

vi. *Transportation in and out and removal costs.* Agreements shall provide that these costs be borne by the lessee in a manner best suited to the particular circumstances.

vii. *Equipment modernization costs.* Agreements shall provide that, when equipment is modernized by substantial rebuilding at Government expense, the acquisition cost of the equipment be adjusted upward to take account of the increased value that such rebuilding and modernization represents.

viii. *Statement of rental consideration.* For each contract, under which a private contractor is provided with Government-owned production equipment, a statement shall be included in the contract or the contract file, as appropriate, specifying the periodic dollar amount of rent to be paid, whether such payments are made in cash or are offset or credited against payments made to the contractor by the Government for end-products produced for Government account.

(b) *General considerations.* i. Government lessor agencies should not be regarded as being in the leasing business as an end in itself or in the same sense as private industrial establishments.

ii. Government-owned production equipment should not be leased to private industry until its unavailability from private sources has been established.

iii. The rental rates and leasing guidelines outlined herein have no application to wholly-owned Government facilities operated by private contractors on a cost-plus-fee basis.

iv. Government agencies providing Government-owned production equipment to private contracts shall insure that no contractors are afforded a favored competitive position thereby.

6. *Central inventory and effective utilization of idle Government-owned production equipment including machine tools.* The following agencies are in possession of such equipment and tools or have the right of repossession in the interest of national defense:

Department of Defense.

Department of the Army.

Department of the Navy.

Department of the Air Force.

General Services Administration.

Atomic Energy Commission.

Department of Commerce.

Department of Health, Education, and Welfare.

National Aeronautics and Space Administration.

a. *Policy.* To accomplish effective utilization of these tools and equipment two central inventory records of idle Government-owned production equipment and machine tools (for those classes listed in Appendix A, or as may from time to time be determined by the Office of Emergency Planning with the advice of directly affected agencies) will be established and maintained, one in the Department of Defense, the other in the Department of Commerce, Army, Navy, and Air Force idle equipment will be reported to the former and that of all other Federal agencies to the latter. Transfers between agencies listed above will be accomplished in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended, and GSA regulations.

b. *Provisions.* (1) Equipment and tools in these central inventories will be made available to the agencies listed above on the basis of essentiality and urgency of needs.

(2) The Department of Defense will exercise the functions of recording, directing on-site inspection, and directing the issuance of shipping orders when reassignment within the Department of Defense is involved.

(3) The above listed agencies will furnish the information necessary (see Appendix B for minimum descriptive requirements) to establish and currently maintain such central inventories; provide for the expeditious shipment of such equipment and tools in accordance with Department of Defense or Department of Commerce instructions; and arrange for such transfer, lease, sale, or other disposition as may be necessary in the best interests of the Government and in conformity with property accountability requirements.

(4) Procedures implementing this directive will be established by the agencies concerned in consultation with each other and conform as nearly as is practical with existing procedures governing the present idle equipment inventories.

(5) The agencies listed above will submit to the Office of Emergency Planning all listings of production equipment which are excess to their needs prior to being reported to GSA for utilization and donation screening in accordance with the Federal Property and Administrative Services Act of 1949, as amended, and