

5100.32 (Encl 1)  
Sept 6, 74

GENERAL SERVICES ADMINISTRATION  
Washington, DC 20405

FEDERAL PROPERTY MANAGEMENT REGULATIONS  
TEMPORARY REGULATION F-227

SUBJECT: Delegation of authority.

1. Purpose. This regulation delegates authority to the Secretary of Defense to enter into contracts for procurement of public utility services for a period not exceeding 10 years.
2. Effective date. This regulation is effective immediately.
3. Delegation. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, particularly sections 201(a)(3) and 205(d) (40 U.S.C. 481(a)(3) and 486(d)), authority is delegated to the Secretary of Defense to enter into contracts for public utility services for periods extending beyond a current fiscal year, but not exceeding 10 years, under one or more of the following circumstances:
  - a. Where there are obtained lower rates, larger discounts, or more favorable conditions of service than those available under contracts, the firm term of which would not extend beyond a current fiscal year;
  - b. Where connection or special facility charges payable under contracts, the firm term of which would not extend beyond a current fiscal year, are eliminated or reduced; or
  - c. The utility refuses to render the desired service except under a contract the firm term of which extends beyond a current fiscal year.
4. General.
  - a. Copies and amendments of, and other pertinent data and information with respect to, such contracts executed by the Department of Defense for such utility services under the authority of this delegation shall be furnished to the General Services Administration as soon as practicable after the execution thereof, unless distribution thereof is inadvisable for reasons of security.

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b. This authority shall be exercised strictly in accordance with the applicable provisions of the "Statement of Areas of Understanding Between the Department of Defense and General Services Administration," which are entitled "Procurement of Utility Services (Power, Gas, Water)" dated November 2, 1950 (15 F.R. 8227, as amended January 19, 1957 (22 F.R. 871)), and "Procurement of Communications Services" dated November 27, 1950 (15 F.R. 8226).

c. The delegation of authority shall be subject to all provisions of law with respect to such contracts.

d. The Secretary of Defense may redelegate this authority to any officer, official, or employee of the Department of Defense.

5. Effect on other issuances. A prior delegation dated October 11, 1954 (19 F.R. 6665), is superseded.

JUL 30 1974

(Signed) Arthur F. Sampson

ADMINISTRATOR OF GENERAL SERVICES

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## **Statement of Areas of Understanding Between the Department of Defense and the General Services Administration, November 27, 1950**

Acquisitions of telecommunications resources by the DoD are governed by the Statement of Areas of Understanding Between the Department of Defense and the General Services Administration, dated November 27, 1950 which appears at 15 FR 8226 December 1, 1950. The text of that agreement is as follows:

### *Statement of Areas of Understanding Between Department of Defense and General Services Administration:*

(1) The areas of understanding herein set forth were worked out pursuant to order of the President of July 1, 1949, directed to the Secretary of Defense, the Director, Bureau of the Budget, and the Administrator of the General Services Administration.

(2) The areas of understanding with respect to communications services are:

(a)(1) As used in this statement, with respect to communications services: "Area contracts" are contracts providing for the furnishing of a communication service to all, or substantially all, activities of the Government located within a specified area, executed by GSA or by another agency designated by GSA.

(a)(2) As appropriate for contractual and operational matters: "Department of Defense" means one or more of the military departments.

(b) The basic principle in the procurement of communications services is that all such services shall be procured or provided at the minimum total cost to the Government consistent with requirements for capacity, efficiency of operation, reliability of service, security, and programmed activities. These requirements must be determined by the using agency.

(c) Close coordination and cooperation between the GSA and the Department of Defense shall be maintained to obtain the maximum economy consistent with the requirements for service.

(d) Communications services for activities of the Department of Defense occupying property controlled or operated by another Federal agency will be procured or provided by the General Services Administration or by the operating agency unless, in the opinion of the Department of Defense, the procurement or provision thereof by the Department of Defense is necessary in the interest of military operations, exercise of command and/or National Security.

