

5. The key provisions of the attached draft include—
- (a) A lowering of the reporting criteria.
 - (b) The streamlining of the criteria for reporting excess for mechanized utilization screening.
 - (c) The inclusion of screen procedures relating to subjects not previously covered such as final asset screening (FAS) and shelf-line property.
 - (d) The updating of methods and procedures, relating to recent OSD changes regarding programs such as the exchange/sale and redistributable MAP programs.
6. It is requested that comments/concurrence in the proposed revisions be furnished this Agency, attention : DSAH-SIE, by July 8, 1968.
For the Director :

ROLAND SAVILLA,
Colonel, U.S.A., Chief, Utilization Division.

[Draft]

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9. Exchange/sale property :

(a) The exchange/sale authority contained in section 201(c) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 38-), as amended (40 U.S.C. 481(c)) may be exercised by DOD components as prescribed in military service/defense agency regulations.

Exchange/sale property, as defined, is property not excess to the needs of the owning agency but which is eligible for replacement. Such U.S. Government-owned property, located within and outside of the United States, may be offered for exchange or sale in order to apply the exchange allowance or proceeds of sale in whole or part payment for the replacement of similar or like items.

(b) When the turn-in activity has determined that property is to be processed as exchange/sale, and so identifies the property on the turn-in document, the PDO will process the property for sale if the document indicates screening is not required. If the document is not so annotated, the property will be processed by the PDO as follows :

(1) Property identified as exchange/sale located in the United States, Puerto Rico, and the Virgin Islands which meets the minimum reporting requirements set forth in chapter II, attachment I, this part, will be reported to DLSC for DOD screening in the same manner as excess property. Such property which survives the DOD screening will be referred by DLSC to GSA for civilian Federal agency screening.

(2) Property identified as exchange/sale located overseas, having a line item value of \$500 or over, will be reported to DLSC for DOD utilization screening only.

(3) Property identified as exchange/sale which does not meet the reporting criteria set forth in subparagraphs b (1) and (2) above will be processed as nonreportable property.

(4) A reimbursement code for CONUS materiel and code 2 for overseas materiel will always be used when reporting exchange/sale property. All transfers within the DOD will be on a nonreimbursable basis; however, transfers to civil agencies will be on a reimbursable basis.

(d)¹ Property which is listed in attachment 2 is not subject to the provisions of the exchange/sale procedure. This type of property when received by a PDO will be processed as normal excess property even though "exchange/sale" was indicated on the turn-in document.

(e) Property which is identified as exchange/sale and which is not utilized by any Federal agency will be processed in accordance with instructions of the turn-in activity.

(f) Exchange/sale property reported on an SF-120 will be reported as prescribed in chapter IV, paragraph B, this part. Such reports will clearly identify the property by insertion of the following statement on the first entry in block 18b : "This property is designated as eligible for exchange/sale."

(g) Exchange/sale property is not donable.

(h) To accommodate a reporting requirement of the military service/defense agencies to higher authority, the PDO will furnish to each turn-in activity, by letter or memo, immediately following each sale, the acquisition value for all property sold identified separately by each exchange/sale.

¹ No paragraph (c) in original.