

Mr. SANDERSON. We have worked closely both with GAO and the Department of Defense on this report and are still working on it. I can submit for the record a copy of our policy that has existed for 10 years in this area.

Chairman PROXMIRE. Very good.

(The following was subsequently supplied as promised:)

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DEFENSE MOBILIZATION ORDER 8555.1 (FORMERLY DMO VII-4, VII-1A AND VII-1B) NOVEMBER 13, 1963

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C.

DMO 8555.1—OEP POLICY GUIDANCE ON GOVERNMENT-OWNED PRODUCTION EQUIPMENT

1. *Purpose.* This Order consolidates and revises existing policies on Government-owned production equipment, including machine tools, which policies are necessary to maintain a highly effective and immediately available machine tool and equipment reserve for the emergency preparedness program of the U.S. Government.

2. *Cancellation.* This Order supersedes Defense Mobilization Order VII-4 (Revised) of March 10, 1958 (23 F.R. 1727); DMO VII-1A (DMO-18, Amdt. 1 (18 F.R. 4518), redesignated at 18 F.R. 4597 and 18 F.R. 6736); and DMO VII-1B (DMO-18, Amdt. 2 (18 F.R. 4518) redesignated at 18 F.R. 4597 and 18 F.R. 6736).

3. *Scope and applicability.* The policies and provisions of this Order apply to all Federal Departments and Agencies having production equipment emergency preparedness functions assigned by Executive Orders. They shall relate to the classes of Government-owned production equipment listed in Appendix A of this Order. This Order is not designed to affect any existing leases of Government-owned production equipment. Such exceptions as from time to time may be necessary to the policy outlined herein shall be made only with prior approval of the Office of Emergency Planning.

4. *Definitions.* a. "Production equipment," as used herein includes all items of equipment having an acquisition cost of \$500.00 or more that fall within the categories of machinery and equipment listed in Appendix A of this Order.

b. "Idle production equipment," as used herein means all items of production equipment for which no use is contemplated or planned within 90 days, except such equipment as is devoted exclusively to maintenance or is on shipboard or assigned to owning agencies' developmental activities. Idle equipment does not include production equipment in packaged form, in standby lines, or in active base packages, unless or until it has been withdrawn therefrom and has no contemplated use for a 90-day period.

c. "Packaged form," as used herein means Government-owned production equipment assigned to a specific program, contractor, and plant in either an in-use, idle, or partially idle status and which equipment as an entirety, or when combined with equipment owned by the contractor, is capable of producing at a specific level, a particular military or defense-supporting item or items at that plant, by that contractor, as defense requirements may necessitate.

d. "Standby line," as used herein means a complete set of installed Government-owned equipment, in an idle status, maintained intact in reserve condition and which, when activated, is capable of producing at a specific level of output.

e. "Active base package," as used herein means idle production equipment located in an active production facility when such equipment has been retained to provide production acceleration capability in the event of emergency, or to be used following a change-over to a new modified production item.

f. "Package," as used herein means those complements of production equipment held in packaged form, standby lines, and active base packages, as defined above.

5. *Disposition of production equipment—*a. *Policy—*(1) *Department of Defense.* Production equipment owned by the Department of Defense for which there exists a known or anticipated emergency preparedness need shall be held in efficient operating condition at or near the plants which will operate them in event of an emergency. In the event no such storage arrangement is possible, the equipment may be stored in central Government warehouses, but, in such cases, all efforts