

[SPA Reg. 4]

PART 8304—DISPOSAL OF AIRCRAFT AND COMPONENTS AND PARTS OF AIRCRAFT

Surplus Property Board Regulation 4, May 4, 1945, as amended to September 4, 1945 (10 F.R. 5460, 6785, 10362, 11402), entitled "Disposal of Surplus Aeronautical Property to Educational Institutions and State or Local Governments for Non-Flight Use," is hereby revised and amended as herein set forth as Surplus Property Administration Regulation 4. The title is amended to read as follows:

"Disposal of Aircraft and Components and Parts of Aircraft." Order 1, May 17, 1945 (10 F.R. 5960), under this part, Special Order 1 (10 F.R. 3791), Special Order 8 (10 F.R. 5979) and Special Order 11 (10 F.R. 7431), Surplus War Property Administration Regulation 4 (9 F.R. 11727), and all other regulations, orders, instructions, and arrangements made by or with the Surplus War Property Administration relating to the disposal of aeronautical property are hereby revoked and rescinded. Nothing herein, however, shall be deemed to invalidate transactions completed pursuant to such prior authorities.

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AUTHORITY: §§ 8304.1 to 8304.18, inclusive, issued under Surplus Property Act of 1944, 58 Stat. 765, U. S. C. App. Sup. 1611, and under Pub. Law 181, 79th Cong., 1st Sess.

§ 8304.1 *Definitions*—(a) *Terms defined in act.* Terms not defined in paragraph (b) of this section which are defined in the Surplus Property Act of 1944 shall in this part have the meaning given to them in the act.

(b) *Other terms.* (1) "Aeronautical property" means aircraft, airframes, all spare parts of airframes, all airborne components, accessories and items of equipment which comprise complete airplanes and their spare parts, aeronautical training and instructional equipment and aids, specialized tools and equipment and tool kits used solely in aircraft maintenance and synthetic flight training devices and their spare parts. Aeronautical property does not include radios not installed in any aircraft, flight clothing, life rafts and other life saving devices,

and such items of oxygen equipment and such navigation instruments and aids as are not normally installed in or attached to an aircraft.

(2) "Commercially unsalable property" as used herein is distinguished from property of no commercial value as used in Part 8319¹ and means property which has no reasonable prospect of sale at or above a minimum price established by the disposal agency, or where such minimum price has not been established, no reasonable prospect of sale except as salvage or scrap.

(3) "Salvage" means property that is in such a worn, damaged, deteriorated or incomplete condition, or is of such a specialized nature, that it has no reasonable prospect of sale as a unit, but has some value in excess of its basic material content because it may contain serviceable components. Salvage includes used containers and cable reels. It should be noted that property is not "salvage" merely because it is worn, damaged, deteriorated, incomplete, or of a specialized nature.

(4) "Scrap" means property that has no reasonable prospect of sale except for its basic material content.

(5) "Instrumentality" as used herein means any instrumentality of a State, territory, or possession of the United States, the District of Columbia, or any political subdivision thereof, as well as to such States and subdivisions themselves.

(6) "Nonprofit institution" means any nonprofit scientific, literary, educational, public-health, public-welfare, charitable or eleemosynary institution, organization, or association, or any nonprofit hospital or similar institution, organization, or association, which has been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or any nonprofit volunteer fire company or cooperative hospital or similar institution which has been held exempt from taxation under section 101 (8) of the Internal Revenue Code.

(7) "Educational institution or instrumentality" means any school, school system, library, college, university, or other similar institution, organization or association, which is organized for the primary purpose of carrying on instruction or research in the public interest, and which is a nonprofit institution or an instrumentality.

(8) "Public-health institution or instrumentality" means any hospital, board, agency, institution, organization or association, which is organized for the primary purpose of carrying on medical, public-health, or sanitational services in the public interest, or research to extend the knowledge in these fields, and which is a nonprofit institution or an instrumentality.

§ 8304.2 *Scope.* This part applies to the disposal of surplus aeronautical property located in the continental United States, its territories and possessions.