(e) Communications services for the Department of Defense, in localities within an area where these services are or may become available under a General Services Administration contract, will be procured under a General Services Administration area contract when such a procedure is of benefit to the Government as a whole and does not

adversely affect Military operations, exercise of command and/or National Security. In all other instances, communication services required by the Department of Defense will continue to be procured under a standardized National Defense contract. Copies of or data on contracts executed by the Department of Defense for communications facilities and services will be furnished to the GSA upon request unless distribution is inadvisable for reasons of security.

(f) Except as provided in paragraphs 2 (d) and (e) above, all communication facilities and services for activities of the Department of Defense will be provided or procured by the Department of Defense.

(g) The Department of Defense will provide for complete coordination of all communication services procured or provided by it for all activities of the Department of the Army, Navy (including Marine Corps) and Air Force, and for maximum economy consistent with requirements.

(h) Joint use of telephone facilities such as private branch exchanges is to be encouraged whenever such use will result in efficient and economical service: provided that, in the opinion of the Department of Defense, no interference with military operations or violations of military security will result.

(i) It is recognized that rapid written communications for the Government as a whole can best be obtained by independent military and civilian agency systems, with these systems cooperating with each other. These systems, however, may interchange traffic where such interchange is efficient, and economical and practicable, provided that in the opinion of the Department of Defense there is no interference with movement of military traffic, and the handling of civilian traffic does not necessitate the utilization of additional facilities and personnel by the Department of Defense.

(j) Except as otherwise provided herein, the GSA will represent Executive Agencies, including the Department of Defense, in proceedings involving communications before municipal, State and Federal regulatory bodies in all rate cases and matters associated therewith.

#### Exceptions

(1) In those instances where the Department of Defense has the sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all Executive Agencies of the United States Government. The Department of Defense and the General Services Administration in pending or proposed proceedings will advise each other of action taken or to be taken that may have effect upon or be of interest or assistance to each other. Such representations conducted by the Department of Defense shall be subject to overall coordination by the General Services Administration. This shall not preclude representation for the Department of Defense by the General Services Administration when such representation is requested by the Department of Defense and is mutually

agreeable.

(2) In those instances where the Department of Defense does not have sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all Executive Agencies whenever representatives of the Department of Defense and the General Services Administration agree that conduct of the representation by the Department of Defense is in the best interest of the Government. Such representation conducted by the Department of Defense shall be subject to overall coordination by the General Services Administration.

(3) Except as pertains to the applications of pertinent provisions of section 5, Public Law 211, 81st Congress.

(k) Liaison between the Department of Defense and the General Services Administration for all matters involving representation of Executive Agencies in proceedings involving communications before regulatory bodies shall be maintained between the Office of General Counsel, the General Services Administration and the Office of General Counsel, Department of Defense.

(1) Liaison with respect to policy matters concerning this arrangement and matters pertinent thereto except as provided in paragraph (k), will be maintained between the Chief, Public Utilities Branch, Public Building Service, General Services Administration and Chief, Electronics Division, Munitions Board of the Department of Defense and for operational and contractual matters between designated representatives of the General Services Administration and of the Department of Defense.

(m) This area of understanding is applicable to communications services within the Continental United States, Hawaii, Puerto Rico and the Virgin Islands. The Department of Defense shall be exempt from action taken by the Administrator with respect to communications services under Section 201(a) of Public Law 152 in other geographic areas.

tion will be directed to the following matters:

1. Whether any of the partners of Lehman Brothers serving as directors or officers of enterprises which are common carriers or are engaged in a phase of aeronautics, or are persons whose principal business is the holding of stock in, or control of, a person engaged in a phase of aeronautics actually represents any of the above-mentioned partners within the meaning of section 409 (a) of the act, and

2. Whether the public interest would be affected adversely by any interlocking relationship as may exist between Pan American World Airways, Inc., and/or National Airlines, Inc., and/or Continental Air Lines, Inc., or between any or all of those carriers, on one hand, and any enterprise which is a common carrier or is engaged in a phase of aeronautics or is a person whose principal business is holding stock in a person engaged in a phase of aeronautics, on the other, as a result of any such representation by any partner of the firm of Lehman Brothers as may exist.

