percentage of the annual existing appropriation.

Regulatory Flexibility Act of 1980

The Secretary certifies that this rule will not have a significant impact on substantial numbers of small entities.

Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, Public Law 104–13, all Departments are required to submit to the Office of Management and Budget (OMB) for review and approval of any reporting or record-keeping requirement inherent in a proposed or final rule. This NPRM contains an information collection requirement in section 1311.3 with regard to the application process for individuals applying for the HSFP. The respondents are the applicants. The Department needs to require an application process in order to make determinations about the applicants' eligibility to participate in the HSFP. The frequency of responses from applicants (new) will be annual. The Administration for Children and Families will consider comments by the public on the proposed requirement for applications in evaluating the accuracy of our estimate of the burden hours. We estimate that it will take approximately two hours per applicant to supply the relevant information. Although we do not know how many individuals will complete the application process for this new program, we anticipate receiving approximately 200 applications per year (this figure may increase or decrease). The total burden estimate at this time is approximately 400 hours. This section will be submitted to OMB for review and approval in accordance with the Paperwork Reduction Act.

OMB is required to make a decision concerning the collections of information contained in these proposed regulations between 30 and 60 days after publication of this document in the Federal Register. Therefore, a comment is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Department on the proposed regulations. Written comments to OMB should be sent directly to the following address: Office of Management and Budget, Paperwork Reduction Project, 725 17th Street, N.W. Washington D.C. 20503, Attn: Ms. Wendy Taylor.

List of Subjects in 45 CFR Part 1311

Head Start Fellows, Head Start.

(Catalog of Federal Domestic Assistance Program Number 93.600, Project Head Start)

Dated: April 1, 1996.

Mary Jo Bane,

Assistant Secretary for Children and Families.

For the reasons set forth in the Preamble, 45 CFR Chapter XIII is proposed to be amended by adding a new Part 1311 as follows:

PART 1311—HEAD START FELLOWS PROGRAM

Sec.

Authority: 42 U.S.C. 9801 *et seq.*

§ 1311.1 Head Start Fellows Program purpose.

(a) This Part establishes regulations implementing section 648A(d) of the Head Start Act, as amended, 42 U.S.C. 9801 *et seq.*, applicable to the administration of the Head Start Fellows Program, including selection, placement, duration and status of the Head Start Fellows.

(b) As provided in section 648A(d) of the Act, the Head Start Fellows Program is designed to enhance the ability of Head Start Fellows to make significant contributions to Head Start and to other child development and family services programs.

§ 1311.2 Definitions.

As used in this part:

Act means the Head Start Act, as amended, 42 U.S.C. 9801 *et seq.*

Associate Commissioner means the Associate Commissioner of the Head Start Bureau in the Administration on Children, Youth and Families.

Head Start Fellows means individuals who participate in the Head Start Fellows Program, who may be staff in local Head Start programs or other individuals working in the field of child development and family services.

§ 1311.3 Application process.

An individual who wishes to obtain a Fellowship must submit an application to the Associate Commissioner. The Administration for Children and Families will publish an annual announcement of the availability and number of Fellowships in the Federal Register. Federal employees are not eligible to apply.

§ 1311.4 Qualifications, selection, and placement.

(a) The Act specifies that an applicant must be working on the date of application in a local Head Start program or otherwise working in the field of child development and family services. The qualifications of the applicants for Head Start Fellowship positions will be competitively reviewed. The Associate Commissioner will make the final selection of the Head Start Fellows.

(b) Head Start Fellows may be placed in:

(1) The Head Start national and regional Offices;

(2) Local Head Start agencies and programs;

(3) Institutions of higher education;

(4) Public or private entities and organizations concerned with services to children and families; and

(5) Other appropriate settings..

(c) A Head Start Fellow who is not an employee of a local Head Start agency or program may only be placed in the national or regional offices within the Department of Health and Human Services that administer Head Start or local Head Start agencies.