§ 8304.3 *Authority to dispose.* The need to dispose promptly of the vast amounts of surplus aeronautical property is such that authority is hereby granted

in accordance with section 19 (c) of the act to dispose of aircraft and aircraft parts in conformity with the provisions of this part.

§ 8304.4 *Interdepartmental Advisory Committee on Surplus Aircraft Disposal.* Pursuant to arrangements made with other interested Government agencies, there is hereby established an Interdepartmental Advisory Committee on Surplus Aircraft Disposal which shall function as an advisory committee to the Surplus Property Administrator and shall consist of representatives of the Department of State, the War Department, the Navy Department, the Department of Commerce, the Office of the Foreign Liquidation Commissioner, the Smaller War Plants Corporation, the Civil Aeronautics Board, the Reconstruction Finance Corporation and a representative of the Surplus Property Administrator, who shall serve as Chairman of the Committee. This Committee supersedes the Interdepartmental Working Committee established by the Surplus War Property Administration. It shall be the duty of such committee to furnish advice and make recommendations to the Administrator with respect to the policies and procedures to be applied in the disposal of surplus aircraft, the distribution of aeronautical property in short supply, and all other matters relating to surplus aeronautical property upon which advice may be requested by the Administrator.

§ 8304.5 *Disposal of tactical aircraft.* (a) Tactical aircraft are those generally useful only for military purposes and include aircraft of types designed and useful only for tactical and strategic military missions, as well as all advance trainers and such basic trainers as are not generally suitable for civilian flying.

(b) Aside from a relatively small demand for tactical aircraft to serve specialized industrial, educational and private uses, the only significant market for aeronautical property of this class is the governments of friendly foreign nations. Sales of such aircraft to foreign governments or instrumentalities thereof shall be effected by the disposal agency only on the written recommendation of the Department of State with the written concurrence of the War and Navy Departments.

§ 8304.6 *Disposal of transport aircraft.* (a) Transport aircraft are those which are designed to perform or can economically be converted to perform the commercial transportation of persons or property or both. This class includes single and multi-engined land aircraft, seaplanes and amphibians of 5,000 pounds gross weight and over.

(b) In the disposal of transport aircraft, the disposal agency shall establish, with the approval of the Administrator, prices for such aircraft. In fixing such prices, the disposal agency should give consideration to the potential earning power of the aircraft in relation to other models, its estimated economical life in scheduled and non-scheduled commercial service, the degree of modification required for conversion to civilian use and the relationship between supply and de-

¹ 10 F.R. 14966.

mand. If the disposal agency determines that transport aircraft are beyond economical repair or that a fixed price cannot be readily established because of obsolescence, specialized design or other exceptional circumstances, such aircraft may be disposed of by competitive bidding or other method of sale considered appropriate by the disposal agency. The disposal agencies shall attempt, whenever practicable, to dispose of surplus transport type aircraft by sale rather than by lease. Transport aircraft of models approved by the Administrator may, however, be leased by the disposal agency upon terms approved by the Administrator.

§ 8304.7 *Disposal of other aircraft and aeronautical devices.* Single and multi-engine aircraft other than those constituting transport aircraft which are primarily suitable for personal or charter flying, primary trainers and such basic trainers as are suitable for private flying and civilian flight training, miscellaneous aircraft including gliders, airships and rotary wing aircraft not otherwise classified, and synthetic flight training devices, should where practicable be sold at fixed prices or by competitive bidding, "where is, as is," with the disposal agency reserving the right to reject all bids.

§ 8304.8 *Disposal of components and parts.* The disposal agency should promptly determine the components and parts (consisting of aeronautical property exclusive of aircraft, airframes, and synthetic training devices) which are useable either for aviation or non-aviation purposes. Such components and parts should be segregated for orderly distribution to fill such needs. The balance except for property disposed of under § 8304.11 should be disposed of, preferably at the point of location, at the best price obtainable, as salvage or scrap, as hereinafter provided, or otherwise.

