



**DEFENSE LOGISTICS AGENCY  
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IN REPLY  
REFER TO

October 19, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 1022, Procedures for Processing Depot Returns (including Receipt, Supply Discrepancy Report (SDR), and Revision to Time Standard for Reclassification of Supply Condition Code J and K Assets) (DLMS/MILSTRAP and SDR) (Staffed as PDC 403A)

The attached change to DLM 4000.25, Defense Logistics Management System (DLMS) and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), is approved for staggered implementation. Supply PRC and SDR Subcommittee members are required to actively monitor for implementation of this ADC and provide implementation dates when they become available. The updated DLMS Supplement will be posted to the DLA Logistics Management Standards Web at [www.dla.mil/j-6/dlms0/elibrary/TransFormats/formats.asp](http://www.dla.mil/j-6/dlms0/elibrary/TransFormats/formats.asp) within 10 days from the above date for implementation planning.

Addressees may direct questions to Supply PRC Co-Chairs: Ms. Ellen Hilert, e-mail: [ellen.hilert@dla.mil](mailto:ellen.hilert@dla.mil) or Ms. Mary Jane Johnson, email: [mary.jane.johnson@dla.mil](mailto:mary.jane.johnson@dla.mil). Others must contact their Component designated Supply PRC representative.

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment:  
As stated

cc:  
ODASD(SCI)

**ADC 1022**  
**Procedures for Processing Depot Returns**  
**(Including Receipt, Supply Discrepancy Report (SDR), and**  
**Revision to Time Standard for**  
**Reclassification of Supply Condition Code J and K Assets)**

**1. ORIGINATOR:**

- a. Service/Agency: Defense Logistics Agency
- b. Originator: DLA SDR point of contact, DLA J3312, 703-767-2527 (DSN 427)
- c. Originator: DOD SDR Administrator, Ms. Ellen Hilert, e-mail: ellen.hilert@dla.mil

**2. FUNCTIONAL AREA:** Supply (Receiving, Reclassification, Discrepancy Reporting)

**3. REFERENCES:**

- a. Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System (DLMS), available at [www.dla.mil/j-6/dlmsso/elibrary/manuals/dlm/dlm\\_pubs.asp](http://www.dla.mil/j-6/dlmsso/elibrary/manuals/dlm/dlm_pubs.asp)
- b. DLM 4000.25-1, Military Standard Requisition and Issue Procedures ([MILSTRIP](#))
- c. DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures ([MILSTRAP](#))
- d. ADC **425**, Revised SDR Codes and Procedures including Incorrect Part Number Discrepancy Codes and DOD WebSDR Data Edits and Forwarding Enhancements, dated October 4, 2011
- e. Proposed DLMS Change (PDC) 403, Revised Procedures for Processing Depot Returns (including Receipt and SDR), dated January 31, 2011
- f. PDC **403A**, Procedures for Processing Depot Returns (including Receipt, SDR, and Proposed Revision to Time Standard for Reclassification of Supply Condition Code K Assets), dated December 23, 2011
- g. [DLMS Supply/SDR PRC Meeting 12-2](#) , April 9, 2012.

**4. APPROVED CHANGE:** These procedures are updated based upon comments received during staffing of PDC 403, PDC 403A, draft ADC 484 (later renumbered as ADC 1022 for publication in the DLM), as well as discussion during joint Supply/SDR PRC meeting 12-2 (see references). **Several elements of the original proposal are removed as a result of negative comments received. Comment resolution is provided at Enclosure 6. Publication of this ADC allows other elements of the original change to move forward pending further discussion and coordination for joint procedures to address receipt of improperly documented/unauthorized returns.** Significant updates subsequent to staffing have been highlighted in green.

**a. Overview of Change:** This change revises DLMS/MILSTRAP/SDR procedures:

(1) to support DLA Distribution Depot processing and automatic disposal of materiel categorized as Supply Condition Code (SCC) H, Unserviceable (Condemned),<sup>1</sup>

(2) to revise the dollar value associated with automatic disposal,

(3) to revise the time standard for providing disposition on materiel identified upon receipt in SCC J Suspended (In Stock)<sup>2</sup> and K, Suspended (Returns),<sup>3</sup>

(4) to provide administrative updates and revisions to MILSTRAP procedures, and

(5) to revise/clarify procedures for storage activity receipt of discrepant/unauthorized returns retrograde. The procedures require the receiving activity to:

(a) follow MILSTRAP guidance for researching shipment information to support recording of the receipt (and submission of the associated SDR),

(b) include specific information about the returned stock in suspended condition using discrete data fields on the SDR,

(c) follow SDR guidance to notify the returning activity, when known, of the discrepant/unauthorized return.

**b. Background:**

(1) Prior to Distribution Standard System (DSS) Release FY09.1, materiel receipted in Supply Condition Code (SCC) H, Unserviceable (Condemned), and processed in DSS using Management Codes J<sup>4</sup>, M<sup>5</sup>, or T<sup>6</sup> as applicable, would generate an automatic disposal release order (DLMS 940R/DIC A5J) from DSS. A weakness was discovered regarding the possible automatic disposal of sensitive materiel as a result of the DSS end-to-end systems review, also known as DSS Tooth to Tail, (T2T) vulnerability assessment. A change was implemented in DSS Release FY09.1 that prevented the automatic disposal process for H condition materiel, opting for a process using an SDR, which required the owner to determine if the materiel should

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<sup>1</sup> SCC H, Unserviceable (Condemned). Materiel that has been determined to be unserviceable and does not meet repair criteria; includes condemned items that are radioactivity contaminated, Type I shelf life materiel that has passed the expiration date, and Type II shelf life materiel that has passed the expiration date and cannot be extended.

<sup>2</sup> SCC J Suspended (In Stock). Materiel in stock which has been suspended from issue pending condition classification or analysis, where the true condition is not known. Includes shelf-life Type II materiel that has reached the expiration date pending inspection, test, or restoration.

<sup>3</sup> SCC K, Suspended (Returns). Materiel returned from customers or users and awaiting condition classification.

<sup>4</sup> Management Code J, Materiel condemned. (Excludes Shelf-Life.) Quantity indicated destroyed. Certificate of destruction on file (Staffing Note: This is an intra-DLA Management Code).

<sup>5</sup> Management Code M, Materiel condemned. Quantity indicated shipped direct to the DLA Disposition Services Field Office or other authorized/required disposal action has been taken. (Excludes items for which shelf-life has expired and cannot/will not be extended.)

<sup>6</sup> Management Code T, Materiel condemned. Shelf-life has expired and cannot/will not be extended. Quantity indicated shipped direct to DLA Disposition Services Field Office or other authorized/ required disposal action has been taken.

be sent to disposal. This process change caused operational problems and subsequent changes were implemented to offset the widespread discontent with the DSS Release FY09.1 by DLA and its customers. Detailed procedures are outlined below that will allow eligible materiel to be disposed of automatically, while ensuring that controlled, potentially sensitive, hazardous or Nuclear Weapons Related Materiel (NWRM) is not inadvertently processed to DLA Disposition Services Field Office via the DSS automatic disposal process.

(2) Problems related to Component processing of SDRs triggered by the process described above brought to light the depot procedure to re-identify SCC H as SCC K, Suspended Returns, when the automatic disposal process was not authorized. **The DOD SDR Administrator questioned this process, saying that re-identification from SCC H to K for the purpose of obtaining disposition is not in accordance with MILSTRAP.** The DLA Logistics Management Standards Office recommendation is to retain the SCC H and submit an SDR requesting specific guidance on where to send materiel that does not qualify for automatic disposal from the owner, if known, or the manager if owner is not known (since the local DLA Disposition Services Field Office may not take hazardous materiel, provide DEMIL, etc).

(3) **Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot.** DLA reported a high volume of SDRs that failed to process in DLA's Enterprise Business System (EBS) due to lack of a stock number recognizable to the application. During SDR Implementation Team meetings, the SDR Administrator asked DLA to consider establishing generic local stock numbers (perhaps by Federal Supply Class (FSC) where feasible) for use in depot receipts that are not identified to NSN/part number so that these could be processed systemically for materiel returns. While discussed initially with DLA, this new process would also impact the Service Inventory Control Points (ICPs). This option, along with primary materiel identification as "UNKNOWN," was staffed under PDC 403. Subsequent to staffing, DLA non-concurred with the use of local stock numbers for unknown items, and indicated conditional concurrence with the "UNKNOWN" designation if mandatory data fields were established for item specific information. DLA requested that the new mandatory data fields be applied for Distribution Depot receipts reported in a suspended condition. However, this ADC does not approve the requested deviation from documented MILSTRAP procedures requiring the receiving activity to perform research to determine materiel identification prior to recording the receipt and SDR. Several of the DLA proposed mandatory data fields have not been retained and reporting of unidentified materiel SDRs under the Federal Supply Class (FSC)/descriptive name and nomenclature is not approved under this change. The MILSTRAP guidance listing potential sources of information available to the receiving activity for unidentified materiel receipts has been updated for additional automated tools.