(d) Head Start Fellows shall not be placed in any agency whose primary purpose, or one of whose major purposes is to influence Federal, State or local legislation.

§ 1311.5 Duration of Fellowships and status of Head Start Fellows.

(a) Head Start Fellowships will be for terms of one year, and may be renewed for a term of one additional year.

(b) For the purposes of compensation for injuries under chapter 81 of title 5, United States Code, Head Start Fellows shall be considered to be employees, or otherwise in the service or employment, of the Federal Government.

(c) Head Start Fellows assigned to the national or regional Offices within the Department of Health and Human Services shall be considered employees in the Executive Branch of the Federal Government for the purposes of chapter 11 of Title 18, United States Code, and for the purposes of any administrative standards of conduct applicable to the employees of the agency to which they are assigned.

[FR Doc. 96–12124 Filed 5–14–96; 8:45 am]

BILLING CODE 4184–01–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 15, 22, and 24

[WT Docket No. 95–157; RM–8643; FCC 96–196]

Microwave Relocation Rules; Comment Request for Blocks C Through F

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: By this *Further Notice of Proposed Rule Making,* the Commission seeks further comment on certain aspects of the microwave relocation rules for C, D, E, and F blocks. Specifically, the Commission seeks further comment on whether to adjust the negotiation periods by shortening the voluntary negotiation period and lengthening the mandatory negotiation period for the D, E, and F blocks, and whether the negotiation periods for the C block should be subject to the same adjustment. The Commission also seeks comment on whether microwave incumbents should be permitted to seek reimbursement from PCS licensees through participation in the cost-sharing plan. The Commission believes that the rules proposed herein, will expedite the clearing of the 2 GHz band in an equitable and efficient manner.

DATES: Comments must be filed on or before May 28, 1996 and reply comments on or before June 7, 1996.

ADDRESSES: Federal Communications Commission, 1919 M Street, N.W., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Michael Hamra (202) 418–0620, Wireless Telecommunications Bureau.

SUPPLEMENTARY INFORMATION: This is a synopsis of the *Further Notice of Proposed Rule Making,* adopted April 24, 1996 and released April 30, 1996. The complete text of this *Further Notice of Proposed Rule Making* is available for inspection and copying during normal business hours in the FCC Reference Center, Room 230, 1919 M Street, N.W., Washington, D.C., and also may be purchased from the Commission's copy contractor, International Transcription Service, at (202) 857–3800, 2100 M Street, N.W., Suite 140, Washington, D.C. 20037.

FURTHER NOTICE OF PROPOSED RULE MAKING

I. Background

1. In the *First Report and Order and Third Notice of Proposed Rule Making* in ET Docket No. 92–9, 57 FR 49020 (October 29, 1992) the Commission reallocated the 1850–1990, 2110–2150, and 2160–2200 MHz bands from private and common carrier fixed microwave services to emerging technology services. The Commission also established procedures for 2 GHz microwave incumbents to be relocated to available frequencies in higher bands or to other media, by encouraging incumbents to negotiate voluntary relocation agreements with emerging technology licensees or manufacturers of unlicensed devices when frequencies used by the incumbent are needed to implement the emerging technology. The *First Report and Order* stated that, should negotiations fail, the emerging technology licensee could request involuntary relocation of the incumbent, provided that the emerging technology service provider pays the cost of relocating the incumbent to a comparable facility.

2. In the Commission's *Third Report and Order* in ET Docket No. 92–9, 58 FR 46547 (September 2, 1993) as modified on reconsideration by the *Memorandum Opinion and Order,* 59 FR 19642 (April 25, 1994) the Commission established additional details of the transition plan to enable emerging technology providers to relocate incumbent facilities. The relocation process consists of two negotiation periods that must expire before an emerging technology licensee may request involuntary relocation. The first is a fixed two-year period for voluntary negotiations—three years for public safety incumbents, *e.g.,* police, fire, and emergency medical—commencing with the Commission's acceptance of applications for emerging technology services, during which the emerging technology providers and microwave licensees may negotiate any mutually acceptable relocation agreement. Negotiations are strictly voluntary. If no agreement is reached, the emerging technology licensee may initiate a one-year mandatory negotiation period—or two-year mandatory period if the incumbent is a public safety licensee—during which the parties are required to negotiate in good faith.

