submission of the initial inventory disposal schedule. The report shall be addressed to the administrative contracting officer or, for termination inventory, to the termination contracting officer, with a copy to the property administrator.

45.606 Disposal of scrap.

45.606-1 Contractor with an approved scrap procedure.

(a) The contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, then the contractor shall submit the scrap on an inventory disposal schedule.

(b) For scrap from other than production or testing, the contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures).

(c) Inventory disposal schedules shall be submitted for all aircraft regardless of condition, flight safety critical aircraft parts, and scrap that—

1. Requires demilitarization;
2. Is a classified item;
3. Is generated from classified items;
4. Contains hazardous materials or hazardous wastes;
5. Contains precious metals that are economically beneficial to recover; or
6. Is dangerous to the public health, safety, or welfare.

(89 FR 17745, Apr. 4, 2004, as amended at 75 FR 38681, July 2, 2010)

45.606-2 Contractor without an approved scrap procedure.

The contractor shall submit an inventory disposal schedule for all scrap.

45.606-3 Procedures.

(a) The plant clearance officer shall process inventory disposal schedules in accordance with 45.602-1.

(b) The plant clearance officer shall—

1. Accept, reject, or return for correction scrap lists within 10 days following receipt;
2. Accept scrap lists that are consistent with a contractor’s approved scrap procedure, correctly identify the contracts under which the scrap is accountable, and correctly identify the scrap’s quantity and condition;
3. Use Standard Form 1423 to verify accepted scrap lists, in accordance with agency procedures;
4. Require a contractor to correct any discrepancies found during verification; and
5. Provide disposition instructions to the contractor within 45 days following Government acceptance of a scrap list. If the plant clearance officer does not provide disposition instructions within that period, the contractor may dispose of scrap identified on a scrap list without further Government approval.