(4) **Unauthorized Returns.** The activity returning unauthorized materiel may be billed for the reimbursable expenses associated with discrepant returns in accordance with SDR guidance and the governing policy prescribed by MILSBILLS and MILSTRIP. One of the changes under this ADC is to ensure that the returning activity is identified on the SDR when known, and a distribution copy of the SDR is provided to that activity. This is intended to alert the returning activity to the improper return and to support action activities seeking reimbursement from the returning activity. Existing procedures are shown below:

*MILSTRIP, Chapter 9:*

*"U.S. Government activities returning materiel are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated using SDR procedures (DLAI 4140.55 et al. and DLAI 4140.60 et al.). This includes returns made in violation of prescribed materiel returns procedures, returns exhibiting packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal."*

*MILSBILLS, DLMS Volume 4:*

*"Activities responsible for discrepant shipments may be held responsible for costs incurred for repackaging, disposal, and similar costs for unauthorized returns, deficient packaging, and other item and packaging discrepancies that have been documented and validated under SDR procedures. Although other, mutually agreeable arrangements may be made, such costs shall normally be recovered under noninterfund procedures and will be supported by the validated discrepancy report. In addition, when such returns are creditable, these discrepancy costs may be offset against the credit to which the returning activity is otherwise entitled."*

**c. Detailed Procedures – SCC H and Automatic Disposal:**

(1) SCC H materiel received and identified by catalog data **with** the DEMIL Codes, Controlled Inventory Item Code (CIIC) or **Water** Type Cargo Code per list below **will not** be disposed of automatically. The materiel will be receipted in SCC H (the SCC will not be changed during receipt pending disposition instructions), stored in a depot storage location, and an SDR submitted to the owner requesting disposition.

- DEMIL Codes: **B, C, D, E**, F, G or P

**Staffing Note:** Subsequent to staffing of PDC 403A, the Navy requested a revision to include addition DEMIL Codes as highlighted.

- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9
- ~~Hazardous Type Cargo Codes: A, B, C, D, F, G, I, J, K, L, M, N, O, P, R, S, T, V, W, X, Y, 1~~
- **Water** Type Cargo Codes: **A** and 4 (**indicating radioactive substance**)

**Staffing Note:** Subsequent to staffing of PDC 403, DLA requested a revision to automatic disposal criteria authorizing automatic disposal for non-radioactive hazardous property.

(2) SCC H materiel received without the codes listed above and with a dollar value of less than **\$500** per item will be processed for automatic disposal using management code of J, M, or T.

### (3) Exceptions:

(a) GSA managed materiel and Non-Army Managed Items (NAMI) (Routing Identifier Code =AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will still be subject to all other screening criteria.

(b) U.S. Army Aviation and Missile Command (AMCOM) (Routing Identifier Code=B17) materiel and materiel identified by a local stock number (SIC Z) will not be eligible for automatic disposal regardless of DEMIL Code, CIIC, or Water Type Cargo Code. This materiel will be receipted in SCC H (*not changed to K as done currently*) and a SDR submitted to the owner.

**Staffing Note:** The exception rules for Air Force assets is removed by request of the Air Force. ~~Air Force owned materiel stored at Defense Depot Warner Robins Georgia (DDWG), Defense Depot Hill Utah (DDHU) and Defense Depot Oklahoma City, Oklahoma (DDOO) will not be disposed of automatically. The receipt of these assets will be reported to the Air Force D035K system and an SDR generated. The item manager will provide disposition to the depot DSS system. This applies only to Air Force owned materiel stored at depots co-located with an Air Force Logistics Center. For Air Force owned materiel stored at non co-located sites, the process will be as described in paragraph 4.c. above.~~

#### d. Detailed Procedures – SCC J and K:

(1) If actual SCC is not known, materiel will be receipted in SCC K. The time standard for reclassification of materiel in SCC K will be broken down into two parts to separate owner/manager and receiving activity actions: The owner/manager will have a maximum of 50 days to provide disposition and the depot will have 30 days to complete the reclassification upon direction of the ICP. The overall time standard for the SDR processing between the storage activity and the owner/manager and the storage activity time to complete reclassification of SCC K materiel is revised to 80 days overall. (No change for explosive and inert ammunition).

(2) The time standard for reclassification of materiel in SCC J (other than explosive and inert ammunition) will be reduced from 90 to 80 days.

**Staffing Note:** Subsequent to staffing of PDC 403A, DLA recommended the SDR time standard for this category of SDRs be established as 50 days to be consistent with the standard SDR processing time standard. During the PRC meeting 12-2, Components agreed that the time standard for SCC J should also be updated to be consistent with the new time standard for SCC K.

#### e. Detailed Procedures – Storage Activity Receipt:

(1) Automatic disposal of unidentified materiel with estimated value under \$100 is terminated.

(2) Storage activities receiving unidentified materiel shall follow MILSTRAP guidance for determining an appropriate stock number for reporting the receipt and SDR.

## f. SDR Distribution

(1) The storage activity will report the SDR for discrepant returns to the owner when known, however, when materiel return is unauthorized (no prepositioned materiel receipt/no identified owner) the receiving activity will report the receipt and SDR to the manager. An information copy shall be provided to the returning activity.

(2) Currently, Distribution Depots have no mechanism to route SDRs for discrepant returns to the returning activity. This change requires that the Distribution Standard System (DSS) be revised to identify the DoDAAC of the returning activity as Party to Receive Copy in the SDR transaction.

(3) DLA Distribution may apply authorized procedures to bill the returning activity in accordance with SDR guidance and MILSTRIP/MILSBILLS.

(4) Component SDR applications supporting retail/tactical activities will be required to accept incoming SDRs using a DoDAAC-To (rather than a Routing Identifier).

(5) SDRs addressed by DoDAAC will be routed to the specific email address maintained by DOD WebSDR, or, based upon the Service/Agency Code, to the applicable SDR application.

**Staffing Note for U.S. Army:** Appropriate action must be taken to ensure SDRs addressed to Army activities below the National level will not fail. This means that a processing system interface must be made available or email addresses provided. In the interim, the default email for unroutable SDRs will be employed.

## 5. PUBLICATIONS:

a. Revise DLM 4000.25-2, MILSTRAP as shown in Enclosures 2 and 3. Comparable changes will be made to the DLMS manual.

b. Revise DLMS, Volume 2, Chapter 17 as shown in Enclosure 4.

c. Refer to Enclosure 5 for DLMS Supplement revisions.

**6. ALTERNATIVES:** Various alternatives for receipt processing and SDR distribution have been discussed in association with this proposal.

a. **Default Owner:** The SDR System Administrator recommended that the DOD Components establish a designated default owner account based upon the Service of the returning activity. This would allow the Service that originally paid for the unidentified materiel to retain ownership and potentially re-distribute or return for credit. It would also provide greater visibility of unauthorized returns so that enforcement and training could be improved. The Army non-concurred with this approach and with the overall concept of authorizing the storage activity to shift responsibility for researching unidentified materiel to another organization. Refer to Enclosure 6.

**b. SDR Distribution:** Distribution of the action copy of the SDR to the returning activity, with the expectation that this activity pick-up unauthorized returns is not feasible. It is not always possible to reach the returning activity by SDR and the returning activity may be in-theater and unable to take ownership of the returned stock.

## 7. REASON FOR CHANGE:

**a.** The 2008 DLA (T2T) vulnerability study revealed vulnerability in the disposal process being performed at the distribution depots. The assessment indicated items were not undergoing screening at the depot, prior to arrival at the local DLA Disposition Services Field Office. This resulted in unnecessary man hours expended moving materiel back and forth due to disposal rejections at DLA Disposition Services Field Offices, and resulted in an increased cost to our customers. The former process using the legacy system put the burden of inspection on the delivery point [DLA Disposition Services Field Office, formerly Defense Reutilization and Marketing Office (DRMO)] and not on the issue point depot. This new process now requires inspection and screening of materiel up front at the depot. This will result in fewer man hours expended, better accountability of materiel and also ensures security of assets requiring special handling.

**b.** The current \$100 dollar threshold for automatic disposal has not been adjusted for inflation or process efficiency since established. DLA recommends that a \$500 threshold would be cost effective for those items that qualify for automatic disposal.

**c.** Authorization is removed for automatic disposal of unidentified materiel, regardless of estimated dollar value, since this is no longer considered acceptable for inventory control.

**d.** The high volume of returns/retrograde without appropriate pre-positioned materiel receipt information or appropriate documentation creates a significant burden on storage activities for processing of these items. In order to speed up the process and establish better controls, an alternative method to off-line communication based upon providing standard transactions using a local stock number is recommended.

**e.** The time standard for reclassification of SCC K materiel placed the burden on the depot without recognizing that input may be required from the ICP. When the depot prepares an SDR to obtain disposition instructions from the ICP, the SDR reply cannot be provided within 10 days to meet the current MILSTRAP time standard. The guidance is being updated to set a more reasonable standard allowing 50 days for any SDR replies, and allowing the depot 30 days for reclassification once direction is provided. The overall time standard for the depot (for other than explosive and inert ammunition) will be 80 days.



f. The inclusion of hazardous non-radioactive materiel for automatic disposal action reduces the holding of such materiel within the distribution depot and potential to exceed Environmental Protection Agency (EPA) regulation time standards (limiting depots to a 90 day accumulation of hazardous waste).

g. Administrative revisions to MILSTRAP provide consistency with SDR procedures under DLMS Chapter 17. Updates identify additional sources of information for researching shipments that cannot be properly receipted due to lack of documentation. **Staffing Note:** These may be considered preliminary updates to be enhanced as additional procedural changes are developed to support processing and discrepancy reporting for serialized items identified by serial number and/or Unique Item Identifier (UII) for serialized item tracking/management under evolving DoD supply policy.

