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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Logistics Management Systems (DLMS) Supply Discrepancy
Report (SDR) Subcommittee Meeting 07-1, July 25-26, 2007

    The attached minutes of the DLMS SDR Meeting 07-01 are forwarded for your
information and action as appropriate.

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MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Systems (DLMS) Supply Discrepancy
             Report (SDR) Subcommittee Meeting 07-1, July 25-26, 2007

Purpose: The Defense Logistics Management Standards Office (DLMSO) hosted the subject meeting held via phone conference. Specific discussion topics are noted below. A list of attendees is shown at Enclosure 1. All meeting handouts and briefing material are available on the SDR Subcommittee Web page (refer to the meeting agenda): http://www.dla.mil/j-6/dlmso/Programs/Committees/Supply/supplySDR.asp.

Brief Summary of Discussion: Ms. Ellen Hilert, DOD SDR System Administrator facilitated discussion.

Review of Meeting Topics:

a. **Status Update on WebSDR Implementation.** Ms. Hilert provided an overview of WebSDR implementation status (refer to Topic 1 briefing, beginning at slide 10). Resulting actions include:
- Completion of automated interfaces with Army and GSA applications (specific issues addressed below).
- Deployment of the Air Force Security Assistance Command (AFSAC)-developed SDR system to the Army and Navy International Logistics (IL) communities through the SKIP is awaiting funding from the Defense Security Cooperation Agency (DSCA). Ms. Hilert indicated she would discuss the problem with DSCA and propose that the Business Transformation Agency (BTA) be approached to provide funding.
- Development of requirements to provide SDR financial status (debit/credit) from the discrepancy report query. DLMSO will explore data requirements with the Finance PRC.
- Completion of current DLMS changes (specific changes listed below)
- Correction of bugs, inefficiencies, and requested enhancements to include:
  - Improve arrangement of e-mail SDR content
  - Ensure information copy distribution to all parties identified
  - Improve routing determination for e-mail versus transaction
- Components must work with DLMSO to ensure correct prioritization of DAASC workload.

b. **Functional Requirements Document for SDR Reporting Requirements.** Mr. Larry Tanner and Mr. Dale Yeakel from DLMSO provided an overview of the Functional Requirements Document (FRD) and a demonstration of the proposed SDR reports.   The reports are designed

for maximum flexibility in selection criteria and drill down capability from summary reports to individual SDR records (refer to Topic 2 briefing, demo, and documentation).   Recommended updates to the FRD resulting from discussion include:

- Include Security Assistance options in the drop down menu
- Add customer system numbers to the report detail
- Display document type code as the one position code with cursor overlay for full definition
- Define selection criteria for the three identified SDR status types for report views

ACTION: All Components must review the FRD and provide comments by **September 10, 2007**.   Specific feedback was requested on the following. However, comments and/or recommendation need not be limited to these:

- Should selection criteria include additional (e.g. add SDR action code) or fewer (e.g. remove XXXX)
- Should POC information be included on the Composite Screen (summary of all the individual transactions applicable to the SDR) or be left in the Transaction History (single transaction view)
- Are there additional items required on the Composite, or should any items be removed
- How should the reports deal with display of dollars and quantity when SDR contains multiple discrepancy codes (refer to FRD briefing, slide 9)
- How should the reports deal with display where two SDRs are used to properly route non-procurement distribution depot (DD) receipt SDRs (Type 8) to the owner, who would in turn submit a customer SDR (Type 7) to the shipper or the SOS.
- Should access to reports be restricted, e.g., by site, contractors (foreign nations will not have access).
- Which "canned" reports should be readily available, i.e., run during the evening to reduce impact on daily operations (e.g., monthly report by source of supply)
- Should the report display SDR dollars take into consideration unusually high dollar values, e.g. receipt of tank with missing parts

       c. Use of Acknowledgements within the SDR Process. Ms. Hilert asked the committee member to consider a future enhancement that would require automated systems to provide confirmation of the receipt of an SDR by the action activity. Ms. Hilert explained that the original concept of DLMS was that confirmation of transactions would not be required, however some system have developed these confirmation on their own. All committee members agreed a confirmation would be beneficial. **ACTION: DLMSO** will work with DAASC to provide a concept for a confirmation transaction for review by all.