§ 8304.9 *Allocation.* Surplus aeronautical property in short supply will be allocated by the Administrator to satisfy the needs of the armed forces as provided in section 6 of the act and the needs of claimants provided for in Parts 8302² and 8307.³ Thereafter the Administrator will allocate aeronautical property in short supply to persons applying therefor. Allocations will be made in such a manner as will effectuate the objectives of the act including the promotion of an adequate and economical national transportation system. In the allocation of such property, due consideration will be given to the needs of foreign transportation systems for such property, as recommended by the Department of State.

§ 8304.10 *Establishing minimum prices.* The disposal agency is authorized, where necessary, to establish minimum prices for items of aeronautical property and to treat as commercially unsaleable any such property which after a reasonable test of the market it concludes cannot be sold within a rea-

sonable period of time at prices equal to or greater than such minimum prices.

§ 8304.11 *Disposals for educational and public-health purposes.* (a) Where the disposal agency finds that any item of surplus aeronautical property has or will become available for disposal in quantities that will exceed the amount which can be readily disposed of in the foreseeable future in the usual commercial markets, disposal may be made to educational or public-health institutions or instrumentalities as provided in this section. The disposal agency shall compile a list of such items and shall ascertain prices which will reflect the benefit which has accrued or may accrue to the United States from the use of such property by educational or public-health institutions or instrumentalities. Such lists shall be submitted to the Administrator and, if approved, will be published by order hereunder. After reserving sufficient quantities of such property to satisfy commercial demands in the light of quantities presently available or to be available, the disposal agency is authorized to dispose of such property to educational or public-health institutions or instrumentalities at the prices so approved.

(b) The disposal agency shall establish procedures pursuant to which educational or public health institutions or instrumentalities may make written application for surplus aeronautical property available for disposal to such institutions or instrumentalities. Such procedures shall include a certification that the applicant is an educational or public-health institution or instrumentality as defined in § 8304.1, a statement of the purposes for which the property is to be acquired, and an agreement that the property will not be resold to others within three (3) years of the date of purchase without the consent in writing of the disposal agency unless it is mutilated or otherwise rendered unfit for use except as scrap.

§ 8304.12 *Nonprofit institutions and instrumentalities.* The price at which nonprofit institutions and instrumentalities, including educational and public-health, shall be entitled to acquire surplus aeronautical property from the disposal agency if a price list has not been published under the preceding section, shall be not greater than the lowest price at which such property is offered other than scrap to any trade level at the time of acquisition by the nonprofit institution or instrumentality.

§ 8304.13 *Donation, destruction, or abandonment.* Donation, destruction, or abandonment of surplus aeronautical property shall be governed by the provisions of Part 8319.

§ 8304.14 *Determination to be commercially unsaleable.* In order to obtain the greatest return to the Government and at the same time to obviate all unnecessary expense of care, handling, shipping, reconditioning, and maintenance of such property, the disposal agency shall make prompt determination as to those items of aeronautical property which are commercially unsaleable and should therefore be promptly dis-

posed of as salvage or scrap. Such a determination by the disposal agency may be made by any of the following methods:

(a) By the offering of reasonable quantities for sale;

(b) By a finding of the Civil Aeronautics Administration based upon considerations of flight safety;

(c) By a finding of the War Department or the Navy Department, based upon the requirements of national defense, that an item of aeronautical property should not be approved for general civilian flight use;

(d) By a finding of the disposal agency that the supply exceeds any known or foreseeable demand;

(e) By the findings of expert consultants;

(f) By direct findings of the disposal agency in cases where the cost of care and handling is believed to exceed foreseeable returns.

§ 8304.15 *Disposal as salvage or scrap.* Pursuant to arrangements reached between Reconstruction Finance Corporation, the War Department, and the Navy Department the following procedures shall be followed with regard to domestic disposal of surplus aeronautical property as salvage or scrap:

(a) *Disposal of aircraft as salvage or scrap.* Surplus flyable aircraft which are determined by the disposal agency to be commercially unsaleable may be disposed of by owning agencies as salvage or scrap unless other disposition is directed by such disposal agency; or such aircraft may be reported by the owning agency to the disposal agency, and the disposal agency shall dispose of them as salvage or scrap. Non-flyable aircraft determined by the disposal agency to be commercially unsaleable shall be disposed of as salvage or scrap by owning agencies unless other disposition is directed by the disposal agency, and such aircraft shall not be declared surplus by owning agencies.

