

GAO Highlights

Highlights of [GAO-25-107228](#), a report to congressional committees

Why GAO Did This Study

Commercial and military activities in space have grown considerably in the last decade, with continued growth expected. This growth will increase the demand on the federal launch infrastructure that supports these activities. DOD has already invested billions of dollars into launch systems and infrastructure. To support the growing demand, DOD expects to spend over \$18 billion on launch services and infrastructure over the next 5 years.

A Senate report includes a provision for GAO to assess DOD's Phase 3 strategy. GAO's report addresses (1) DOD's Phase 3 strategy to meet its national security space launch demand and (2) the extent to which DOD is addressing launch-related challenges as it executes Phase 3.

To conduct this work, GAO reviewed documentation, analyzed launch data, and visited all three federally owned launch ranges. GAO also interviewed DOD officials, other federal agency officials, and contractor representatives involved in launch activities.

What GAO Recommends

GAO is making three recommendations, including that DOD update its regulations to better define direct and indirect cost guidance to improve its ability to recoup launch support costs and ensure that the Space Force prioritizes issuing solicitations to provide insight into payload processing schedules and centralizes national security payload processing schedules across space vehicle program offices. DOD concurred with all three recommendations.

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NATIONAL SECURITY SPACE LAUNCH

Increased Commercial Use of Ranges Underscores Need for Improved Cost Recovery

What GAO Found

Over the last 30 years, the Department of Defense (DOD) has used different acquisition strategies to procure launches for military satellites from commercial providers. DOD's most recent acquisition strategy—Phase 3—responds to DOD's evolving and growing demand for launch services and infrastructure.

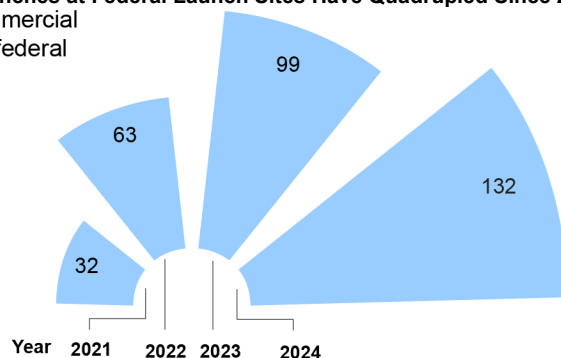
Phase 3 is a dual lane approach intended to lower government launch costs, ensure mission success and access to space, and facilitate competition.

- Lane 1: Expands DOD's supply of newer commercial providers that can meet a subset of launch requirements.
- Lane 2: Assures DOD's access to space with three commercial providers, which must meet all launch requirements for a specified number of DOD's most critical payloads.

DOD is also taking steps to upgrade its launch infrastructure, which is strained by the increased rate of launches. In addition to military launches, companies use federal ranges to meet their own commercial launch needs—and commercial launches have more than quadrupled since 2021.

Commercial Launches at Federal Launch Sites Have Quadrupled Since 2021

Number of commercial launches from federal ranges



Source: GAO analysis of Federal Aviation Administration commercial launch data. | GAO-25-107228

Increases in commercial launches have resulted in DOD providing more support to commercial entities, but DOD has struggled to accurately bill companies for direct costs. Until recently, DOD could not collect and be reimbursed for indirect costs for commercial space launch services, which include the actual costs of maintaining, operating, upgrading, and modernizing DOD space-related facilities. Recent legislation allows DOD to be reimbursed for indirect costs within certain limitations, but DOD does not have clear cost collection and reimbursement guidance for support services at launch ranges, potentially missing opportunities to recoup millions of dollars. DOD has limited payload processing capacity and lacks sufficient commercial scheduling information to manage payload processing, which is when the payload is integrated with the launch vehicle before it is transported to the launch pad. The lack of insight into commercial processing schedules hinders DOD's efforts to coordinate processing for its own payloads. As a result, it lacks a critical tool to ensure effective coordination and efficient use of its existing and future processing capacity.