3. Should the parties fail to reach an agreement during the mandatory negotiation period, the emerging technology provider may request involuntary relocation of the existing facility. Involuntary relocation requires that the emerging technology provider (1) guarantee payment of all costs of relocating the incumbent to a comparable facility; (2) complete all activities necessary for placing the new facilities into operation, including engineering and frequency coordination; and (3) build and test the new microwave (or alternative) system. Once comparable facilities are made available to the incumbent microwave operator, the Commission will amend the 2 GHz license of the incumbent to secondary status. After relocation, the microwave incumbent is entitled to a one-year trial period to determine whether the facilities are indeed comparable, and if they are not, the emerging technology licensee must remedy the defects or pay to relocate the incumbent back to its former or an equivalent 2 GHz frequency.

4. Under these procedures, it is possible for a relocation agreement between a PCS licensee and a microwave incumbent to have spectrum-clearing benefits for other PCS licensees as well. First, some microwave spectrum blocks overlap with one or more PCS blocks, because the spectrum in the 1850–1990 MHz band was assigned differently in the two services. Second, incumbents' receivers may be susceptible to adjacent or co-channel interference from PCS licensees in more than one PCS spectrum block. For example, a microwave link located partially in Block A, partially in Block D, and adjacent to Block B, may cause interference to or receive interference from PCS licensees that are licensed in each of those blocks. Third, because most 2 GHz microwave licensees operate multi-link systems, PCS licensees may be asked to relocate links that do not directly encumber their own spectrum or service area in order to obtain the microwave incumbent's voluntary consent to relocate. Finally, the *Unlicensed PCS Ad Hoc Committee for 2 GHz Microwave Transition and Management Inc.* (''UTAM''), the frequency coordinator for the PCS spectrum designated for unlicensed devices, expects that some licensed PCS providers will have to relocate links in the unlicensed band that are paired with links in licensed PCS spectrum. The Commission has designated UTAM to coordinate relocation in the 1910–1930 MHz band, which has been reallocated for unlicensed PCS devices. Once the 1910–1930 MHz band is clear, or there is little risk of interference to the remaining incumbents, and UTAM has recovered its relocation costs, UTAM's role will end and it will be dissolved.

5. Because the Commission is licensing PCS providers at different times and multiple PCS licensees may benefit from the relocation of a microwave system or even a single link, the first PCS licensee in the market potentially bears a disproportionate share of relocation costs. Subsequent PCS licensees to enter the market may

therefore obtain a windfall. As a result of this potential ''free rider'' problem, the first PCS licensee in the market might not relocate a link or might delay its deployment of PCS if it believes that another PCS licensee will relocate the link first, thus paying for some or all of the relocation costs. In addition, unless cost-sharing is adopted, PCS licensees might not engage in relocation that is cost-effective if viewed from an industry-wide perspective. For example, a link that encumbers two PCS blocks might not be moved if the cost is greater than the benefit to any single licensee, even though the joint benefit received by two or more licensees exceeds the cost of relocating the link.

6. In 1994, PCIA proposed a cost-sharing plan to alleviate the free rider problem, which the Commission found to be attractive in theory but dismissed as underdeveloped. On May 5, 1995, Pacific Bell (''PacBell'') filed a Petition for Rulemaking. In its petition, PacBell proposed a detailed cost-sharing plan in which PCS licensees on all blocks, licensed and unlicensed, would share in the cost of relocating microwave stations. On May 16, 1995, the Commission requested comment on PacBell's proposal. Most parties that commented on PacBell's Petition for Rulemaking supported the cost-sharing concept, although the comments reflected some differences regarding the details of the proposal. On October 12, 1995, the Commission adopted a *Notice of Proposed Rule Making,* 60 FR 55529 (November 1, 1995) which sought comment on a modified version of the plan proposed by PacBell.

