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MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Defense Logistics Management Standards (DLMS)
           Supply Discrepancy Report (SDR) Subcommittee
           Meeting, February 28-March 1, 2001

       The attached minutes of the DLMS SDR Meeting 01-1 are
forwarded for your information and appropriate action.

       The Defense Logistics Management Standards Office
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                                        Defense Logistics Management
                                        Standards Office

Attachment

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ADUSD (L) MDM
SDR U.S. Representatives and Attendees
SDR SA Representatives and Attendees

cc:
Supply PRC

March 12, 2001

DLMSO

MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Standards (DLMS)
          Supply Discrepancy Report (SDR) Subcommittee
          Meeting, February 28-March 1, 2001

     Purpose: The Defense Logistics Management Standards
Office(DLMSO) hosted the subject meeting at the McNamara
Headquarters Complex, Ft. Belvoir, VA. Specific discussion
topics are noted below. Briefing charts and a list of
attendees are available at http://www.dla.mil/j-6/dlmso/
Committees/SDR/supplySDR.htm

     Brief Summary of Discussion:

     a. **Web Demos/Status/discussion:**

          (1) **Overview Briefings.** The DLMSO SDR
chairperson presented an overview briefing of the proposed
DoD Web-based SDR application, highlighting the point that
the application would permit all DoD customers to input
their SDR on-line and have the SDR routed via DAAS to the
appropriate ICP or Distribution Depot automatically in a
format acceptable to the receiving activity. Subsequent to
the DLMSO SDR overview, the Army, Navy, Air Force
(PassPort), Navy ILCO, DLA (DSC Richmond) and GSA
representatives presented an overview of web-entry SDR
applications that are in use or being developed by their
respective Service/Agency.

          (2) **DoD WebSDR Status.** The DoD site is
available for Component viewing at
http://rand.daas.dla.mil/websdrdemo/. Password/Login
authorization will be distributed under separate cover.
The input screens are essentially complete, although fine-
tuning is still underway. Output specifications for the

Army and DLA have been provided and are being worked at DAASC. The Components expressed continued support for the concept of a single DoD web entry point for SDRs. DoD EMALL is studying use of this application for EMALL customers and the DoD shelf-life program would like to hyperlink to the web site when operational. A few of the modifications/improvements resulting from the demo are:

- Consolidation of some information boxes to reduce the number of screens required for SDR input.
- Inclusion of additional formats (pdf, doc, txt) for uploading attachments and the number of possible attachments will be increased to 5.
- Inclusion of final review before submit.
- Restructure of generated SDR control number. The control number will be a unique number used for internal record management. U.S. customers will have capability to create their own SDR report number or use the generated number. SA customers will have their SDR report number generated from the IL data input: SIO, Serial Number, Country, Case.
- Refinement of follow-on processes for automated design. As an interim procedure, the DoD SDR web application will use SDR type codes to identify each process: modification (M), followup (F), cancellation (L), and reconsideration (existing suffix R) and the clear text name will be reflected in the remarks block. Coordination of the new codes will be pursued.
- Correction of condition code data elements to appear only for condition code discrepancies.
- Refinement of the discrepancy code drop-down box to allow multiple levels will be reviewed to include possible use of a new level to further differentiate packaging discrepancies as currently done under the Air Force web design.

(3) **Discussion.** There are still several key issues that require further study/resolution. These are:

- **Login/Password for SDRS.** Currently Service/Agency implementation of unique web applications differs. There is no official classification for SDRs and some applications are open while others have password/login controls. Confidentiality for SA customers is a requirement imposed by the DSCA/ILCOs. Although not

required for security, a login for domestic customers could be used to establish point of contact information that could then be used to pre-fill these fields on the SDR form. This approach will be studied.

- **DoD WebSDR Interface With Component Systems.** The Navy will provide a format for automated interface. Organizations requesting email forwarding of SDRs should provide appropriate addresses (establishment of a generic SDR address at the ICP is advised).

- **DoD WebSDR Distribution.** Discussion resulted in the following clarification of rules. Components should review and provide additional information.