       d. New SDR Purpose Code for Closed SDRs. Currently WebSDR can't identify when an SDR is considered closed. Definitions vary within Component applications; however a standard definition to determine when an SDR is closed has been requested by customers and would better support reports and queries. One solution would be to expand the "Purpose Codes" in the SDRs transactions to better define the status of the SDR. In addition, an interface with finance could significantly improve visibility of closed status from a financial perspective. Ms. Hilert is requesting coordination with the Finance PRC to determine if Type Bill Codes for SDR adjustments can be adopted and made mandatory under DLMS. There was also a discussion of the policy on when credit is granted, up front after the determination is made, or

after the discrepant material has been returned. Ms. Hilert indicated that she believes the policy is that FMS customers are not supposed to receive credit until the material is returned, however United States customer may receive credit prior to returning the material. DLA representatives said that the Enterprise Business System (EBS) provides up front credit for all customers. **ACTION: DLMSO** will research DOD policy on authorizing credit. **DLMSO** will pursue use of Type Bill Codes to identify debit/credit actions resulting from validated SDRs. **All Components** should provide a recommended definition for a closed SDR status which would be feasible to provide to WebSDR for potential future enhancement to the DLMS SDR process.

e. Duplicate SDR Criteria. Ms. Hilert expressed continued concern about the lack of standard business rules to determine duplicate criteria for a SDR transaction. The problem is complex as different systems have different rules regarding what constitutes a duplicate. The simple rule of one SDR per document number doesn't cover all discrepant situations. Ms. Hilert indicated additional research is required to determine adequate business rules for DOD level duplicate SDR criteria to include scenarios below. This item was left open.

- Partial shipments which may be reported separately with different discrepancy conditions
- Concealed discrepancies which may be reported outside normal timeframes and after the original report was closed.
- Initial SDR is submitted to one action activity, is rejected, and then sent to another action activity

f. Navy Issue Reversal Code. The MILSTRAP Administrator has requested the SDR Committee's position on whether the Navy's unique process of reversing the D7_ issue is an acceptable approach for processing discrepant material the Navy receives from the DLA depot. If not acceptable the process will be identified as temporary for the Navy's Uniform Automated Data Processing System 2 (U2) until it is replaced and would not be used for modernized systems. Previous discussion with Mr. George Gray, DLA J-373 and Navy Inventory Control Point (NAVICP) representatives indicated that existing Navy policy is that discrepant material received from the distribution depot would not be processed as a receipt to customer records, instead an SDR would be submitted and if credit was authorized, the material would be returned to the depot and a D7_ reversal would be processed. DLMSO is concerned that material not receipted properly might be lost during the interim period while the SDR is being processed. Howard Frenya from NAVSISA was concerned that previous discussions between DLA and the Navy did not include a U2 representative. Mr. Francis Burke, DDC J3/4 indicated that he would initiate another meeting with the Navy to resolve the issue. **ACTION: DDC J-3/4 and DLA HQ J373** will meet with Navy to resolve the issue. . **ACTION: Army** to provide comments/concurrence to PDC 264, Revise DS 867I Issue Navy Reversal (MILSTRAP D7).

g. DLMS Enhancement Request. A DLMS enhancement was submitted by the Navy during early DLMS (MODELS) development to provide additional data in the SDR response to support development of a traceable shipment follow-up or to produce a Transportation Discrepancy Report (TDR) (refer to Topic 7 slide). Ms. Hilert indicated that another way to provide this information would be to adopt shipment status enhanced data content and capture this information in WebVLIPS and the Global Transportation Network (GTN) making it accessible to customers who do not yet have DLMS capable systems. The Navy and GSA said they would prefer to have the information in the SDR Response. **ACTION:** As a first step,

DLA will assess level of effort required in DSS to add the new shipping data in the SDR response. If feasible, a DLMS change will be developed.

      h. DLMS Change Proposals. Ms. Hilert provided an overview of a number of SDR related DLMS changes currently under development, in staffing, or awaiting implementation (changes appear below in numerical sequence).

      (1) PDC 176A, Mandatory Identification of Detail Level Packaging Discrepancy Codes. This change requires mandatory identification of four-digit packaging discrepancy sub-codes in WebSDR rather than the two-digit packaging (P) type codes. The original PDC was put on hold after staffing. The SDR Committee agreed after the last meeting to pursue mandatory use at DDs and for USAF DOD WebSDR users.   **ACTION: DLMSO** will update the PDC and re-staff.