7. The Commission also adopted and released with this *Further Notice of Proposed Rule Making,* the *First Report and Order* changing and clarifying certain aspects of the microwave relocation rules adopted in the Commission's Emerging Technologies proceeding, ET Docket No. 92–9.

II. Further Notice of Proposed Rule Making

8. In this *Further Notice of Proposed Rule Making,* the Commission seeks comment on whether to shorten the voluntary negotiation period and lengthen the mandatory negotiation period for the D, E, and F blocks. The Commission also seeks comment on whether the negotiation periods for the C block should be subject to the same adjustment. Finally, the Commission proposes that microwave incumbents be permitted to relocate some of their own links and obtain reimbursement rights pursuant to the cost-sharing plan adopted in the *First Report and Order.*

A. Voluntary and Mandatory Negotiation Periods for C, D, E, and F Blocks

9. The Commission agrees with commenters, however, that changing the negotiation timetable for PCS blocks other than the A and B blocks may not raise the same concerns. In the case of the D, E, and F blocks, bidding has not commenced and there are no ongoing negotiations between PCS licensees and incumbents. Therefore, the Commission believes it is appropriate to consider whether the relocation process in these blocks would benefit from adjusting the negotiation periods. Specifically, the Commission seeks comment on whether to adjust the negotiation periods for the D, E, and F blocks by shortening the voluntary negotiation period by one year and lengthening the mandatory period by one year. Under this approach, non-public safety incumbents would have a one-year negotiation period instead of the two-year negotiation period provided under current rules, and the mandatory negotiation period would be lengthened from one to two years. Similarly, public safety incumbents would have a two-year voluntary negotiation period instead of a three-years period, and a three-year mandatory negotiation period instead of a two-year period.

10. This approach could potentially accelerate the development of PCS in the D, E, and F blocks by speeding up the negotiation process and creating additional incentives for incumbents to enter into early agreements. At the same time, while incumbents would be required to commence mandatory negotiations sooner than under the existing rules, they would have the same total amount of time for negotiations provided under the existing rules before they become subject to involuntary relocation. The Commission seeks comment on whether this adjustment would effectively balance the interests of PCS licensees in bringing service to the public quickly and the interest of microwave incumbents in making a smooth transition to relocated facilities.

11. Finally, the Commission seeks comment on whether to make the same changes discussed above to the voluntary and mandatory negotiation periods applicable to C block. The Commission notes that C block is in a different posture from the D, E, and F blocks because the C block auction is ongoing and possibly near conclusion, and bidding has been based on the current rules. At the same time, the voluntary negotiation period for C block has not yet commenced, so unlike A and B blocks, there are no ongoing negotiations currently taking place in reliance on the current rules. The Commission seeks comment on whether shortening the voluntary period and lengthening the mandatory negotiation period for C block would facilitate the development of PCS in this band and what effect it would have on negotiations between C block licensees and microwave incumbents.

B. Microwave Incumbent Participation in Cost-Sharing Plan

12. The Commission tentatively concludes that microwave incumbents that relocate themselves should be allowed to obtain reimbursement rights and collect reimbursement under the cost-sharing plan from later-entrant PCS licensees that would have interfered with the relocated link. The Commission agrees with incumbents that allowing incumbent participation might facilitate system-wide relocations and could potentially expedite the deployment of PCS. The Commission is concerned, however, about what the incentive would be for an incumbent to minimize costs, if the incumbent knows in advance that it may be able to recover some of its expenses from PCS licensees. The Commission seeks comment, therefore, on how subsequent PCS licensees could be protected from being required to pay a larger amount to an incumbent that relocates itself than to another PCS licensee who has an incentive to minimize expenses. In addition, the Commission also questions whether a large number of incumbents would avail themselves of such an option, given that the Commission's rules require PCS licensees to pay for the entire cost of providing incumbents with comparable facilities. Assuming the Commission allows incumbent participation, the Commission seeks comment on whether, for purposes of the cost-sharing formula, the Commission should treat incumbents as if they were the initial PCS relocator.