## 8. ADVANTAGES AND DISADVANTAGES:

### a. Advantages:

(1) Improved handling of assets requiring security measures. Eliminates duplicate manual handling of materiel and provides greater savings for our customers. Also eliminates unwarranted disposal of secured and classified assets without authorization of owner.

(2) Provides procedures for notifying the returning activity of discrepant returns.

b. **Disadvantages:** This change does not fully resolve issues related to high volume of unidentified materiel.

**9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Portions of the change may be implemented immediately upon approval. The implementation goal is to fully implement within 9 months of release of this ADC.

## 10. IMPACT:

### a. Automated Information Systems (AIS) Supporting SDRs:

(1) New data elements associated with suspended materiel receipts must be captured by DOD WebSDR and Component SDR applications.

(2) Component SDR applications must be capable of processing SDRs addressed to the returning activity by DoDAAC.

### b. DLMS Data. The following data elements are added to the SDR transaction:

(1) **Contract Reference.** The contract number used for reference information on a SDR provided by the storage activity when reporting non-procurement materiel receipt in a suspended condition. This is not a contract number applicable to the shipment, but instead the contract number retained on the packaging/labeling from the original shipment of the materiel by the vendor. (Mapped to X12 Data Element 128, Qualifier CT, Contract Number.)

(2) **Original Packaging Indicator.** This is a yes/no indicator used by the storage activity on an SDR when reporting non-procurement materiel receipt in a suspended condition to indicate if the materiel is still in the original unopened packaging. (Mapped to X12 Data Element 128, Qualifier PGD, Downstream Package Identifier)

**c. DLA Distribution/Distribution Standard System (DSS)**

(1) **Operational Impact for Dollar Threshold Change for Automatic Disposal.** DLA proposed that implementation of the \$500 threshold be retroactive and applicable to materiel currently held in the depot. This is acceptable.

(2) Re-identification from SCC H to K for the purposes of obtaining disposition shall be discontinued within DSS.

(3) DLA Distribution should review training for depot personnel to ensure use of available tools to facilitate identification of required information for receipt of improperly documented/unauthorized returns.

(4) Internal procedures for billing returning activities for reimbursable costs associated with unauthorized returns may be developed and implemented at the option of DLA Distribution.

(5) Ensure SDRs distribution for unauthorized returns without documentation identifying the designated owner are directed to the manager. Training and a DSS edit should preclude continued reporting of SDRs to DLA for which DLA is not the owner or manager.

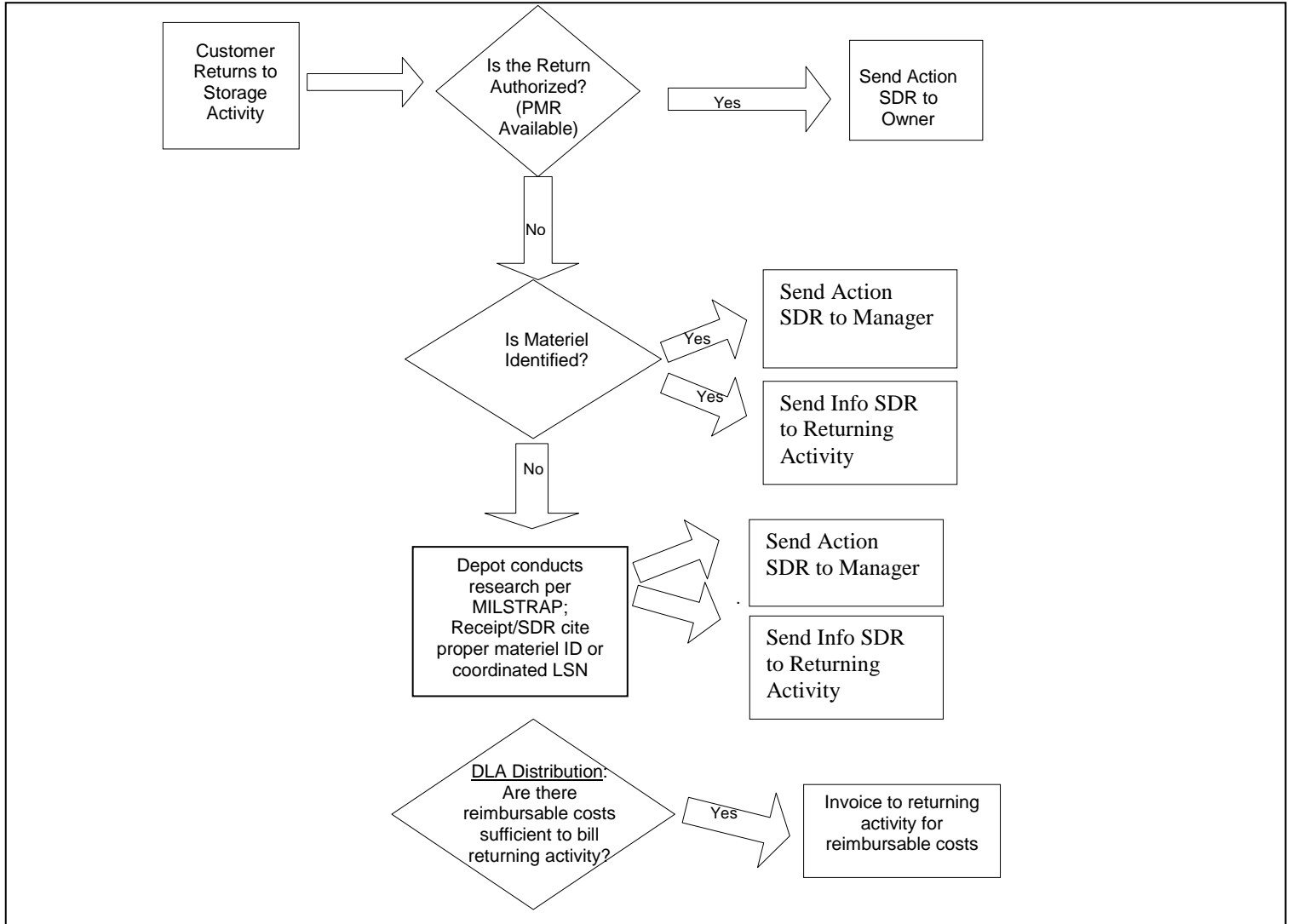
**d. SDRs Addressed to Below Wholesale/Tactical Level Activities**

(1) This proposal requires that the Army develop appropriate routing guidance for these SDRs.

(2) Limited impact on other Components is anticipated.

**e. Improperly Documented/Unauthorized Returns:** The Military Services are responsible for ensuring compliance with MILSTRIP and MILSTRAP procedures governing the shipment of retrograde/returns to DLA distribution depots. In association with this ADC and the ongoing efforts to reduce the levels of suspended assets, the Services are advised to review training and enforcement methods.

**Enclosure 1, SDR Distribution under Existing SDR Guidance (Not Updated by this DLMS Change)**



**Enclosure 2, DLM 4000.25-2, MILSTRAP Chapter 4 Revisions**

**C4.9. PROCESSING DISCREPANT/DEFICIENT RECEIPTS**

*(intervening text not shown)*

C4.9.1.2. When materiel is received without accompanying documentation, or with inadequate documentation to process the receipt, storage activities shall use one of the following data sources to develop materiel receipt transactions:

C4.9.1.2.1. Pre-positioned materiel receipt documents.

C4.9.1.2.2. Authorized procurement delivery documents and vendor packing lists.

C4.9.1.2.3. Advance copies of [DD Forms 1348-1A](#) or [1149](#).

C4.9.1.2.4. Transportation and fiscal records.

C4.9.1.2.5. Container markings.

C4.9.1.2.6. ***Contract information available via the [Electronic Document Access \(EDA\) Website reference archive](#).***

C4.9.1.2.7. ***Federal Logistics Information System (FLIS) or [WebFLIS data](#).***

C4.9.1.2.8. ***The [Item Unique Identification \(IUID\) Registry for serially managed assets](#).***

C4.9.1.2.9. Advice provided by the ICP upon request of the storage activity if receipt documentation cannot otherwise be developed.

C4.9.1.2.10. Advice provided by the shipper upon request of the storage activity if receipt documentation cannot otherwise be developed.

C4.9.1.2.11. Advice provided by the U.S. Customs Inspector's Office upon request of the storage activity if the receipt documentation cannot otherwise be developed for receipts which passed through customs.

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**C4.9.2. Receipt Reporting For Discrepant Shipments From Procurement Instrument Sources**

*(intervening text not shown)*

C4.9.2.5.2. Supply Documentation. Absence of the ~~supply~~ **shipping** documentation should not preclude receipt processing and reporting or subsequent issue of the materiel. Storage activities shall research in accordance with C4.9.1.2. to report the receipt. The discrepancy reporting requirements in C4.8 still apply.