Condition or Shipment Type [Direct Vendor Delivery (DVD) or Distribution Depot (DD)]	ICP	Action Copy	Distribution Copy	Distribution Copy for Packaging Discrepancies
SA customer	---	ILCO		
Constructed Doc No or shipper unknown	---	ICP		
Lateral redistribution; substitute item and quality discrepancies	---	ICP		
DD-prepared material returns		Shipper's Service	ICP of material	
DVD	DLA	DLA ICP		
DD	DLA	DD		
DVD	Army	Army ICP		
DD	Army	Army ICP	DD	
DVD	MC	MC ICP		
DD	MC	MC ICP	DD	
DVD	Navy	Navy ICP		
DD	Navy	DD		
DVD	AF	AF ICP		
DD	AF	DD		
GSA	---	GSA		

- **Concept Development for SDR Response to Customer.** There was a general agreement that it would be desirable for the DoD WebSDR data base obtain responses to SDRs initiated through the site. DLMSO will prepare proposed requirements for review by the Components.

- **Web Use Restrictions for SA Customers.** The ILCOs reported that many countries prohibit use of the Internet for business purposes for security reasons.

DAASC proposed use of the DAMES as an alternative for these customers. This would promote electronic input, but would not offer the flexible/interactive design features of the web application.

- **Passing Action for ILCO to Action Activity.** SA SDRs cannot be forwarded directly to the depot/ICP/GSA action activity without prior review by the applicable ILCO. The WebSDR design must incorporate an additional process whereby the ILCO indicates that an SDR has been reviewed and may now be forwarded for processing. Once reviewed by the ILCO, above distribution guidance would apply.

e. **SDR Instruction**

(1) ADC change 41, SDR Management Evaluation, Credit Adjustment Follow-up timeframes, SA Request for Reconsideration Timeframes (Staffed as PDC 63) was finalized and approved for release.

(2) Formal Change 1 has been forwarded for publications review. It will reflect the addition of the Army regulation number and revised distribution addresses per Interim Change 01-1.

(3) DLMS change proposals were solicited to correct outdated or inaccurate information contained in the published SDR joint Service guidance.
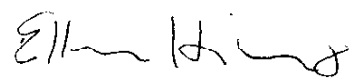
f. **Army SDRs Generated From "Pseudo Receipts" (Material Receipt Acknowledgement (MRA) with Discrepancy Code F).** This is an ongoing problem first reported at the SDR 99-1 meeting. Army implementation of the MRA process included automatic generation of SDRs for nonreceipt or shortage (based upon MRA w/discrepancy code F). However, many of these SDRs are prepared while the shipment is intransit and submitted without manual review to determine shipment status. DLA and GSA reported corrective action by the Army has not improved the situation. Improperly prepared and/or researched SDRs continue to be submitted. The improper SDRs cause unnecessary workload for the action activity and, in some cases, have resulted in credits being authorized despite a strong suspicion that the material was actually received by the Army. As a result, GSA and DLA will not process Army SDRs resulting from pseudo receipt until assured that only appropriate SDRs are being submitted. DLA has indicated that some of the generated SDRs reflect confusing quantities instead of the actual

quantity ordered/shipped, making it difficult to understand/process the SDR. GSA provided a documentation package identifying activities involved.   DLA has forwarded suspect SDRs to CASCOM for investigation. **ACTION:** Army will research a sampling of the GSA shipments (to include those for which credit was granted) and DLA shipments. The review should concentrate on timing e.g. when order was placed; when shipment status was provided; date of shipment; when MRA with discrepancy code F was created; when SDR was generated/submitted; when receipt was posted (if actually received). Additionally, review will look into the quantity fields being used for generated SDRs. Army will present findings at the Supply PRC 01-1 meeting on March 21-22 and provide clarification of Army procedures for internal review of suspect SDRs.

g. **Uniform Procedures for SA Customer Return Of Discrepant Material.** Currently the Components employ varying methods for return of discrepant material. The Navy uses a commercial carrier (Emery Worldwide) after completion of a one-year test period; Army is using a collect commercial bill of lading to be paid by GBL; and the Air Force uses Defense Transportation System to the greatest extent possible. It was hoped that some open discussion, to include methods employed by overseas U.S. customers, would be beneficial. **ACTION:** DSCA will review. Note that procedures for return of discrepant FMS material are addressed in MILSTRIP paragraph C6.25. DLMSO requests DSCA prepare a DLMS change proposal to update this information as appropriate.

h. **SDR Response Codes-DoD Codes, Component Codes, FMR Codes.** This discussion provided clarification on the usage of various codes that relate to SDR responses. Components are encouraged to employ the DoD code list as published in the instruction, vice unique lists created internally. The extensive code list may still be modified as needed since there is no evidence of implementation. Use of a DoD code list would be helpful in capturing responses on the DoD WebSDR database. The FMR code will be added to the ANSI EDI transaction to accommodate SA Customers.

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APPROVE:

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