III. Conclusion

13. The Commission believes that the rules proposed in this *Further Notice of Proposed Rule Making* will promote the public policy goals set forth by Congress. The Commission believes that the proposals for negotiation and reimbursement will facilitate the rapid relocation of microwave facilities operating in the 2 GHz band, and will allow PCS licensees to offer service to the public in an expeditious manner.

IV. Procedural Matters

A. Initial Regulatory Flexibility Act

As required by Section 603 of the Regulatory Flexibility Act, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the expected impact on small entities of the policies and rules proposed in this *Further NPRM (Further Notice).* Written public comments are requested on the IRFA.

Reason for Action: This rulemaking proceeding was initiated to secure comment on whether the negotiation period for the D, E, and F block PCS licensees should be adjusted by shortening the voluntary period by one year (*i.e.,* to one year for non-public safety incumbents and two years for public safety incumbents) and lengthening the mandatory negotiation period for these blocks by a corresponding year (*i.e.,* to two years for non-public safety incumbents and three years for public safety incumbents); whether the negotiation periods for the C block should be subject to the same readjustments as the negotiation periods for the D, E, and F blocks; and whether microwave incumbents should be permitted to seek reimbursement from PCS licensees through the cost-sharing plan. This proposal would facilitate negotiations between the parties and promote the efficient relocation of microwave licensees by encouraging microwave incumbents to relocate their own microwave systems, thus bringing PCS services to the public in an speedy manner.

Objectives: Our objective is to facilitate negotiations between PCS licensees and microwave incumbents. This proposal would also enable microwave incumbents who pay to relocate their own links to collect reimbursement from PCS licensees that benefit from the relocation. Cost-sharing is necessary to enhance the speed of relocation and provide an incentive to incumbents to move their own links. This action would result in faster deployment of PCS and delivery of service to the public.

Legal Basis: The proposed action is authorized under the Communications Act, Sections 4(i), 7, 303(c), 303(f), 303(g), 303(r), and 332, 47 U.S.C. 154(i), 303(c), 303(f), 303(g), 303(r), 332, as amended.

Reporting, Record keeping, and Other Compliance Requirements: Under the proposal contained in the *Further NPRM,* microwave incumbents who relocate their own links would be required to document the relocation costs paid and report them to a central clearinghouse. Later PCS market entrants would then be required to file a Prior Coordination Notification with the clearinghouse and, if necessary, reimburse the incumbent for relocation expenses.

Federal Rules Which Overlap, Duplicate or Conflict With These Rules: None.

Description, Potential Impact, and Number of Small Entities Involved: This proposal would benefit small PCS licensees by facilitating negotiations with microwave incumbents and allowing them to bring their services to market sooner. This proposal would also benefit small microwave incumbents by enabling them to relocate their entire system at once and collect reimbursement from PCS licensees who benefit from the resulting clearance of the spectrum. Such incumbents would therefore benefit from the reduced time and administrative inconvenience involved with relocating links at different times. The 2 GHz fixed microwave bands support a number of industries that provide vital services to the public. We are committed to ensuring that the incumbents' services are not disrupted and that the economic impact of this proceeding on the incumbents is minimal. We must further take into consideration that not all of the incumbent licensees are large businesses, particularly in the bands above 2 GHz, and that many of the licensees are local government entities that are not funded through rate regulation. We believe that this proceeding would further our policy of encouraging rapid deployment of PCS and system-wide relocations of microwave incumbents. After evaluating comments filed in response to the *Further NPRM,* the Commission will examine further the impact of all rule changes on small entities and set forth its findings in the Final Regulatory Flexibility Analysis.

