

Sec.	
704.	Other methods of disposal.
705.	Handling of proceeds from disposal.

## HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
701(a) .....	40:514(a) (words before last comma).	June 30, 1949, ch. 288, title IV, §404, 63 Stat. 398; Pub. L. 86-624, §27(c), July 12, 1960, 74 Stat. 418; Pub. L. 96-470, title I, §101(a), Oct. 19, 1980, 94 Stat. 2237.
701(b)(1) .....	40:511 (words before proviso). 40:514(d).	June 30, 1949, ch. 288, title IV, §401, 63 Stat. 397.
701(b)(2)(A) .....	40:514(a) (words after last comma).	
701(b)(2)(B) .....	40:511 (proviso cl. (a)).	
701(b)(3) .....	40:514(b).	
701(b)(4) .....	40:514(c).	
701(c)(1) .....	40:511 (proviso cl. (b) (words before "and the authority to amend"))[D].	
701(c)(2) .....	40:511 (proviso cl. (b) (words beginning "and the authority to amend"), (c), (d)).	

**§ 701. Administrative**

(a) **POLICIES PRESCRIBED BY THE PRESIDENT.**—The President may prescribe policies that the President considers necessary to carry out this chapter. The policies must be consistent with this chapter.

(b) **EXECUTIVE AGENCY RESPONSIBILITY.**—

(1) **IN GENERAL.**—The head of an executive agency that has foreign excess property is responsible for the disposal of the property.

(2) **CONFORMANCE TO POLICIES.**—In carrying out functions under this chapter, the head of an executive agency shall—

(A) use the policies prescribed by the President under subsection (a) for guidance; and

(B) dispose of foreign excess property in a manner that conforms to the foreign policy of the United States.

(3) **DELEGATION OF AUTHORITY.**—The head of an executive agency may—

(A) delegate authority conferred by this chapter to an official in the agency or to the head of another executive agency; and

(B) authorize successive redelegation of authority conferred by this chapter.

(4) **EMPLOYMENT OF PERSONNEL.**—As necessary to carry out this chapter, the head of an executive agency may—

(A) appoint and fix the pay of personnel in the United States, subject to chapters 33 and 51 and subchapter III of chapter 53 of title 5; and

(B) appoint personnel outside the States of the United States and the District of Columbia, without regard to chapter 33 of title 5.

(c) **SPECIAL RESPONSIBILITIES OF SECRETARY OF STATE.**—

(1) **USE OF FOREIGN CURRENCIES AND CREDITS.**—The Secretary of State may use foreign currencies and credits acquired by the United States under section 704(b)(2) of this title—

(A) to carry out the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.);

(B) to carry out the Foreign Service Buildings Act, 1926 (22 U.S.C. 292 et seq.); and

(C) to pay other governmental expenses payable in local currencies.

(2) **RENEWAL OF CERTAIN AGREEMENTS.**—Except as otherwise directed by the President, the Secretary of State shall continue to perform functions under agreements in effect on July 1, 1949, related to the disposal of foreign excess property. The Secretary of State may amend, modify, and renew the agreements. Foreign currencies or credits the Secretary of State acquires under the agreements shall be administered in accordance with procedures that the Secretary of the Treasury may establish. Foreign currencies or credits reduced to United States currency must be deposited in the Treasury as miscellaneous receipts.

(Pub. L. 107-217, Aug. 21, 2002, 116 Stat. 1125.)

In subsection (b)(1), the text of 40:514(d) is omitted as executed and obsolete.

In subsection (b)(4), the words "chapters 33 and 51 and subchapter III of chapter 53 of title 5" are substituted for "the civil-service and classification laws", and the words "chapter 33 of title 5" are substituted for "the civil-service laws", because of section 7(b) of the Act of September 6, 1966 (Public Law 89-554, 80 Stat. 631), the first section of which enacted Title 5, United States Code. In subclause (A), the words "in the United States" are added for clarity. In subclause (B), provisions related to the heads of executive agencies fixing the compensation of personnel outside the continental limits of the United States that were contained in section 404(c)(2) of the Federal Property and Administrative Services Act of 1949 are omitted as obsolete. Sections 1202 and 1204 of the Classification Act of 1949 (ch. 782, 63 Stat. 972, 973) repealed the Classification Act of 1923 (ch. 265, 42 Stat. 1488) and all other provisions inconsistent with the 1949 Act. The Classification Act of 1949 was repealed by section 8(a) of the Act of September 6, 1966 (Public Law 89-554, 80 Stat. 632), the first section of which enacted title 5, United States Code. The Classification Act of 1949 was reenacted as chapter 51 and subchapter III of chapter 53 of title 5. See especially 5:5102 and 5103.

In subsection (c)(1), the words "Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.)" are substituted for "section 32(b)(2) of the Surplus Property Act of 1944, as amended" because of section 111(a)(1) and (c) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-257, 75 Stat. 538). The words "Foreign Service Buildings Act, 1926" are substituted for "Foreign Service Buildings Act of May 7, 1926, as amended" because of section 8 of the Foreign Service Buildings Act (22:299). The words "(including section 295b of title 22)" are omitted as executed and obsolete.