(b) *Disposal of components and parts as salvage or scrap.* Surplus components and parts which are determined by the disposal agency to be commercially unsaleable shall be promptly disposed of by owning agencies as salvage or scrap, unless other disposition is directed by such disposal agency: When such items are in the possession of the disposal agency, they shall be promptly disposed of as provided for in this part by such disposal agency.

(c) *Removal of components and parts.* When an owning agency disposes of commercially unsaleable aeronautical property as salvage or scrap, the disposal agency may direct such owning agency to remove such components and parts therefrom as the disposal agency may find have sufficient value to warrant the cost of removal, storage, care, and handling.

§ 8304.16 *Rendering unfit for intended use.* In order not to incur excessive costs of care and handling and to insure orderly disposal, all aeronautical property determined to be commercially unsaleable by reason of oversupply (except property to be disposed of un-

² 10 F.R. 14200.

³ 10 F.R. 12849.

der § 8304.11 of this part) will be sold only as salvage or scrap. Where such sales of salvage or scrap are made by the owning agencies, the property may be rendered unfit for aeronautical use, and where such sales are made by the disposal agency, the property shall be rendered unfit for aeronautical use; *Provided, however,* That no sales of such property shall be made by an owning agency without the consent of the disposal agency unless the property is first rendered unfit for aeronautical use.

§ 8304.17 *Regulations by agencies to be reported to the Administrator.* Owning and disposal agencies shall file with the Administrator copies of all regulations, orders, and instructions of general applicability which it has issued or may hereafter issue in furtherance of the provisions, or any of them of this part.

§ 8304.18 *Records and reports.* Each owning and disposal agency shall prepare and maintain such records as will show full compliance with the provisions of this part and with the applicable provisions of the Surplus Property Act of 1944, relating to the disposal of surplus aeronautical property. Reports shall be prepared and filed with the Administrator in such manner as may be specified by order issued under this part subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

This part shall become effective December 21, 1945.

W. STUART SYMINGTON,
Administrator.

DECEMBER 21, 1945.

[F. R. Doc. 45-23231; Filed, Dec. 29, 1945; 4:31 p. m.]

[SPA Reg. 4, Order 3]

PART 8304—DISPOSAL OF AIRCRAFT AND COMPONENTS AND PARTS OF AIRCRAFT FORMS FOR REPORTING SCRAPPINGS OF AIRCRAFT, AIRCRAFT ENGINES AND OTHER AERONAUTICAL PROPERTY¹

Pursuant to the authority of the Surplus Property Act of 1944 (58 Stat. 765; 50 U.S.C. App. Sup. 1611) and Public Law 181, 79th Congress, 1st Sess., *It is hereby ordered,* That:

1. The War Department and the Navy Department shall report to the Reconstruction Finance Corporation and the Surplus Property Administration on Form SPA-60, "Monthly Report Of Scrappings Of Aircraft, Spare Aircraft Engines And Other Aeronautical Property In The Continental United States," in accordance with the instructions on the reverse of the form, the number and reported cost of aircraft and spare aircraft engines scrapped and the weight and actual or estimated scrappings of other aeronautical property and the weight of scrap resulting therefrom, in the continental United States, pursuant to authorizations received from the Recon-

struction Finance Corporation under special agreements, the previous authority of SPB Special Order 11,² and the authority of this part. The Reconstruction Finance Corporation shall report to the Surplus Property Administration on Form SPA-60, "Monthly Report Of Scrappings Of Aircraft, Spare Aircraft Engines And Other Aeronautical Property In The Continental United States", in accordance with the instructions on the reverse of the form, the number and reported cost of aircraft and spare aircraft engines scrapped and the weight of scrap resulting therefrom, and the actual or estimated scrappings of other aeronautical property and the weight of scrap resulting therefrom, in their possession in the continental United States, under the previous authority of SPB Special Order 11,² and of this part.