Significant Alternatives Minimizing the Impact on Small Entities Consistent with the Stated Objectives: We have reduced burdens wherever possible. The regulatory burdens we have retained are necessary in order to ensure that the public receives the benefits of innovative new services in a prompt and efficient manner. We will continue to examine alternatives in the future with the objectives of eliminating unnecessary regulations and minimizing any significant economic impact on small entities.

IRFA Comments: We request written public comment on the foregoing Initial Regulatory Flexibility Analysis. Comments must have a separate and distinct heading designating them as responses to the IRFA and must be filed by the comment deadlines set forth in this *Further NPRM.*

B. Ex Parte Rules—Non-Restricted Proceeding

This is a non-restricted notice and comment rulemaking proceeding. *Ex parte* presentations are permitted except during the Sunshine Agenda period, provided they are disclosed as provided in Commission rules.

C. Comment Period

Pursuant to applicable procedures set forth in Sections 1.415 and 1.419 of the Commission's rules, interested parties may file comments on or before May 28, 1996, and reply comments on or before June 7, 1996. To file formally in this proceeding, you must file an original and four copies of all comments, reply comments, and supporting comments. If you want each Commissioner to receive a personal copy of your comments, you must file an original plus nine copies. You should send comments and reply comments to Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the Reference Center of the Federal Communications Commission, Room 239, 1919 M Street, N.W., Washington, D.C. 20554. A copy of all comments should also be filed with the Commission's copy contractor, ITS, Inc., 2100 M Street, N.W., Suite 140, (202) 857–3800.

D. Authority

Authority for issuance of this *Further Notice of Proposed Rule Making* is contained in the Communications Act, Sections 4(i), 7, 303(c), 303(f), 303(g), 303(r), and 332, 47 U.S.C. 154(i), 157, 303(c), 303(f), 303(g), 303(r), 332, as amended.

E. Ordering Clauses

It is ordered that the Initial Regulatory Flexibility Analysis, as required by Section 604 of the Regulatory Flexibility Act, and as set forth in Section VII(A) is Adopted.

It is further ordered that the Secretary shall send a copy of this *Further Notice of Proposed Rule Making* to the Chief Counsel for Advocacy of the Small Business Administration.

List of Subjects

47 CFR Part 22

Radio.

47 CFR Part 24

Personal communications services.

47 CFR Part 101

Fixed microwave services.

Federal Communications Commission.

William F. Caton,

Acting Secretary.

[FR Doc. 96–12269 Filed 5–14–96; 8:45 am]

BILLING CODE 6712–01–P

DEPARTMENT OF DEFENSE

48 CFR Part 52

Federal Acquisition Regulation; Use and Charges Clause Class Deviation

AGENCY: Department of Defense (DoD).

ACTION: Notice of proposed class deviation.

SUMMARY: The Department of Defense (DoD) is proposing a class deviation from the Federal Acquisition Regulation (FAR) that simplifies the method of determining rental charges for government property. The proposed class deviation will allow defense contractors to propose rental charges for the commercial use of government property and real property while revisions to the FAR are being drafted.

DATES: Comments on the proposed class deviation should be submitted in writing to the address shown below on or before June 14, 1996 to be considered in the formulation of the final class deviation.

ADDRESSES: Interested parties should submit written comments to: Ms. Angelena Moy, MPI, Room 3E144, Pentagon, Washington, DC 20301–3000. FAX (703) 695–7596.

FOR FURTHER INFORMATION CONTACT: Ms. Angelena Moy, telephone (703) 695–1098.

SUPPLEMENTARY INFORMATION:

A. Background

A notice of proposed class deviation was published in the Federal Register on September 6, 1995 (60 FR 46259). DoD proposed to deviate from the clause at FAR 52.245–9 to expedite implementation of simplified government property rental procedures. After evaluating the public comments, DoD made substantive revisions to the proposed class deviation.