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C4.9.2.5.7. Item Technical Data Marking. (Includes nameplates, logbooks, operating handbooks, special instructions, etc.). Storage activities shall report any nondiscrepant quantity as a receipt in the applicable condition without citing the discrepant receipt management code in the transaction. Report the discrepant quantity as a SCC L receipt, and identify and describe the specific technical data discrepancy in the ~~SF-364~~ **SDR** for ICP evaluation. If the ICP determines the assets can be issued, the ICP shall initiate action to transfer the suspended assets to the appropriate condition.

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***C4.9.2.5.12. Discrepancies in Item Unique Identification Data (IUID) Data. Report discrepancies involving IUID under DoD IUID supply policy, including but not limited to DoD Unique Item Tracking (UIT) programs, or as contractually required. IUID discrepancies may be related to the packaging label, including automated information technology (AIT) readable content; the item marking, including AIT readable marks; supply documentation; the due-in record; and/or a mismatch between the item and any of these. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance (if not accepted at origin). Discrepant materiel may be placed in a suspended condition pending resolution. Discrepancies that resulted in incorrect information within the IUID registry must be reported and corrective action taken.***

C4.9.2.5.13. Other Discrepancies. Receipt reporting shall depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the storage activity to obtain guidance from the appropriate authority before reporting the receipt or submitting discrepancy report. See the storage and accountability requirements in C4.9.1.4.

#### C4.9.3. Receipt Reporting For Discrepant Shipments From Non-Procurement Instrument Sources

C4.9.3.1. When the receipt cannot initially be identified to an NSN, the storage activity shall attempt to identify the NSN or usage by following the procedures in C4.9.1.2. and report the receipt to the cognizant ICP.

C4.9.3.1.1. If the NSN cannot be identified and the estimated value of the item is under \$100, storage activities shall not report the receipt to an ICP. Ship the materiel directly to ~~reutilization and marketing~~ **DLA Disposition Services** using a local document number. Retain an accessible record of the transaction and its backup for two years.

C4.9.3.1.2. If the NSN cannot be identified and the estimated value of the item is \$100 or more, the storage activity shall contact the ICP managing like items to determine disposition. [EXCEPTION: If GSA is the manager of like items, process as prescribed in C4.9.3.3.11.] If the ICP can identify the NSN, the ICP shall direct the storage activity to submit the receipt and supply discrepancy report (SDR) to the cognizant ICP. If the ICP cannot identify the NSN, the ICP shall provide disposition instructions to the reporting activity. These instructions shall include an item identification number (part number, MCN, LCN, etc.) for reporting the receipt and submitting the SDR. If the ICP directs shipment to DLA Disposition Services, the ICP shall maintain an accessible record of the transaction and its backup for 2 years.

C4.9.3.2. Unless otherwise allowed by these procedures, storage activities shall report discrepant shipments from a non-procurement instrument source to the ICP using a DIC D6 series Materiel Receipt, the NSN of the item received, and the applicable ownership/purpose code (normally from the DIC DW series PMR). In receipt transactions for discrepant quantities, cite the SCC which most accurately describes the condition of the materiel. Classify and report the materiel in SCC K when the actual condition cannot be determined. Include Management Code R (discrepant receipt management code) when a discrepancy report was required, except as prescribed in C4.9.1.3. above, or the following subparagraph.

C4.9.3.3. The following procedures apply for reporting receipt of discrepant/deficient shipments from nonprocurement sources (these categories are not exclusive; multiple discrepancy conditions may exist for a single receipt):

C4.9.3.3.1. Condition of Materiel

C4.9.3.3.1.1. When inspection of inter-Service/Agency receipts reveals materiel to be SCC H and no PMR is recorded, storage activities shall automatically ship discrepant materiel valued at less than ~~\$100~~ **\$500** per item direct to the property disposal activity ***except as specified in these procedures*** or take other automatic disposal actions based on criteria promulgated by the Services/Agencies. This includes Type I shelf-life materiel which has passed the expiration date regardless of value. When automatic disposal action is taken, cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel), in lieu of the discrepant receipt management code, in the receipt transaction for the discrepant quantity.

***C4.9.3.3.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2 ) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal screening criteria.***

***C4.9.3.3.1.1.2. Automatic disposal does not apply to the following:***

***C4.9.3.3.1.1.2.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:***

- **DEMIL Codes:** **B, C, D, E, F, G, or P**
- **CHIC:** **A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9**
- **Radioactive Water Type Cargo Codes:** **A and 4**

**C4.9.3.3.1.1.2.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.**

**C4.9.3.3.1.1.2.3. Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.**

**C4.9.3.3.1.1.3. Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR shall be prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks shall inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.**

C4.9.3.3.1.2. Report discrepant quantities other than those mentioned above citing the applicable SCC, or Code K when the condition cannot be determined.

C4.9.3.3.1.3. Report receipt of nondiscrepant quantities in the normal manner and do not cite the discrepant management code in the transaction.

C4.9.3.3.2. Supply Documentation. Absence of the **supply shipping** documentation should not preclude receipt processing and reporting or subsequent issue of the materiel. Storage activities shall research in accordance with C4.9.1.2. to report the receipt. The discrepancy reporting requirements in C4.8 still apply. When the document number in the receipt transaction must be created by the storage activity, cite Management Code P in lieu of the discrepant receipt management code in the transaction.

C4.9.3.3.3. Misdirected Shipments (improperly addressed by the supply activity). Storage activities shall report misdirected shipments as receipts to the cognizant ICP. ICPs shall effect disposition using the appropriate MILSTRIP transaction.

C4.9.3.3.4. Overage. Report the total quantity received as a single receipt in the applicable condition.

C4.9.3.3.5. Packaging Discrepancy. Storage activities shall report the total quantity received as a single transaction in the applicable condition. The storage activity shall schedule the discrepant quantity for preservation/packaging/**marking/labeling** in accordance with Service/Agency criteria.

C4.9.3.3.6. Shortages/Nonreceipt of Materiel. For shortages, storage activities shall report the total quantity received in the applicable condition. The ICP shall initiate any necessary financial adjustment action. Nonreceipts are addressed under C4.10.

C4.9.3.3.7. Item Technical Data Marking. (Includes nameplates, logbooks, operating handbooks, special instructions, etc.). Storage activities shall report any nondiscrepant quantity in the applicable condition without citing discrepant receipt management code in the transaction. Report the discrepant quantity as a SCC D receipt. Identify and describe the specific technical data discrepancy in the ~~SF 364~~ **SDR** for ICP evaluation. If the ICP determines the asset can be issued, the ICP shall initiate action to transfer the asset to the appropriate condition.

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***C4.9.3.3.12. Discrepancies in Item Unique Identification Data (IUID) Data. Report discrepancies involving IUID under DoD IUID supply policy, including but not limited to DoD Unique Item Tracking (UIT) programs, or as contractually required. IUID discrepancies may be related to the packaging label, including automated information technology (AIT) readable content; the item marking, including AIT readable marks; supply documentation; the due-in record; and/or a mismatch between the item and any of these. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance (if not accepted at origin). Discrepant materiel may be placed in a suspended condition pending resolution. Discrepancies that resulted in incorrect information within the IUID registry must be reported and corrective action taken.***

C4.9.3.3.13. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the storage activity to obtain guidance from the ICP before reporting the receipt or submitting the discrepancy report. See subparagraph C4.9.1.4. for storage and accountability requirements.

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C4.9.3.4.3. Management Evaluation and Corrective Action. ICPs shall develop management evaluation data for contract ***shortages/overages, wrong item, IUID mismatches, vendor caused misdirected shipments, and other discrepancies impacting cost or customer satisfaction*** for use in identifying trends or indications of system problems and in initiating corrective action. When the same discrepancy is repeatedly reported on shipments from a given procurement source, the ICP through the CAO/PO shall advise the source of the error and request action be taken to correct its repeated occurrence. When a procurement source continues to commit the same error, initiate action to consider inclusion on the Awards Review List or other disciplinary action.



## Enclosure 3, DLM 4000.25-2, MILSTRAP Chapter 5 Revisions

C5.2.1.2. When immediate reclassification of suspect stocks is beyond current capabilities, transfer the materiel to SCC J. In the dual adjustment, show the new SCC in record position 66. Show the SCC under which the item is carried on the record in record position 71.

C5.2.1.2.1. With the exception of **explosive and inert** ammunition, complete the ~~materiel~~ reclassification **of materiel reported in SCC J** within ~~90~~ **80** calendar days after reporting the original transfer to the owner. **Owner/managers shall provide timely disposition instructions for materiel in a suspended condition to promote rapid reclassification of materiel (with a maximum of 50 days for provision of owner/manager disposition instructions and 30 days for storage activity reclassification).** Complete the reclassification of **explosive and inert** ammunition within 270 calendar days after reporting the original transfer.

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C5.2.4.2. Storage activities shall reclassify these suspended receipts to their correct SCC within the timeframes prescribed in the following paragraphs. When materiel has been reclassified to its correct SCC, the storage activity shall submit a DIC DAC Inventory Adjustment–Dual to the owner using the same document number cited in the original receipt transaction. Show the new SCC in record position 66 and the suspended SCC in record position 71 of the dual adjustment.

