



United States  
General Accounting Office  
Washington, D.C. 20548

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Office of the General Counsel

B-232662

November 22, 1988

Ms. Margaret A. Willis  
FAR Secretariat  
General Services Administration

Dear Ms. Willis:

This responds to your request dated September 2, 1988, for our comments on a proposal to amend Federal Acquisition Regulation (FAR) § 45.306 and the clause at FAR § 52.245-17 as well as some related sections with respect to special tooling. This is FAR Case No. 88-36.

The proposed amendment would clarify government policy in connection with special tooling that is furnished by the government or acquired by the government under fixed priced contracts. The amendment is also intended to improve the management of special tooling and to enhance government retention and disposal decisions.

The proposed amendment is limited to instances where the special tooling is to be supplied by the government or where the government is to acquire title to contractor supplied tooling. Nevertheless, we think that it is important to recognize that recent legislation, Pub. L. No. 100-180, 101 Stat. 1130 (1987), which concerns the share of tooling costs that must be born by Department of Defense contractors, may have an impact on the issue of title to such tooling. Consequently, we recommend that the proposed amendment be examined to ensure that it is consistent with all current legislation.

Sincerely,

for  
James F. Hinchman  
General Counsel