Therefore, DoD now proposes to deviate from the clause at FAR 52.245–9 as follows:

Part 52—Solicitation Provisions and Contract Clauses

52.245–9 Use and Charges

This deviation authorizes DoD to use the following clauses in lieu of the clause at 52.245–9. The clause requires contractors, for real property and associated fixtures, to obtain certified property appraisals that compute a monthly, daily, or hourly rental rate for comparable commercial property. Rental charges would be determined by multiplying the rental time by an appraisal rental rate expressed as a rate per hour. For other government property, rental charges are based upon the property's acquisition cost and the actual rental time. The clause permits contractors to request that the Government consider alternate rental charge methods for either real or other property if the contractor considers a time-based rental to be unreasonable or impracticable.

USE AND CHARGES (APR 1984) (DEVIATION)

(a) *Definitions.* As used in this clause—

Acquisition cost means the acquisition cost recorded in the Contractor's property control system or, in the absence of such record, the value attributed by the Government to a government property item for purposes of determining a reasonable rental charge.

Government property means property owned or leased by the Government.

Real property means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing special tooling, special test equipment, or equipment.

Rental period means the calendar period during which government property is made available for commercial purposes.

Rental time means the number of hours, to the nearest whole hour, rented property is actually used for commercial purposes. It includes time to set up the property for such purposes, perform required maintenance, and restore the property to its condition prior to rental.

(b) *General.* (1) Rental requests must be submitted to the administrative Contracting Officer, identify the property for which rental is requested, propose a rental period, and calculate an estimated rental charge by using the Contractor's best estimate of rental time in the formulae described in paragraph (c) of this clause.

(2) The Contractor shall not use government property for commercial purposes until a rental charge for real property, or estimated rental charge for other property, is agreed upon. Rented property shall be used only on a non-interference basis.

(c) *Rental charge.* (1) *Real property and associated fixtures.* (i) The Contractor shall obtain, at its expense, a property appraisal from an independent licensed, accredited, or certified appraiser that computes a monthly, daily, or hourly rental rate for comparable commercial property. The appraisal may be used to compute rentals under this clause throughout its effective period or, if an effective period is not stated in the appraisal, for one year following the date the appraisal was performed. The Contractor shall submit the appraisal to the administrative Contracting Officer at least 30 days prior to the date the property is needed for commercial use. Except as provided in paragraph (c)(1)(iii) of this clause, the administrative Contracting Officer shall use the appraisal rental rate to determine a reasonable rental charge.

(ii) Rental charges shall be determined by multiplying the rental time by the appraisal rental rate expressed as a rate per hour. Monthly or daily appraisal rental rates shall be divided by 720 or 24, respectively, to determine an hourly rental rate.

(iii) When the administrative Contracting Officer has reason to believe the appraisal rental rate is not reasonable, he or she shall promptly notify the Contractor and provide his or her rationale. The parties may agree on an alternate means for computing a reasonable rental charge.

(2) *Other government property.* The Contractor may elect to calculate the final rental charge using the appraisal method described in paragraph (c)(1) of this clause subject to the constraints therein or the following formula in which rental time shall be expressed in increments of not less than one hour with portions of hours rounded to the next higher hour—

$$\text{Rental charge} = \frac{\text{(Rental Time in hours) (.02 per month) (Acquisition Cost)}}{\text{720 hours per month}}$$

(3) *Alternate methodology.* The Contractor may request consideration of an alternate basis for computing the rental charge if it considers a time-based rental unreasonable or impractical.

(d) *Rental payments.* (1) Rent is due at the time and place specified by the Contracting Officer. If a time is not specified, the rental is due 60 days following completion of the rental period. The Contractor shall calculate the rental due, and furnish records or other supporting data in sufficient detail to permit the administrative Contracting Officer to verify the rental time and computation. Payment shall be made by check payable to the Treasurer of the United States and sent to the payment office specified in this contract or by electronic funds transfer to that office.

(2) Interest will be charged if payment is not made by the specified payment date or,