C5.2.4.2.1. With the exception of ammunition, ~~reclassify~~ **complete the reclassification of** materiel reported in SCC K within ~~40~~ **80** calendar days after reporting the **discrepant** receipt **via SDR**. **Owner/managers shall provide timely disposition instructions for materiel in a suspended condition to promote rapid reclassification of materiel (with a maximum of 50 days for provision of owner/manager disposition instructions and 30 days for storage activity reclassification).** Reclassify **explosive and inert** ammunition within 45 calendar days after reporting the receipt.

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C5.2.5. Automatic Disposal of Reclassified Stock. When materiel is reclassified to SCC H, storage activities may also, based on criteria promulgated by the DoD Components, automatically turn condemned and expired shelf-life materiel into reutilization and marketing or take other authorized automatic disposal action. Advise the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (materiel condemned--excludes expired shelf-life materiel) or Management Code T (materiel condemned--expired shelf-life materiel) in record position 72 of the dual adjustment transaction. **Refer to C4.9.3.3.1. for exclusions from automatic disposal.**

## Enclosure 4, DLM 4000.25-M, Volume 2, DLMS, Chapter 17, SDR Procedure Revisions

### C17.3.4. Materiel Returns

C17.3.4.1. Discrepancy Greater Than \$100. CONUS and OCONUS activities receiving materiel returns (excess or redistributed materiel, or reparable materiel, including returns from FMS customers) shall submit an SDR for discrepancies specified above regardless of condition when the dollar value is equal to or greater than \$100 per line-item. Discrepancies pertaining to controlled inventory items shall be reported by SDR regardless of dollar value or condition.

C17.3.4.2. Exception for Returns Between U.S. Activities. When the materiel return shipments are classified as unserviceable and uneconomically reparable upon receipt, the receiving activity shall report to the shipping activity. The report shall include materiel return document number, quantity, and an explanation of condition classification.

***C17.3.4.3 Reimbursable Costs for Discrepant/Unauthorized Returns. Under MILSBILLS and MILSTRIP procedures DoD activities returning materiel in violation of prescribed procedures may be held accountable for recoupment of all reimbursable costs including disposal. Recoupment action may be initiated by the DLA Distribution or, upon subsequent identification of the applicable manager, by the manager.***

***C17.3.4.4 Supplemental Information for Suspended Returns. SDRs applicable to returned materiel in a suspended condition shall include supplemental information as follows: contract reference (required entry; indicate "NONE" if no contract reference is available), and original packaging indicator (required yes/no entry).***

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### C17.3.10. SDR Distribution

*(Intervening text not shown)*

#### C17.3.10.3. Materiel Returns

C17.3.10.3.1. ***Use prepositioned materiel receipt (PMR) or shipping documentation to identify the owner, otherwise, initial*** action to manager's ICP

C17.3.10.3.2. Copy to shipping activity.

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C17.3.13.2. Time Standards for SDR Response. Responsible action activities shall reply to all SDRs received within the following time standards. Interim responses shall be provided when extenuating circumstances necessitate additional processing time.

C17.3.13.2.1. Discrepant controlled inventory items, arms, arms parts, **and explosive and inert** ammunitions, ~~and explosives~~ (shortage/overage/wrong item/misdirected): Total response time, to include sequential processing by multiple action activities when necessary, shall not exceed 25 calendar days. Wrong item receipts identified as controlled/sensitive and unidentified items shall be returned to the designated location within 30 calendar days of the SDR reply. Supply sources shall monitor for the return and follow-up with the SDR submitter if materiel is not returned.

C17.3.13.2.2. Expedited processing is required for transshipper prepared SDRs requiring positive action from the action activity (e.g., preparation of MSDS or verification of label/marketing information. Where forward movement of the shipment is delayed pending a response (as indicated by Action Code 3A, the response time shall not exceed 5 calendar days.

C17.3.13.2.3. **SDRs for materiel identified in Supply Condition Code (SCC) K, Suspended (Returns): Action activities shall coordinate with the receiving depot, as needed, and provide a SDR reply within 50 days directing reclassification within the MILSTRAP time standard.**

Enclosure 5, DLMS Supplement Revisions

Item #	Location	Change Table for DLMS 842A/W Nonconformance Report	Reason
1.	DLMS Introductory Note	<p>Add ADC 1022 to DLMS Introductory note:</p> <p>- <i>ADC 1022, Revised Procedures for Processing Depot Returns (including Receipt, SDR, and Proposed Revision to Time Standard for Reclassification of Supply Condition Code J and K Assets)</i></p>	To identify DLMS changes included in the DLMS Supplement.
2.	2/REF01/0700	<p>Add Qualifier <b>KL</b>, and PGD with associated DLMS Notes:</p> <p><b>KL Contract Reference</b>  <b>DLMS Note:</b>  <i>1. Storage activities use to provide a Contract Reference when reporting non-procurement materiel receipts in a suspended condition. Cite "NONE" when unavailable.</i>  <i>2. Enter the contract number retained on the packaging/labeling from the original shipment of the materiel by the vendor. Do not enter the contract number applicable to the physical shipment. The contract number applicable to new procurement receipts or direct vendor deliveries is carried at 2/CS01/0750. Refer to ADC 484.</i></p> <p><b>PGD Downstream Package Identifier</b>  <b>DLMS Note:</b>  <i>Storage activities must use to indicate original unopened packaging (yes/no) when reporting non-procurement materiel receipts in a suspended condition. Enter Y or N as applicable. Refer to ADC 484.</i></p>	Authorizes new data content for depot receipt discrepancies.
3.	2/N101/2800	<p>Revise DLMS note for existing Qualifier SH:</p> <p>SH Shipper  <b>DLMS Note:</b>  <i>1. Use to identify the shipping activity by Routing Identifier, DoDAAC, CAGE or the activity name if code is unavailable.</i>  <i>2. This will be the returning activity DoDAAC for SDRs associated with storage activity receipts of returns/retrograde shipments.</i></p>	Clarification.

**Enclosure 6, PDC 403 /403A /DRAFT ADC 484 Comment Resolution**

**A. Initial PDC 403 comments.**

		PDC 403 Comments	
	Submitter	Response	Resolution
1.	DLA	<p>In addition to the comments, there will be EBS-SAP and EBS-DSS impacts which will require SCRs.</p> <p><b>DLA Order Fulfillment (OF) Sub Process Owner (SPO)</b> for Supply Discrepancy Reports (SDR) non-concurs to the changes outlined in this document. Recommended changes contained in response below.</p> <p>Non concur as written, (3) Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot, will not resolve issues we have been seeing with the high volume of SDRs routed to SMS with insufficient data for processing. Creating LSNs or allowing the use of “UNKNOWN” will only result in creation of a SDR in EBS, SMS. Once the SDR is created, there is still not sufficient information for a disposition to be given. If the depot does not have enough information to provide basic SDR information then DLA OF recommends they place materiel in the returning services account, IAW DLAI 4140.55, SECNAVINST 4355.18A, AFJMAN 23-215, "the activities that are responsible for materiel returns are subject to recoupment action for costs incurred for repackaging, disposal, or other costs".. This relieves DLA of the burden of storage costs being paid for materiel that is unidentifiable and not obviously DLA managed. By enforcing policy on the services, we should be able to reduce the amount of “unidentifiable”, “unauthorized” return or materiel.</p> <p>Non concur as written, e. Detailed Procedures – Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot: Section 3 (a) and (b): As previously stated, this does not solve the problem of insufficient data for processing.</p> <p>Recommendations (Option 1 preferred): Option 1/Policy Solution: Non-concur to PDC 403 unless policy change is added requiring DDC to place returned materiel without documentation in submitting</p>	<p>PDC revised to require secondary and supplemental information when using “UNKNOWN” part number as the primary identification.</p> <p><i>Subsequently removed pending further discussion; this functionality was not incorporated in the ADC.</i></p> <p>Without concurrence from the Services there is no way to make the recommendation to place returned materiel into the Service’s account. Unlike DLA, the Army and Air Force have multiple ICPs (however, potentially</p>

PDC 403 Comments			
Submitter	Response	Resolution	
	<p>service's account. ---- Option 2/Systemic Solution: Concur only if fields are required for the item-returning DoDAAC, and Item Storage Location &amp; sent to EBS as part of the SDR. EBS will reply with disposition instructing the depot to place the item in submitting service's account.</p> <p><b>DLA Land and Maritime Technical and Quality (T/Q) Sub Process Owner (SPO)</b> for Supply Discrepancy Reports (SDR) non-concurs to the changes outlined in this document.</p> <p>Response to the changes in the Detailed Procedures section titled: “(3) Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot”. This would hinder the ability of DLA’s Inventory Control Points (ICP) to effectively and efficiently provide disposition instructions to the depot regarding SDRs for unidentifiable materiel. This change as currently written would essentially allow the depots to submit SDRs for materiel that they cannot identify to DLA for disposition. If the depot cannot identify the materiel then the depot should not be authorized to generate a Local Stock Number (LSN) as stipulated in PDC 403 to process a SDR. These scenarios should be directed by a procedure change requiring the Depot personnel handling returns without a verifiable NSN to store the materiel in the returning organization’s account per enforcement of DLAI 4140.55, SECNAVINST 4355.18A, AFJMAN 23-215: "the activities that are responsible for materiel returns are subject to recoupment action for costs incurred for repackaging, disposal, or other costs".</p> <p>Furthermore, implementation of PDC 403 section mentioned above could result in the ICP providing disposition on an LSN or “Unknown” SDR without knowing the true DEMIL Code, classification, and explosive nature of an item. Implementation of PDC 403 could result in the ICP providing disposition of materiel that may go to DRMS, and be sold to users that</p>	<p>could identify Navy materiel to NRP and Marine Corps materiel to MPB.)</p> <p>Depot storage location added to the list of requested information. <b>Subsequently removed; this functionality was not incorporated in the ADC.</b></p> <p>PDC updated to require additional information when submitting SDRs where the assigned materiel identification is not available. <b>Subsequently removed pending further discussion if still desired; this functionality was not incorporated in the ADC.</b></p>	