Notice is further given that any person other than the parties of record desiring to be heard in this proceeding shall file with the Board on or before December 11, 1950, a statement setting forth the issues of fact and law which he desires to controvert.

For further details with respect to this proceeding, interested persons are referred to the pertinent orders of the Civil Aeronautics Board on file in the docket.

Dated at Washington, D. C., November 27, 1950.

By the Civil Aeronautics Board.

(SEAL) M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 50-10879; Filed, Nov. 30, 1950;  
8:50 a. m.]

[Docket No. 4211]

AMERICAN AIRLINES, INC.: LOS ANGELES-SAN FRANCISCO CARGO CASE

NOTICE OF ORAL ARGUMENT

In the matter of the application of American Airlines, Inc., for the carriage of property and mail between the coterminal points San Francisco and Oakland, Calif., via the intermediate points Los Angeles, and San Diego, Calif., and Phoenix, Ariz., and cities to the east thereof presently named on route No. 4.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceedings is assigned to be held on December 11, 1950, at 10:00 a. m., e. s. t., in Room 5042, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., November 28, 1950.

By the Civil Aeronautics Board.

(SEAL) M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 50-10880; Filed, Nov. 30, 1950,  
8:50 a. m.]

[Docket No. 4586]

WEST COAST COMMON FARES CASE

NOTICE OF POSTPONEMENT OF HEARING

In the matter of the West Coast passenger fare structure.

Notice is hereby given that the hearing in the above-entitled proceeding now assigned to be held on December 11, 1950 has been postponed until December 13, 1950 at 10:00 a. m., e. s. t., in Room E-214, Temporary Building No. 5, Sixteenth and Constitution Avenue NW., Washington, D. C.

Dated at Washington, D. C., November 27, 1950.

By the Civil Aeronautics Board.

(SEAL) M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 50-10855; Filed, Nov. 30, 1950;  
2:43 a. m.]

GENERAL SERVICES ADMINISTRATION

PROCUREMENT OF COMMUNICATIONS SERVICES

STATEMENT OF AREAS OF UNDERSTANDING BETWEEN DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

1. The areas of understanding herein set forth were worked out pursuant to order of the President of July 1, 1949, directed to the Secretary of Defense, the Director, Bureau of the Budget, and the Administrator of General Services.

2. The areas of understanding with respect to communications services are:

a. (1) As used in this statement, with respect to communications services: "Area contracts" are contracts providing for the furnishing of a communication service to all, or substantially all, activities of the Government located within a specified area, executed by GSA or by another agency designated by GSA.

(2) As appropriate for contractual and operational matters, "Department of Defense" means one or more of the military departments.

b. The basic principle in the procurement of communication services is that all such services shall be procured or provided at the minimum total cost of the Government consistent with requirements for capacity, efficiency of operation, reliability of service, security, and programmed activities. These requirements must be determined by the using agency.

c. Close coordination and cooperation between the GSA and the Department of Defense shall be maintained to obtain the maximum economy consistent with the requirements for service.

d. Communications services for activities of the Department of Defense occupying property controlled or operated by another Federal agency will be procured or provided by the General Services Administration or by the operating agency unless in the opinion of the Department of Defense the procurement or provision thereof by the Department of Defense is necessary in the interest of military operations, exercise of command and/or National security.

e. Communications services for the Department of Defense, in localities within an area where these services are or may become available under a General Services Administration contract, will be procured under a General Services Administration area contract when such a procedure is of benefit to the Government as a whole and does not adversely affect Military operations, exercise of command and/or National security. In all other instances, communication services required by the Department of Defense will continue to be procured under a standardized National Defense contract. Copies of or data on contracts executed by the Department of Defense for communications facilities and services will be furnished to the GSA upon request unless distribution is inadvisable for reasons of security.