      (2) ADC 196, Business Rules for SDRs Resulting from Lateral Redistribution Order (LRO) for DLA-Managed, Non-Army Managed Item (NAMI) Owned Material. This change defines proposed routing and process of SDRs that result from DLA ICP/IMM directed LRO shipments under the total asset visibility (TAV) program. This proposed routing and processing change is only applicable for DLA directed LRO shipments under TAV where the material is managed by DLA but owned by the TACOM Rock Island, IL, Non-Army Managed Items Product Support Integration Directorate (RIC AJ2) and shipped from an Army site. This change is partially implemented; pending full implementation for Army automated interface.

      (3) ADC 206, Discrepancy Reporting for Wood Packing Material (WPM). This change establishes procedures and a new discrepancy code to be used for reporting shipments containing non-compliant WPM. There are phytosanitary requirements for WPM imposed by the United Nation guidelines to protect forest world wide against pest infestation. DOD Components engaged in packaging of materiel for transnational shipments are required to comply with DOD guidance for WPM in order to gain access to aerial and water ports. If these procedures are not followed, there is a risk that improperly marked materiel will become frustrated cargo, destroyed at the port or be required to be repacked at the port of debarkation, causing increased cost and time delays to DOD. The new discrepancy codes have been implemented; however the change is pending full operational use (refer to Draft PDC, New Document Type Code for Consolidation Containerization Points (CCP), below).

      (4) ADC 210/210B, Identification of SDR Document Type (includes National Inventory Management Strategy (NIMS) and Non-DSS Depot Receipts). This change adds new document type categories and modifies WebSDR so that the document type may be assigned by direct user input and will be shown on the SDR query view. It also allows for a sub-type for DRMS SDRs and allows for the owner/manager to be entered by web users. This change is scheduled for implementation September 2007**.**

      (5) ADC 225/225A, DOD WebSDR Requirement for Information Copy. This change establishes two different procedures for WebSDR/DAAS creation/transmission of an information copy of an SDR in response to an SDR reply reject code sent to DAAS. The reject condition is applicable when the DD is the action activity and the SoS can't process the

DD reply due to lack of a record establishing the basic report. Changes required by this ADC are currently being tested by DAASC and DLA and it is scheduled to be implemented in September 2007 (updated subsequent to the meeting).

　　　　(6) **PDC 226, WebSDR/SDR Transaction Edits: Forwarding and Follow-up Timeframes (Supply/SDR).** This change proposes three new edits for the WebSDR process that will improve data quality and enforce existing business rules. Follow-up transactions will be edited to ensure that an appropriate time has elapsed before follow-ups may be submitted; SDR replies forwarding the original report to a new action activity (reply code 504) may not be used to forward Distribution Depot receipt SDRs from the material owner to the Source of Supply and SDR replies requesting forwarding of the SDR to a new action activity (reply code 504) may not be used to forward historical or other record types which lack full data content necessary to establish a basic SDR report transaction. The discussion was centered on the current rules for owners notified of distribution depot discrepant non-procurement receipt (Type 8) which requires two separate SDRs to function properly within the current system constraints. The depot would initiate a Type 8 to the owner, who would in turn submit a Type 7 to the shipper or the SoS. DLA and Army representatives indicated they would prefer to see a different SDR Type identified for these types of discrepancies which would allow one SDR to be prepared and sent to the correct action activity. **ACTION: DLA HQ** will work with the DDC to prepare a PDC proposing a new SDR Type Code and processing instructions. **DLMSO** will remove this aspect from the PDC 226 and issue the approved change for the remaining procedures.

　　　　(7) **ADC 245A. Notification for Distribution Depot (DD) Product Quality Deficiency Report (PPQDR) Exhibit Receipt.** This change defines new routing and processing changes for SDRs prepared by DDs to notify Air Force managers of the arrival of Air Force-owned PQDR exhibits and is designed to support expansion for other Services. The change requires new routing rules at DAAS. Two new data elements are added to the SDR transaction to support the Air Force requirement and pre-position cross-reference information to support exhibit tracking for other Services. This change is a variant of the business rules already implemented for DLA-managed material under ADC 188. These business rules may be applied to other Components by agreement with DLA. This ADC is pending implementation in October 2007. However, DLMSO was alerted by DLA that the AF plans to terminate the G021 application to which these SDRs will be routed. **ACTION: DLA and AF** must confirm the requirement prior to DAAS programming.