PDC 403 Comments			
Submitter	Response	Resolution	
	<p>are not authorized to receive this materiel because a LSN was generated to process the SDR.</p> <p>Response to the changes in the Detailed Procedures section titled:  d. Detailed Procedures – SCC K:  The ICP will not agree to provide disposition instructions to the depot within 30 days for SDRs that have materiel identified in SCC “K” unless the depot agrees and provides system edits within DSS that will ensure required information is provided within the SDR to the ICP so that proper disposition instructions can be provided by the ICP. The required information the ICP requests that system edits be implemented into DSS would be:</p> <ol style="list-style-type: none"> <li>1. Cage Code-if none state none</li> <li>2. Part Number-if none state none</li> <li>3. Contract Number-if none state none</li> <li>4. Packaging-if in original or not</li> <li>5. Bare item marking-if none state none</li> </ol> <p>Response to the changes in the Detailed Procedures section titled:  e. Detailed Procedures – Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot: Section 3 (a) and (b):  non-concur to the use of LSN and “unknown” for reasons cited above.  In conclusion, DLA Land and Maritime T/Q SDR SPO non-concurs to the cited changes outlined in PDC 403.</p> <p><b>From DLA-Distribution Packaging:</b></p> <p>For the below paragraphs the team would like the automatic disposal to include hazardous materiel, except for Radioactive TCC 1 and 4. There is a 90 day accumulation limit on hazardous waste stored at depots per EPA guidelines. Stock Readiness regulation DLAI 4145.4 allows 45 day wait time if no disposition from ICP. An additional 45 days will include DLA Distribution Stock Readiness POC follow-up to the ICP, surpassing the 90 days per the EPA regulation.</p>	<p>This would not be authorized. Materiel must be identified prior to disposal.</p> <p>Part number and CAGE will be populated. Original packaging indicator will be required. PDC requires DSS be designed to ensure receiver checks for other information.</p> <p>If understood correctly, the change is to add the word "RADIOACTIVE" (so that other types of hazardous items will be subject to automatic disposal. Therefore, we removed all the other Type Cargo Codes leaving just 1 and 4 as excluded from automatic disposal.</p> <p>"C4.9.3.3.1.1. 2. Automatic disposal does not apply to the</p>	

PDC 403 Comments			
Submitter	Response	Resolution	
	<p>4.C (1) SCC H materiel received and identified by catalog data with the DEMIL Codes, Controlled Inventory Item Code (CIIC) or Hazardous Type Cargo Code per list below will not be disposed of automatically. The materiel will be receipted in SCC H (the SCC will not be changed during receipt pending disposition instructions), stored in a depot storage location, and a SDR submitted to the owner requesting disposition.</p> <p>C4.9.3.3.1.1. 2. Automatic disposal does not apply to the following: C4.9.3.3.1.1. 2.1. Materiel that is identified as requiring DEMIL or containing hazardous, classified, or NWRM properties will not be subject to automatic disposal.</p> <p>C5.2.5. Automatic Disposal of Reclassified Stock. When materiel is reclassified to SCC H, storage activities may also, based on criteria promulgated by the DOD Components, automatically turn condemned and expired shelf-life materiel into reutilization and marketing or take other authorized automatic disposal action. Advise the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (materiel condemned--excludes expired shelf-life materiel) or Management Code T (materiel condemned--expired shelf-life materiel) in record position 72 of the dual adjustment transaction. Refer to paragraph C4.9.3.3.1 for exclusions from automatic disposal.</p> <p><b>From DLA-Distribution Stock Readiness:</b></p> <p>My concern is that what I actually wanted in regards to timelines for depots to take action once a disposition instruction is received from an IM is conflicting. Please look at the DLMS page 5 under detailed procedures – SCC K. It states that a "new 5 day time standard is identified for the depot to reclassify materiel upon direction of the ICP". Then it goes on in the next line to state "The overall time standard for the storage activity to complete reclassification of SCC K materiel</p>	<p>following: C4.9.3.3.1.1. 2.1. Materiel that is identified as requiring DEMIL or containing hazardous RADIOACTIVE, classified, or NWRM properties will not be subject to automatic disposal. This includes:</p> <ul style="list-style-type: none"> <li>• DEMIL Codes: F, G or P</li> <li>• CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9</li> <li>• Water Type Cargo Code: 1 AND 4"</li> </ul> <p>Regarding the comments from DLA-Distribution Stock Readiness, I think maybe there was a misunderstanding between what was in the original MILSTRAP requirement and how I was changing it. The original requirement allowed 10 days for the storage site after reporting receipt, but there was no time standard for the ICP to respond to the SDR in MILSTRAP. So total time standard was 10 days for reclassification per MILSTRAP. I was allowing time for the ICP to respond with disposition in 30 days (i.e. adding a SDR time standard into the equation) and then the depot would have 5 days</p>	



		PDC 403 Comments	
	Submitter	Response	Resolution
		<p>is revised to 35 days (vice 10)"</p> <p>Please keep in mind that before this change, the IMM had 45 days to give disposition and then the depot had 10 days to take action on the disposition received.</p> <p>Now, take a look at the change made in the MILSTRAP on this change. Paragraph C5.2.4.2.1. It states "complete the reclassification of materiel reported in SCC K within 35 calendar days after reporting the receipt" to go on "When directed by the owner, storage activities shall reclassify materiel reported in SCC K within 5 calendar days from receipt of the direction" !!!!</p> <p>What happened to the 35 days after receiving disposition? Actually, I agreed that it would be 30 days and not 35. AFTER the depot received disposition.</p> <p>On another note from this change, I don't know if I have any say in the matter, but I can't believe DLA Distribution or even DLA HQ has agreed to stop the receipt process if an NSN is not known so the operator can contact the IMM first. That's going to hold up the receipt process. I like the idea of using "unknown" with the FSC.</p>	<p>to accomplish the re-classification so that the total time became 35 days.</p> <p>Subsequent to discussion with DLA Distribution personnel the time standard for the depot reclassification is revised to 30 days.</p>
2.	Marine Corps	Concur	Noted.
3.	Army	<p>HQDA DCS G-44(S) Concur with PDC 403 with comment.</p> <p>Page 6, paragraph 4f(3), last sentence: change from "...are identified in Enclosure 5." to "...are identified in Enclosure 6."</p> <p>Army SDR POC states: Please be aware that I am not working on a default RIC, or a default email address for all Army. I ask that a default RIC/email address as stated in your agenda be put on hold for the present time.</p>	Noted.
4.	Air Force	The Air Force non-concurs with PDC paragraph 4c(3)(c). At DDHU, DDWG, and DDOO, the process is as follows. The DLA DSS generates a receipt using DI Code D4 or D6 to the local D035K. Depending	The SDR is required for a discrepant return. Under this ADC, SDR distribution for

		<b>PDC 403 Comments</b>	
	Submitter	Response	Resolution
		<p>upon the circumstances, D035K sends an immediate shipment or disposal action to DLA DSS or tells DSS to bin the item. If the item is binned, the asset balance is reported to the Air Force wholesale item manager for that person to determine the action to take. Reporting the receipt of the materiel using a SDR is redundant. That adds a level of manual paperwork and a delay to an automated real-time process.</p> <p>Alternate method. Continue current processes and delete the requirement for a SDR to be sent to a collocated Air Logistics Center at DDHU, DDWG, and DDOO.</p>	unauthorized returns will be to the manager.
5.	Navy	No comments applicable to the PDC 403A functional or technical requirements.	Noted.
6.	USTRANSCOM	USTRANSCOM Abstains	Noted.