f. Except as provided in paragraphs 2 (d) and (e) above, all communication facilities and services for activities of the Department of Defense will be provided or procured by the Department of Defense.

g. The Department of Defense will provide for complete coordination of all communication services procured or provided by it for all activities of the Department of the Army, Navy (including the Marine Corps) and Air Force, and for maximum economy consistent with requirements.

h. Joint use of telephone facilities such as private branch exchanges is to be encouraged wherever such use will result in efficient and economical service: *Provided*, That in the opinion of the Department of Defense, no interference with military operations or violations of military security will result.

i. It is recognized that rapid written communications for the Government as a whole can best be obtained by independent military and civilian agency systems, with these systems cooperating with each other. These systems, however, may interchange traffic where such interchange is efficient, and economical and practicable, provided that in the opinion of the Department of Defense there is no interference with movement of military traffic, and the handling of civilian traffic does not necessitate the utilization of additional facilities and personnel by the Department of Defense.

j. Except as otherwise provided herein, the GSA will represent executive agencies including the Department of Defense in proceedings involving communications before municipal, State and Federal regulatory bodies in all rate cases and matters associated therewith.

*Exceptions.* (1) In those instances where the Department of Defense has the sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all executive agencies of the United States Government. The Department of Defense and the General Services Administration in pending or proposed proceedings will advise each other of action taken or to be taken that may have effect upon or be of interest or assistance to each other. Such representations conducted by the Department of Defense shall be subject to overall coordination by General Services

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Administration. This shall not preclude representation for the Department of Defense by the General Services Administration when such representation is requested by the Department of Defense and is mutually agreeable.

(2) In those instances where the Department of Defense does not have sole Government interest in a proceeding involving communications before a regulatory body, the Department of Defense will conduct the representation on behalf of all executive agencies whenever representatives of the Department of Defense and the General Services Administration agree that conduct of the representation by the Department of Defense is in the best interest of the Government. Such representation conducted by the Department of Defense shall be subject to over-all coordination by the General Services Administration.

(3) Except as pertains to the applications of pertinent provisions of section 5, Public Law 211, 81st Congress.

k. Liaison between the Department of Defense and the General Services Administration for all matters involving representation of executive agencies in proceedings involving communications before regulatory bodies shall be maintained between the Office of General Counsel, General Services Administration and the Office of General Counsel, Department of Defense.

l. Liaison with regard to policy matters concerning this agreement and matters pertinent thereto except as provided in paragraph k, will be maintained between the Chief, Public Utilities Branch, Public Building Service, General Services Administration and Chief, Electronics Division, Munitions Board of the Department of Defense and for operational and contractual matters between designated representatives of the General Services Administration and of the Department of Defense.

m. This area of understanding is applicable to communications services within the Continental United States, Hawaii, Puerto Rico and the Virgin Islands. The Department of Defense shall be exempt from action taken by the Administrator with respect to communications services under section 201 (a) of Public Law 152 in other geographical areas.

Dated: November 27, 1950.

JESS LARSON,  
Administrator of General Services.

Dated: November 22, 1950.

J. D. SMALL,  
Chairman, Munitions Board,  
Department of Defense.

[F. R. Doc. 50-10865; Filed, Nov. 30, 1950;  
8:46 a. m.]

PROCUREMENT OF UTILITY SERVICES  
(POWER, GAS, WATER)

STATEMENT OF AREAS OF UNDERSTANDING  
BETWEEN DEPARTMENT OF DEFENSE AND  
GENERAL SERVICES ADMINISTRATION

1. The areas of understanding herein set forth were arrived at in accordance with the President's order of July 1, 1949,

directed to the Secretary of Defense, the Director of the Bureau of the Budget, and the Administrator of the General Services Administration.

