

National Aeronautics and Space Administration

Headquarters

Washington, DC 20546-0001



February 24, 2014

Reply to Attn of:

OLIA/2013-00835:JP:eel

The Honorable Charles E. Grassley
Ranking Member
Senate Judiciary Committee
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter to the Administrator dated December 18, 2013, regarding the December 11, 2013, memo of the NASA Inspector General with regard to the sale of aviation fuel to H211, LLC (H211) by NASA's Ames Research Center in California. We have carefully reviewed and considered the Inspector General's opinion on the sale of fuel to H211. That sale of fuel was priced on a "full cost" basis consistent with NASA's Agency-wide pricing policies on reimbursable activities with commercial partners. Further, in accordance with Federal law, NASA does not collect state and local fuel taxes as such taxes are not payable for fuel sold at civil airports owned by the United States. See Section 210 of P.L. 91-258, Title II, May 21, 1970, 84 Stat. 253.

NASA does not have an avenue to pursue payments in excess of its full cost to provide the fuel under the earlier agreements with H211 as suggested by the Inspector General. However, in light of the concerns expressed with those agreements, NASA has reviewed its pricing approach and, consistent with established exceptions in NASA's policy, is now charging a "market rate" for aviation fuel at Ames Research Center. To the extent the "market rate" exceeds NASA's full cost in providing the fuel, the remaining excess funds are deposited with the U.S. Department of the Treasury as miscellaneous receipts and are not held or utilized by NASA.

We appreciate your interest in this matter and trust this information is useful to you.

Sincerely,

A handwritten signature in cursive script that reads "Seth Statler".

L. Seth Statler
Associate Administrator
for Legislative and Intergovernmental Affairs