B. PDC 403A comments.

PDC 403A Comments			
	Submitter	Response	Resolution
1.	DLA	<p>DLA Comments --- Below are consolidated TQ and OF response to PDC 403A:</p> <p>Page 4 (3) Materiel Identification (NSN/Stock Number) Not Known to Receiving Depot. – DLA TQ still does not concur with the use of unknown on the primary materiel. EBS can take UNKNOWN in the wrong materiel or wrong P/N received. The only requirement we had was for CAGE to be mandatory when using a wrong P/N received. EBS has no way to build or assign a SDR that has UNKNOWN as the primary materiel identification. DLAs only option would be to reject the SDRs and give disposition to the depot to place the materiel in the returning activities account so the SMS does not incur storage charges. Having the ICP attempt to give disposition on an item the depot cannot identify poses the risk of classified/sensitive/NWRM materiel to be mishandled. (Note: this comment applies to all references to unidentifiable materiel throughout the document.)</p> <p>Page 6 (2) The time standard... - TQ non concurs with the time standard. TQ works these SDRs. Recommend time standard match the SDR response time standard as published in C17.2.12.4.4</p> <p>Page 6 (a) Pre-coordinated local stock number/materiel control number. – DLA has never concurred to the creation of an LSN for SDR submittal. The use of LSNs are restricted to certain programs (i.e. Spiral 2, Kitting).</p> <p>Page 7 Original Packaging Indicator. – DLA feels this should be a requirement for all type 8 SDRs, not just the ones that are using UNKNOWN</p> <p>Returning Activity. Materiel should be placed in the account of the Service returning the materiel. The SDR</p>	<p>The wording has been changed to indicate that the FSC plus a descriptive word must be included as well as the other supplemental information. If there is still insufficient information provided, the action activity may chose to provide on-site inspection to determine the NSN.</p> <p><b><i>Subsequently removed pending further discussion if still desired; this functionality was not incorporated in the ADC.</i></b></p> <p>Time standard revised as requested.</p> <p>Wording has been updated. This was included as optional, since a Military Service ICP may choose this approach.</p> <p>Changed to type 8 suspended receipts (not all type 8 would require this information).</p> <p>An information copy of the SDR will be provided</p>

PDC 403A Comments			
	Submitter	Response	Resolution
		<p>should be submitted to the returning activity if the materiel requires DEMIL or cannot be identified to a valid SMS materiel.</p> <p>SDR Distribution (1) Currently,... - If materiel cannot be identified then the SDR should go to the returning activity or the service of the returning activity.</p> <p>Page 15 - C4.9.1.2.6. Advice provided by the ICP upon request of the storage activity if receipt documentation cannot otherwise be developed. Do not prepare receipt or discrepancy report for unidentified new procurement materiel prior to coordination with the ICP to determine an acceptable stock number. TQ wants clarification on how the depot will determine who to contact.</p> <p>I would like clarification on the remark "Requirement to accept incoming SDRs using a DoDAAC rather than a RIC." Currently EBS has this set up for Type W SDRs only. Are you suggesting this be for all Types of SDRs? If so, who would be providing a listing of all DoDAAC to EBS? The table maintenance on this could prove problematic.</p>	<p>to the returning activity. Unauthorized returns will be reported to the manager.</p> <p>This current guidance. Contact may be phone or email.</p> <p>This change is applicable to SDRs sent for action. There is no current requirement to send an SDR to DLA EBS for action using a DoDAAC. The DoDAAC used to identify the returning activity will be the action activity in the information copy of the SDR.</p>
2.	DLA Distribution	<p><b><u>Materiel not identified to an NSN:</u></b> Currently DLA Distribution receives materiel without shipping documents, container or materiel labels, and materiel or container markings that inhibit identification and accessing Advance Receipt Information (ARI) in the distribution system. When this condition is met, the materiel is considered to be unserviceable (scrap). If the item value is determined to be &lt;\$100.01 AND the item is not classified, hazardous or requires demilitarization, the materiel is inducted in stock condition code H and sent directly to DLA Disposition from receiving.</p> <p>a. Revokes the authority of paragraph C13.2.8.2.10.1, DoD 4000.25-M, VOL II, to automatically dispose of this materiel.</p>	

PDC 403A Comments			
Submitter	Response	Resolution	
	<p>b. Mandates the use of a local stock number or the word “unknown” in lieu of the current DLA Distribution method used to identify this materiel.</p> <p>c. Directs pre-coordination with supply prior to induction for assignment of a local stock number.</p> <p>d. Current induction process map and training doctrine directs establishment of an NSN by assigning an FSC that closely resembles the materiel followed by a short nomenclature in the NIIN field. This transition will cause multiple problems for DLA Distribution; especially when there is more than one NSN called “unknown” for any FSC, research will be impossible.</p> <p>e. This proposal has the possibility of creating additional storage locations for unknown materiel. Receivers will be mandated to pick up a bag of bolts, store them and wait for disposition to come from an ICP that is not the actual owner prior to disposal? What happened to reducing our storage footprint?</p> <p>f. Prior communication with DLA Supply Chains and Service ICP may not be viable due to policy constraints in regards to the 24 hour metric to put materiel on record after delivery. DLA Distribution realizes the impacts the current process causes, but the impacts will continue regardless of process used and so DLA Distribution recommends the current process be accepted and continued.</p> <p><b><u>Unauthorized Returns:</u></b> DLA Distribution receives return materiel from activities that was not processed through the Materiel Returns Program by the returning activity. Therefore the return was not approved or authorized by the materiel owner so there is no ARI established. Usually this type of materiel has documentation that identifies the materiel to a NSN, but is the original shipping document into the activity. DLA Distribution will use that document to induct the materiel, however; without an ARI DLA Distribution cannot determine which of the 10, 20, 30, or more of</p>	<p>d. Concur with recommendation to use a descriptive word instead of the word “UNKNOWN” with the FSC.</p> <p><i><b>Subsequently removed pending further discussion if still desired; this functionality was not incorporated in the ADC.</b></i></p> <p>e. Noted.</p> <p>f. Noted. No alternative identified.</p>	

PDC 403A Comments			
Submitter	Response	Resolution	
	<p>the returning activities parent service wholesale or retail owner RICs to report the receipt acknowledgement to. In order to accommodate security and inventory policy, metrics, and staffing, a decision was made to default the owner RIC to the Manager RIC found in DSS and most of the time that is SMS.</p> <p>PDC 403A provides two alternatives, they are;</p> <p style="padding-left: 40px;">a. Alternative 1: Since DLA Distribution can, with a certain degree of accuracy, determine the parent service of the returning activity from documentation, labels, and container markings; services are asked to either establish a new or identify an existing owner RIC for DLA Distribution to report unauthorized returns to. Details will have to be established for materiel that is received without proper documentation making identification of the returning activity impossible.</p> <p style="padding-left: 40px;">b. Alternative 2: Unauthorized returns will be held by DLA Distribution without an Owner RIC or inducted into the accountable record. An SDR will be sent to the returning activity to either pick-up materiel or otherwise resolve the situation. Is this materiel to be sent to the frustrated area? All visibility will be lost if materiel is not inducted.</p> <p style="padding-left: 40px;">c. DLA Distribution supports alternative 1. The returning activity could be OCONUS or perhaps has been deactivated, moved, retired...etc.</p> <p><b><u>General Issues Discussion:</u></b></p> <p style="padding-left: 40px;">a. There are many references to a “Check List” throughout the document as part of the SDR input if prior communication with the ICP is not feasible when materiel cannot be identified to an NSN. This “check list” will require processors to enter into the SDR such information as the Manufacture’s Part Number; CAGE; a description; serial number; and other fields. If the materiel has no NSN and no documentation, the ability to provide this information is or will be non-value</p>	<p>Unauthorized returns will continue to be reported to the manager. However, the use of SMS as a default when not the manager must be corrected.</p> <p>Noted. Alternative 1 used originally selected as basis for the draft ADC 484.</p> <p style="background-color: #d9ead3; padding: 5px;"><b><i>Subsequently removed pending further discussion if still desired; this functionality was not incorporated in the ADC.</i></b></p>	

		PDC 403A Comments	
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		<p>added to the process.</p> <p><b><u>Condition Code Flipping:</u></b> DLA Distribution, as a result of the Taiwan incident, needed to install safeguards and controls to eliminate the possibility of transferring materiel with special handling characteristics such as classified, hazardous, or materiel not DEMILed to DLA Disposition. Because of this decision, changes were made to DSS that would “flip” the stock condition code H at receipt to SCC K and require an SDR to be submitted.</p> <p>PDC 403A; Strongly suggests DLA Distribution reconsider the SCC flipping as it is counter to current DoD policy. DLA Distribution realizes the current procedure is not compliant with DoD policy and will work internally to resolve issues and concerns. Our primary concern is to maintain the confidence in the handling of this materiel and still comply with the PDC.</p>	<p>Specific data elements have been identified as required entries when a generic FSC-based materiel identification is used. These pieces of information will help the designated owner resolve the SDR.</p> <p><i><b>Subsequently removed pending further discussion if still desired; this functionality was not incorporated in the ADC.</b></i></p> <p>The ADC requires that the condition code flip be discontinued. An alternative method must be used to ensure that inappropriate materiel is not sent to DLA Disposition Services.</p>
3.	Navy	<p>The Navy concurs with PDC403A but with the following recommendations to be considered in the final Approved DLMS Change. The NAVSUP Logistics Operations Center (NAVSUP LOC) has submitted a proposed change in italic blue text as paragraph C4.9.3.3.1.1.2.3., which is located at Enclosure 2, MILSTRAP Chapter 4 page 8. In paragraph C4.9.3.3.1.1.2.1., NAVSUP LOC recommends adding 'B' 'C' 'D' and 'E' Demil codes. Also, NAVSUP LOC is recommending for customer clarification that the flow charts contained in enclosure 1, pages 1, 2 and 3 with the beginning text box; "Customer Returns Materiel to DLA Depot" contain a disclaimer that it excludes ammunition classified type items. To view these changes, please see attachment for the NAVSUP LOC recommendations.</p>	<p>Updated.</p> <ol style="list-style-type: none"> <li>1. Revise listed DEMIL Codes to include Codes: B, C, D, E.</li> <li>2. Revise references to “ammunition to read “explosive and inert ammunition.”</li> <li>3. Insert additional exclusion for Navy as follows: “US Navy explosive and inert ammunition (RIC NCB; COGs 2D, 2E, 2T, 4T, 6T, 8S, 8T, 8U) will not be subject to</li> </ol>