2. The understandings with respect to procurement, and matters related thereto, of these public utility services are:

a. Definitions as used in this statement:

(1) "Utility services" consist of electricity, natural and manufactured gas distributed by pipes, steam, sewerage, and water; but do not include communications, transportation or removal and disposal of garbage, rubbish, and trash.

(2) "Area contracts" are contracts providing for the furnishing of a utility service to all, or substantially all activities of the Government located within a specified area; executed by General Services Administration or by any other agency authoritatively acting for the General Services Administration.

(3) The "Department of Defense" includes the Secretary of Defense, and any other officials of the Department of Defense, particularly of the Munitions Board, Departments of the Army, Navy, and Air Force, authorized to act for him.

b. The basic purpose of the agreements and procedures outlined herein relating to utility services is that all these services shall be procured or provided at the minimum practical total cost to the Government, consistent with appropriate regard for high standards of health and sanitation, adequacy, efficiency of operation, and reliability of service. These latter requisites must be evaluated by the using agency.

c. Close coordination and cooperation between the General Services Administration and the Department of Defense shall be maintained to obtain the optimum of economy consistent with the necessity and urgency for the services.

d. Except as provided in paragraphs 2 (e) and (f), below, all utility services for activities of the Department of Defense will be provided or procured by the Department of Defense. However, the Department of Defense will inform General Services Administration of all new contracts contemplated for utility services for permanent installations.

e. Utility services for activities of the Department of Defense occupying property controlled or operated by another Federal agency will be procured or provided by the Department of Defense only if not procured or provided by the General Services Administration or the operating agency.

f. Utility services required by the Department of Defense activities in localities within an area where these services are or may become available under a General Services Administration area contract shall be procured thereunder unless otherwise agreed to between the Department of Defense and the General Services Administration.

g. The Department of Defense will provide for complete coordination of all utility services procured or provided by it for all activities of the Departments of the Army, Navy and Air Force, and for the optimum of economy consistent with exigencies and urgency of the occasion. Contracts of the Department of

Defense will be executed on standardized forms, in so far as possible, developed cooperatively and agreed to by the General Services Administration and the Department of Defense, with such exceptions and modifications as may be necessitated by the exigencies of the situation and special conditions bearing upon the matter. Copies of, and other pertinent data and information with respect to, contracts executed by the Department of Defense for utility services will be furnished to the General Services Administration upon request unless distribution thereof is inadvisable for reasons of security.

h. The Department of Defense will make recommendations to the General Services Administration whenever in judgment an area contract may be of over-all benefit to the Government.

i. The Department of Defense, upon request and consummation of agreed terms, will assist the General Services Administration in procuring utility services for other agencies of the Government which are located in the contract area.

j. Contracts involving the sale or furnishing of utility services to others by the Department of Defense, such sale is to a public utility service or other government agencies, the General Services Administration will be notified of the proposed terms and conditions prior to execution of the contract.

k. Except as otherwise provided below, the General Services Administration shall represent the Department of Defense and its agencies in proceedings involving public utilities before municipal, State and Federal regulatory bodies.

Exceptions. (1) In those instances where the Department of Defense is the sole Government interest in a proceeding involving a public utility before a regulatory body, the Department of Defense will conduct the representation on behalf of the United States Government. The Department of Defense will notify the General Services Administration of pending or proposed proceedings. Such representations conducted by the Department of Defense shall be subject to over-all coordination by the General Services Administration.

(2) In those instances where the Department of Defense does not have Government interest in a proceeding involving a public utility before a regulatory body, the Department of Defense will conduct the representation on behalf of all executive agencies whenever representatives of the Department of Defense and the General Services Administration agree that conduct of the representation by the Department of Defense is in the best interest of the Government. Such representation conducted by the Department of Defense shall be subject to over-all coordination by the General Services Administration.

l. Liaison between the Department of Defense and the General Services Administration for all matters involving representation of executive agencies in proceedings involving public utilities before regulatory bodies shall be maintained between the Office of General Counsel, General Services Administration