



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
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WASHINGTON DC 20350-1000

SECNAVINST 5755.2B  
ASN (RD&A)  
11 Apr 2019

SECNAV INSTRUCTION 5755.2B

From: Secretary of the Navy

Subj: DEPARTMENT OF THE NAVY MUSEUM EXCHANGES

Ref: See enclosure (1).

Encl: (1) References  
(2) Responsibilities

1. Purpose. To reissue Department of the Navy (DON) policy for undertakings arising under reference (a), which are referred to as museum exchanges. This is a complete revision and should be read in its entirety.

2. Cancellation. SECNAVINST 5755.2A.

3. Applicability. Museum exchanges involve ownership transfers of certain Government property to obtain certain property or services that directly benefit the historical collections of the armed forces using the specific statutory authority under reference (a). The Office of the Secretary of Defense issued implementing policy guidance, references (b) and (c), that directs each military department to issue its own policy and procedures. This instruction applies to all DON activities involved in museum exchanges, including the Director, Naval History and Heritage Command (NHHC), and the Director, National Museum of the Marine Corps (NMMC). Authority and responsibilities assigned in references (d) and (e) are not otherwise altered by this instruction. This instruction does not apply to loans or gifts of certain items of historical interest or condemned or obsolete combat materiel under references (f) and (g).

4. Definitions

a. Condemned Combat Materiel: Arms, ammunition, or implements of war, cited in reference (h), if their condition makes them no longer usable by the military services. Similar items may be in the operational inventory, but specific items

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may be condemned due to circumstances such as finite life cycle, usage, or damage.

b. Obsolete Combat Materiel: Arms, ammunition, or implements of war, cited in reference (h), that have been phased out of operational use; if replaced, the replacement items are of more current design or capability.

## 5. Policy

a. Museum exchanges may be undertaken with an individual, organization, institution, agency, or nation. An exchange with a foreign entity requires prior coordination with the Department of State.

b. Museum exchanges may be approved when they directly benefit DON historical collections.

c. Museum exchanges will not be approved when the monetary value of the property or services provided to the Government is less than the value of property transferred by the Government. However, the exchange approval authority may waive this provision in the case of an exchange of property for property where a determination has been made that the property to be received by the Government will significantly enhance the DON historical collection.

d. The DON may accept the following property or services through an exchange:

(1) Similar items;

(2) Conservation supplies, equipment, facilities, or systems;

(3) Search, salvage, or transportation services;

(4) Restoration, conservation, or preservation services;

or

(5) Educational programs.

e. The DON may exchange the following types of property when such assets are no longer needed by the Department: books,

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manuscripts, works of art, historical artifacts, drawings, plans, models, and condemned or obsolete combat materiel. Government property offered for exchange is subject to the following provisions:

(1) Government property will be exchanged "as is, where is," with all faults and no warranties, expressed or implied. Except for costs incurred for DON valuation, costs resulting from exchanges of condemned or obsolete combat materiel, such as demilitarization (DEMIL) and transportation, will be borne by the recipient. Property may not be repaired, modified, or changed at Government expense to specifically improve its exchange value after an exchange has been initiated, over and above normal preparation for handling and movement, even if reimbursement is offered for services rendered.

(2) The recipient of the Government property must agree to hold the United States, its agencies, officer, employees, agents, and contractors harmless, and indemnify and defend them against any and all suits, actions, and claims of any kind whatsoever, including attorney's fees, that arise from or are the result of an exchange.

(3) Government property may not be moved at Government expense to a recipient's location or to another location closer to the recipient to prevent or lessen the recipient's processing or transportation cost. The recipient must also bear any costs associated with transportation, recovery, and any other activity necessary for successful removal of Government property once the exchange has been consummated. The recipient must pay all applicable costs associated with releasing Government property prior to the release of said property.

(4) Government property must be officially recognized and accounted for as DON property before being exchanged. All Government property exchanged must also be documented within each exchange agreement.

(5) The DON will ensure appropriate DEMIL of Government property as prescribed in references (c) and (i) before release. In the case of aircraft intended for static display, if standard DEMIL criteria cannot be applied without destroying the display value, the DON may attempt to obtain a waiver in order to perform a modified DEMIL (such as cutting wing spars) in

accordance with reference (i); however, lethal systems (e.g., explosive devices and high-pressure bottles) must be neutralized. The recipient must agree to assume responsibility and costs for a complete DEMIL action for the received property when the received property is no longer desired or authorized for display purposes.

(6) The DON will not approve an exchange, or series of exchanges, that will have a significant adverse impact on the commercial market. The DON will consider any adverse market impact that may result from each exchange or series of exchanges and should consult with outside organizations for market impact advice as appropriate.

(7) The DON will avoid stockpiling condemned or obsolete combat materiel in anticipation of future exchanges. Excess items that cannot be exchanged within a two-year period should be processed for disposal, in accordance with reference (c).

(8) Government property in the form of aircraft, aircraft engines, or aircraft parts are considered condemned or obsolete combat materiel for the purposes of this instruction. Exchanges involving Government-owned aircraft, aircraft engines, and aircraft components have additional requirements:

(a) Such property must be designated available for exchange by Commander, Naval Supply Systems Command Weapons System Support (NAVSUP WSS), before being proposed for exchange, per reference (j);

(b) The exchange agreement must explicitly notify the recipient that the DON cannot provide air worthiness certification and that the recipient must obtain such certification from the appropriate authority, i.e. the Federal Aviation Administration, prior to aircraft or components being returned to flight status.