In subsection (c)(2), the words "Secretary of State" are substituted for "Department of State" because of 22:2651.

**Editorial Notes**

## REFERENCES IN TEXT

The Mutual Educational and Cultural Exchange Act of 1961, referred to in subsec. (c)(1)(A), is Pub. L. 87-256, Sept. 21, 1961, 75 Stat. 527, which is classified principally to chapter 33 (§2451 et seq.) of Title 22, Foreign Relations and Intercourse. For complete classification of this Act to the Code, see Short Title note set out under section 2451 of Title 22 and Tables.

The Foreign Service Buildings Act, 1926, referred to in subsec. (c)(1)(B), is act May 7, 1926, ch. 250, 44 Stat. 403, as which is classified generally to chapter 8 (§292 et

seq.) of Title 22, Foreign Relations and Intercourse. For complete classification of this Act to the Code, see section 299 of Title 22 and Tables.

§ 702. Return of foreign excess property to United States

(a) IN GENERAL.—Under regulations prescribed pursuant to subsection (b), foreign excess property may be returned to the United States for handling as excess or surplus property under subchapter II of chapter 5 of this title or section 549 or 551 of this title when the head of the executive agency concerned, or the Administrator of General Services after consultation with the agency head, determines that return of the property to the United States for such handling is in the interest of the United States.

(b) REGULATIONS.—The Administrator shall prescribe regulations to carry out this section. The regulations must require that transportation costs for returning foreign excess property to the United States are paid by the federal agency, state agency, or donee receiving the property.

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1126.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 702, 40:512(c), June 30, 1949, ch. 288, title IV, § 402(c), as added Pub. L. 91–426, § 2(d), Sept. 26, 1970, 84 Stat. 883; Pub. L. 94–519, § 4, Oct. 17, 1976, 90 Stat. 2455.

§ 703. Donation of medical supplies for use in foreign country

(a) APPLICATION.—This section applies to medical materials or supplies that are in a foreign country but that would, if situated within the United States, be available for donation under subchapter III of chapter 5 of this title.

(b) IN GENERAL.—An executive agency may donate medical materials or supplies that are not disposed of under section 702 of this title.

(c) CONDITIONS.—A donation under this section is subject to the following conditions:

(1) The medical materials and supplies must be donated for use in a foreign country.

(2) The donation must be made to a non-profit medical or health organization, which may be an organization qualified to receive assistance under section 214(b) or 607 of the Foreign Assistance Act of 1961 (22 U.S.C. 2174(b), 2357).

(3) The donation must be made without cost to the donee (except for costs of care and handling).

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1126.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 703, 40:512(b), June 30, 1949, ch. 288, title IV, § 402(b), as added Pub. L. 91–426, § 2(d), Sept. 26, 1970, 84 Stat. 883.

§ 704. Other methods of disposal

(a) IN GENERAL.—Foreign excess property not disposed of under section 702 or 703 of this title may be disposed of as provided in this section.

(b) METHODS OF DISPOSAL.—

(1) SALE, EXCHANGE, LEASE, OR TRANSFER.—The head of an executive agency may dispose of foreign excess property by sale, exchange, lease, or transfer, for cash, credit or other property, with or without warranty, under terms and conditions the head of the executive agency considers proper.

(2) EXCHANGE FOR FOREIGN CURRENCY OR CREDIT.—If the head of an executive agency determines that it is in the interest of the United States, foreign excess property may be exchanged for—

- (A) foreign currencies or credits; or
(B) substantial benefits or the discharge of claims resulting from the compromise or settlement of claims in accordance with law.

(3) ABANDONMENT, DESTRUCTION, OR DONATION.—The head of an executive agency may authorize the abandonment, destruction, or donation of foreign excess property if the property has no commercial value or if estimated costs of care and handling exceed the estimated proceeds from sale.

(c) ADVERTISING.—The head of an executive agency may dispose of foreign excess property without advertising if the head of the executive agency finds that disposal without advertising is the most practicable and advantageous means for the Federal Government to dispose of the property.

(d) TRANSFER OF TITLE.—The head of an executive agency may execute documents to transfer title or other interests in, and take other action necessary or proper to dispose of, foreign excess property.

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1126.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 704, 40:512(a), June 30, 1949, ch. 288, title IV, § 402(a), 63 Stat. 398; Pub. L. 91–426, § 2(a)–(c), Sept. 26, 1970, 84 Stat. 883; Pub. L. 99–627, § 3(a), Nov. 7, 1986, 100 Stat. 3509.

§ 705. Handling of proceeds from disposal

(a) IN GENERAL.—This section applies to proceeds from the sale, lease, or other disposition of foreign excess property under this chapter.

(b) FOREIGN CURRENCIES OR CREDITS.—Proceeds in the form of foreign currencies or credits, must be administered in accordance with procedures that the Secretary of the Treasury may establish.

(c) UNITED STATES CURRENCY.—

(1) SEPARATE FUND IN TREASURY.—Section 572(a) of this title applies to proceeds of foreign excess property disposed of for United States currency under this chapter.

(2) DEPOSITED IN TREASURY AS MISCELLANEOUS RECEIPTS.—Except as provided in paragraph (1), proceeds in the form of United States currency, including foreign currencies