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			automatic disposal.”
4.	Air Force	<p>AFGLSC just called me with their concern over raising current \$100 vs. proposed \$500 automatic disposal threshold dollar value (Pg 8, Reason for Change, Para 7b of the attached PDF file). He asked whether the \$500 is per item or per shipment. For example, there may be 10 items per shipment then what? Is it still \$500 or is it \$5000.</p> <p>I would like clarification on the "Detailed Procedures-SCC H and automatic Disposal" section in the proposed PDC 403A.</p> <p>Specific Reference:  C4.9.3.3.1.1.2. Automatic disposal does not apply to the following:  C4.9.3.3.1.1.2.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RI Code B17), or Air Force owned materiel located at depots co-located with an Air Force Logistics Center will not be subject to automatic disposal.</p> <p>WR-ALC/638 SCMG/407 SCMS:  Do I read this to mean that AF materiel condemned via a maintenance action and turned into supply in SCC "H" at a collocated DDC dept (Hill, Tinker, WR) will not generate an automatic disposal action even though the DEMIL or CIIC does not indicate special handling required and the Maintenance Organization has authorized it release to disposal via signing/stamping the SCC tag?</p>	The dollar criteria is expressed at the “per item” level (consistent with valuation of the dollar threshold under current MILSTRAP and DLMS guidance).
5.	Army FMS	<p>In the past the ILCO's were given the authority to direct the FMS customers to local dispose/retain at no charge those SDRs in which the discrepant materiel was valued \$100.00 or less. Subject PDC 403A, Page 8, Section 7, para b states:</p> <p>“b. The current \$100 dollar threshold for automatic disposal has not been adjusted for inflation or process efficiency since established. DLA recommends that a \$500 threshold would be cost effective for those items that qualify for automatic disposal.”</p>	This change does not extend authority to the ILCO for automatic disposal by FMS customers.



		PDC 403A Comments	
	Submitter	Response	Resolution
		<p>Currently the ILCOs request disposition instructions for all SDR discrepant materiel, regardless of \$ threshold. Do you foresee this changing the near future? Will the ILCOs once again, be allowed to determine the disposition of materiel, IAW a predetermined threshold, without SoS input/concurrence?</p>	
6.	Army	<p>PDC 403A currently includes the following procedures: AMCOM (RIC=B17) materiel and materiel identified by a local stock number (SIC Z) will not be eligible for automatic disposal regardless of DEMIL Code, CIIC, or Hazardous Type Cargo Code. This materiel will be receipted in SCC H (not changed to K as done currently) and a SDR submitted to the owner.</p> <p>We are looking for clarification of the reference to "SIC Z"</p>	<p>The Stock Identification Code (SIC) identifies what the number in the NSN field is, SIC A = NSN; SIC B = Service Unique P/N; or SIC Z = Local Stock Number (LSN), there may well be other codes, but those are the ones we use when the inductor has to build a QBG record in DSS.</p>
7.	Army	<p>Army will have to nonconcur due to some issues:</p> <p>COMMENTS: NAMI does not currently store at the CONUS Depots, nor does NAMI have the resources to perform the Log Ops (receipt, storage, issues and depot affects MILSTRAP supply procedures for all services. If NAMI AJ2 would be required to receive all of these SDRs for processing, this would be a massive increase in workload.</p>	<p>Returned to the Army for more comprehensive response. If non-concurring with the recommendation to use AJ2 as the default Army owner, an alternative procedure/RIC must be provided.</p>
8.	DLA J33	<p>I've reviewed PDC 403A, and, as mentioned yesterday .... like the criteria used (page 4) to exclude SCC "H" items from automatic disposal. However, I have a question concerning the "Radioactive Hazardous Type Cargo Codes: 1 and 4" mentioned (on page 4). Is this based on FLIS Table 82?</p> <p>We're analyzing all RCP excluded items (thus A5J continues to move materiel to DRMO), and, today, DSS uses 144 different codes to exclude transfers to RCP (based on 9 separate categories including CIIC, DEMIL and various types Cargo and Hazardous Characteristics codes). As you can imagine, I've become 'familiar' with the FLIS tables ... But, cannot find a table titled --</p>	<p>Revised to read: Water Type Cargo Codes: A and 4 (indicating radioactive substance)</p>

<b>PDC 403A Comments</b>			
	<b>Submitter</b>	<b>Response</b>	<b>Resolution</b>
		<p>"Radioactive Hazardous Type Cargo Codes". Only Water Type Cargo Code, and,---</p> <p>1 = Aircraft Engines, and 4 = Radioactive Materiel (no label required).</p> <p>It's possible that I missed it, or maybe it's not published yet. When you have a chance, could you point me in the right direction to solve my mystery?</p>	

Draft ADC 484 Comments:

<b>DRAFT ADC 484/ Comments Subsequent to Supply PRC Meeting 12</b>			
	<b>Submitter</b>	<b>Response</b>	<b>Resolution</b>
1.	Marine Corps	<p>Headquarters Marine Corps has reviewed the subject PDC and concurs with comments. Marine Corps wholesale legacy warehousing systems cannot comply with DLMC transactional standards in its current stage. Capability requirements have been levied to develop a new system to support the Marine Corps Logistics Command (MCLC) business processes. Currently the Defense Property Accountability System (DPAS) is being pursued to accommodate the MCLC requirement. The finalized version of this ADC will be presented to DPAS for incorporation.</p>	<p>Noted. Suggest further discussion with SDR System Administrator prior to pursuing DPAS interface.</p>
2.	Army	<p>Army concurs (withdrawing prior nonconcurrence shown below).</p> <p>Previous response: The Army non-concurs with PDC 403A. We have discussed the proposal with the Director of Supply, and he supports the non-concur. The principle reason is that identification must happen at the receiving site. Forwarding the research mission to another location will delay identification and consume more DoD man hours addressing each item.</p> <p>The proposed changes to DOD 4000.25-2M are intended to transfer the mission of Depot Returns that fall into condition code H and K, Unauthorized Returns and Unidentifiable Returns the services. However, DoD direction has been to move the services out of the depot</p>	<p>In light of the prior Army non-concurrence, this ADC no longer authorized reporting of SDRs using the FSC-descriptive name and nomenclature when for unidentified materiel.</p> <p>MILSTRAP procedures for researching shipment information where receipt is not possible due to lack of documentation has been expanded to include the EDA Website</p>

<b>DRAFT ADC 484/ Comments Subsequent to Supply PRC Meeting 12</b>			
	<b>Submitter</b>	<b>Response</b>	<b>Resolution</b>
		<p>and warehouse business. The services for the most part have divested themselves of the Depot/GS infrastructure required to do this mission. We understand there is additional workload, especially during ongoing missions of retrograde and return of forces from operational Theaters. The Army is committed to working with Defense Logistics Agency (DLA) to assist in eliminating the backlog of unidentified items at the Depots.</p> <p>The data that was received was insufficient and does not allow us to formulate an alternative proposal. Some missing information that we still need clarified is the magnitude of materiel attributable to the Army retrograde inventory; volume of SDRs generated; value of assets; workload, manpower, and resource requirements to perform this mission.</p> <p>Specifically, PDC 403A makes three proposals, and the Army non-concurs with all three.</p> <p>1) We non-concur with the preferred option because it effectively relieves the DLA Depots of the responsibility to fully research the unidentified items and moves the entire responsibility to the other Services.</p> <p>2) The change to C4.9.3.1 eliminates the responsibility to follow the Research steps outlined in C4.9.1.2. The best option is an option that reduces the number of times an item, or paperwork must be handled. Transferring responsibility and paperwork increases the number of touches, and the expense in manpower to DoD. The most efficient option is to research on receipt, and take action based on the research. To facilitate this, the Army would like to see an addition to C4.9.1.2 mandating that the depots use appropriate automated tools such as FLIS, FEDLOG, and internet searches of Contract Numbers to identify NSNs. It would take less time to perform the search than to fill out the "sufficient data" and send it to an ICP.</p>	<p>reference archive (for new procurement), Federal Logistics Information System (FLIS) or WebFLIS data, and the IUID Registry.</p>

<b>DRAFT ADC 484/ Comments Subsequent to Supply PRC Meeting 12</b>			
	<b>Submitter</b>	<b>Response</b>	<b>Resolution</b>
		3) We non-concur with the current wording of section C4.9.3.1.1. We believe that the Depot must be required to conduct the research, then actions for routing the SDR will be clear. It is then a service responsibility to ensure proper handling and billing occurs for Army customers.	

Draft ADC 1022 Comments:

<b>DRAFT ADC 1022</b>			
	<b>Submitter</b>	<b>Response</b>	<b>Resolution</b>
1.	Air Force	AF concurs with the ADC (based on removal of the AF exception rule requiring preparation of an SDR vice automatic disposal under pre-established criteria). ...don't think this DLMS change gets to the underlying problems. The underlying problems need to be identified and fixed, not try to cover them up with actions that cause more work. We're working the underlying problems in the SDR IPT.	Noted. ADC updated.