicited from all agencies prior to my review.



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By U.S. Secret National Security Council

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MEMORANDUM OF UNDERSTANDING
FOR
POLICY OVERSIGHT OF SPACE ISSUES

In light of the President's approval of the formation of a Commercial Space Working Group under the Cabinet Council on Commerce and Trade (CCCT), in accordance with the July 18, 1984, decision memorandum regarding the commercial use of space, the following is agreed upon as an appropriate approach for assuring minimum duplication of effort and maximum policy coordination regarding space matters.

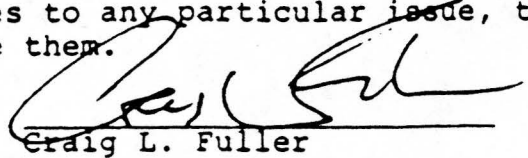
In general terms, the CCCT and its Commercial Space Working Group will provide a forum for matters pertaining to the commercial use of space. When an issue is primarily concerned with commercial activity in space, but has implications for other sectors of the US Space Program, the CCCT/Commercial Space Working Group will take the lead in resolving the issue, but will consult with the SIG (Space). The Commercial Space Working Group may request studies or papers from specific agencies on matters relating to commercial activity in space. The CCCT/Commercial Space Working Group will be responsible for properly preparing the decision memoranda and/or briefing papers for the President on matters concerning commercial activity in space that are to be presented to the President by the CCCT.

The SIG (Space) will continue its role as a forum for reviewing and advising on proposed changes to national space policy and for implementing policy for the overall US space program. The SIG (Space) will continue to establish working groups or designate lead agencies to examine individual issues. Lead responsibilities will normally be assigned on the basis of the organization most effected by the decision. In these cases, the SIG (Space) will be responsible for properly preparing the issue and identifying all viable options. In those instances where an issue has commercial space implications, the SIG (Space) will consult with the CCCT/Commercial Space Working Group.

In those instances when a decision by the President is required, either the NSC or the CCCT, chaired by the President, may be used as the forum regardless of which group examined the issue. The group that examined the issue will make the presentation.

In the event of differing views on the interpretation of the above understanding as it applies to any particular issue, the undersigned will jointly resolve them.


Robert C. Moray Lane


Craig L. Fuller

January 24, 1985

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