(c) Compliance with Department of Defense (DoD) policy regarding transfer of Flight Safety Critical Aircraft Parts (FSCAP), references (b) and (c), is required. If the aircraft or FSCAP have been mishap-damaged or similarly compromised, then the aircraft, aircraft engines, or aircraft components may not be exchanged unless the FSCAP have been removed from the aircraft or aircraft component prior to

exchange. Waivers to FSCAP documentation requirements may be considered on a case-by-case basis and are restricted to "display-only" property (not parts) and vintage aircraft. Waivers will apply only to the exchange of whole aircraft, aircraft engines, and aircraft components. The exchange agreement must explicitly cite the lack of documentation. If exchanged for static display, the part will be indelibly marked as "for static display only."

(d) Exchanges must comply with DoD policy regarding appropriate log books and maintenance records that must accompany aircraft, engines, and/or components, reference (c).

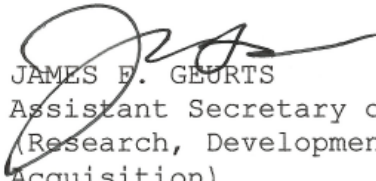
6. Responsibilities. See enclosure (2).

7. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page:

<https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx>.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.

  
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Assistant Secretary of the Navy  
(Research, Development &  
Acquisition)

Distribution:

Electronic only, via Department of the Navy Issuances Web site  
<https://www.secnav.navy.mil/doni/>.

**REFERENCES**

- (a) 10 U.S.C. §2572(b)
- (b) DODM 4140.01 Volume 6, DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition of 8 March 2017
- (c) DODM 4160.21 Volume 3, Defense Materiel Disposition: Reutilization, Transfer, and Sale of Property of 22 October 2015
- (d) MCO 5750.1H
- (e) OPNAVINST 5755.1
- (f) 10 U.S.C. §2572(a)
- (g) 10 U.S.C. §7545
- (h) 22 CFR 121
- (i) DODM 4160.28 Volume 3, Defense Demilitarization: Procedural Guidance of 7 June 2011
- (j) SECNAVINST 5442.3
- (k) DODM 4160.21 Volume 1, Defense Materiel Disposition: Disposal Guidance and Procedures of 22 October 2015

### RESPONSIBILITIES

1. Authority to approve museum exchanges under reference (a) is delegated to the Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN (RD&A)).
2. Authority to approve exchanges of eligible DON property, except for condemned or obsolete combat materiel, for which the aggregate value of all Government property exchanged is less than \$50,000 is delegated to the Director, NHHC and Director, NMMC, for historical collections under their cognizance.
3. Authority to approve exchanges of eligible aircraft, aircraft engines, or aircraft components for which the aggregate value of all Government property exchanged is less than \$1,000,000 is delegated to Commander, NAVSUP WSS, who may re-delegate this authority. Exchanges of aircraft, aircraft engines, or aircraft components for which the aggregate value of all Government property exchanged equals or exceeds \$1,000,000 will be processed by NAVSUP WSS in the same manner, but will be forwarded to ASN (RD&A) for final approval.
4. ASN (RD&A) may delegate approval authority and appropriate organizational responsibility for exchanges not covered by paragraphs 2 or 3 above on a case-by-case basis, when such an exchange is proposed.
5. Each cognizant DON exchange approval authority will establish a process to review proposed exchanges prior to approval and to execute exchange agreements. The process will include:
  - a. Written sponsorship by a DON-authorized entity, either under the command of the NHHC or the NMMC, which supports the exchange. Sponsorship shall include authority to identify, investigate, or review proposed assets or services for desirability to the museum or entity, including assets of services offered by a member of the public. Sponsorship shall not include the authority to enter agreements or make commitments or promises, whether formal or informal, with respect to any such asset or service;

b. Written concurrence by Director, NHHC or Director, NMMC that assets or services sought via exchange should be acquired under reference (a);

c. Legal and fiscal review by appropriate personnel at the contracting activity responsible for executing the exchange agreement;

d. A procedure to ascertain and document the value of Government property and assets or services received in each exchange;

e. A determination that the Government property to be exchanged is no longer needed for operational requirements of the other services. This may be determined by screening with the Defense Logistics Agency Disposition Services or by contacting the appropriate wholesale inventory management or weapon system management organization. When it is unlikely that the asset in question will be needed by another service, formal screening may be omitted.

f. Written exchange agreements will be prepared with legal review and executed and administered by a warranted contacting officer after proper approval. Figure 6 of enclosure (5) of reference (k) provides a recommended format. All requirements in enclosure (5) of reference (i), including compliance with nondiscrimination statutes, must be finalized before release of Government property;

g. For exchanges with a value greater than \$50,000, advance notification to the public of Government property available for exchange and the assets or services sought via exchange is required. Notification will include, at a minimum, publication on the Federal Business Opportunities website, [www.fbo.gov](http://www.fbo.gov). A reasonable period will be allowed for responses prior to exchange approval.