2. The War Department, the Navy Department, and the Reconstruction Finance Corporation may reproduce Form SPA-60: *Provided,* That the format is identical with that on file with the Division of the Federal Register, and sample copies of which may be obtained from the Surplus Property Administrator.

NOTE: All reporting requirements of this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

This order shall become effective December 28, 1945.

W. STUART SYMINGTON,
Administrator.

DECEMBER 28, 1945.

[F. R. Doc. 45-23232; Filed, Dec. 29, 1945; 4:32 p. m.]

[SPA Reg. 5, Order 8]

PART 8305—SURPLUS NONINDUSTRIAL REAL PROPERTY

AUTHORITY TO FEDERAL WORKS AGENCY TO NEGOTIATE A LEASE FOR FIVE YEARS WITH OPTION TO PURCHASE FOR CERTAIN INSTITUTIONAL PROPERTY IN GEORGIA

The Battey General Hospital at Rome, Georgia, has been declared surplus by the War Department which is the owning agency. The hospital installation consists of approximately 160 acres of government-owned land improved with fully equipped hospital buildings and various facilities necessary for the operation of the hospital. The Battey General Hospital is institutional real estate properly assignable to the Federal Works Agency for disposition.

The State of Georgia wishes to acquire the entire hospital installation, including all government-owned land and improvements together with all equipment and supplies located thereon. The State of Georgia has stated that it desires to obtain immediate possession of the property on a temporary basis and, as soon

¹ Filed as part of the original document.
² 10 F.R. 7431, which is revoked by SPA Reg. 4, dated December 21, 1945.

as possible thereafter, to purchase the land or enter into a lease (for a period not in excess of five (5) years) with option to purchase. The State of Georgia represents that: (1) it has urgent and immediate need for increased hospital facilities; (2) the State has now available only approximately 1,000 beds for tubercular patients whereas its minimum requirements therefor is 3,200 beds; (3) it intends to use the facilities of the Battey General Hospital as a tuberculosis sanitarium; (4) when the Battey General Hospital is available for use as a tuberculosis sanitarium, the present State tuberculosis sanitarium will be converted into a mental institution or a female prison, both of which are urgently needed by the State; (5) it has funds available for the adequate care and maintenance of the Battey General Hospital. The United States Public Health Service has made a field investigation of the property in question and has recommended that it be made available to the State of Georgia on the basis of its above stated desires and representations.

Pursuant to the authority of the Surplus Property Act of 1944 (58 Stat. 765; 50 U.S.C. App. Sup. 1611) and Public Law 181, 79th Congress, *It is hereby ordered,* That: Notwithstanding the provisions of §§ 8305.11 (d) and 8305.12 (c), (d), (e) and (g), the Federal Works Agency is authorized to immediately issue a temporary occupancy permit to the State of Georgia for all government-owned property in the hospital installation known as the Battey General Hospital and, after having given ten (10) days written notice of availability to all Government agencies listed in Exhibit B, who have not previously in writing declined to make an offer for the properties above described, and after having given public notice of availability in a newspaper published or having general circulation in the county in which said property is located for a period of ten (10) days, is hereby authorized, in the absence of an acceptable proposal from a holder of a higher priority or a proposal from any State or local government having a priority equal to that of the State of Georgia, and showing a greater need, to negotiate with representatives of the State of Georgia the terms of a sale or a lease for a period not in excess of five (5) years, for the purposes indicated hereinabove, with an option to acquire title to the properties. The terms and conditions upon which the Federal Works Agency proposes to execute such sale or lease and option, together with all supporting evidence, certificates and other pertinent papers in compliance with the provisions of § 8305.12 (h) (5), shall be filed with the Administrator for consideration and direction.

This order shall become effective December 21, 1945.

W. STUART SYMINGTON,
Administrator.

DECEMBER 21, 1945.

[F. R. Doc. 45-23233; Filed, Dec. 29, 1945; 4:30 p. m.]

¹ 10 F.R. 12812, 14028, 14865.