　　　　(8) **Planned PDC, USAF Logistics Support Centers Information Copy Distribution.**   This change was discussed at the last SDR meeting but has not been documented by the Air Force. **ACTION: USAF** to confirm requirement and submit PDC as applicable.

　　　　(9) **DRAFT PDC, New Type Discrepancy Code for WPM at CCPs.** This change is associated with ADC 206 above and will establish procedures for SDRs submitted by CCPs in order to recoup the costs of replacing wooden pallets/containers that are constructed from non- compliant WPM. The new type code will be used to signify that standard SDR data content edits may not apply, e.g., there may be multiple NSNs on a single pallet. DLMSO has provided feedback to DLA and the PDC should be available for staffing shortly.

i. Implementation Goals and DAAS Priorities.

(1) **Army Interface.** There was a discussion regarding when the Army's USA Electronic Product Support (AEPS) SDR system would implement a full DLMS compliant interface with WebSDR. The Army representatives indicated they were funded to interface with WebSDR using a user defined file (UDF) not DLMS and the Army is not currently willing to provide addition funding for AEPS, which is considered a legacy system, to become DLMS compliant for SDRs. The Army has developed an SDR module in the Logistics Modernization Program (LMP) which will be DLMS compliant. However, there is a concern about the timing of the DLMS 842 transaction implementation under LMP since it was not included in the Jump Start initiative. Ms. Hilert indicated that since the Army's LMP system will be implemented with a phased approach by Command, AEPS will be around for a number of years. Therefore, a DLMS interface between AEPS and WebSDR should be reconsidered. Ms. Hilert asked if it would be possible for the funding previously provided could be used for this DLMS interface. The Army should also consider submitting a request for BTA funding under the FY08 Jump Start program. **ACTION:** The **Army** is to determine if the DLMS 842 transactions, to include the SDR, the Storage Quality Control Report, and the Stock Screening Request, are within the scope of LMP. The **Army** is to look into the feasibility of using the existing AEPS funding toward developing a DLMS interface with WebSDR; determine an estimate of additional funding needed; and evaluate pursuing funding through the Army and/or BTA.

(2) **GSA Interface**. There was a discussion on when the GSA interface with WebSDR could be implemented. **ACTION:** The **GSA** representative agreed to provide status and a point of contact (POC) to move this forward.

(3) **IUID Functionality.** Ms. Hilert asked when EBS would implement the IUID functionality. This change appears to be on hold with the earliest implementation in Feb 08. **ACTION:** **DLA** must confirm planned implementation date and requirements for coordination with DAAS needed programming updates.

(4) **System Access Roles and Levels.** DAASC had not completed the programming required to fully automate this process and continues to manually control access in coordination with Component POCs. Ms. Kohlbacher, DAASC Program Manager, indicated that the manual workload was manageable at this time. Access control edits are implemented.

j. Status/Follow-up from December 2006 Committee Meeting

(1) **Army Pseudo Receipt SDRs.** Army implementation of the Material Receipt Acknowledgement (MRA) resulted in automatic generation of SDRs for non-receipt or shortage (based on MRA with discrepancy code F). Army retail systems do not recognize partial shipments and may submit SDRs based upon receipt of the initial partial shipment while the remaining shipment is intransit. These pseudo receipt SDRs are submitted by hard-copy, sometimes without further research, and could result in significant necessary workload for the action activity. Ms. Hilert indicated that partial shipments are a discussion topic for the monthly meeting between senior DLA and Army leaders. As a result of the monthly meeting, the Army has now agreed that future systems will incorporate the ability to recognize partial shipments.

ACTION: DLA or GSA should report any high volume submitters to the Army for training to ensure manual review prior to SDR submission.

               (2) Army Proposal: SDR and Equipment and Maintenance Inspection Worksheet, DA Form 2404. Currently at DDs co-located with Army maintenance sites, there is a unique SDR procedure for documenting missing and damaged material associated with major end items, e.g. tanks. When an Army unit returns a tank, a depot employee inspects the tank and fills out a DA Form 2404, Equipment Inspection and Maintenance Worksheet, which indicates the NSNs and cost of the items missing from the tank. In addition a SF 364, SDR is prepared in DSS and a hard copy of the SF 364 along with the DA 2404 is e-mailed to the Army ICP. At the Army ICP, the SDR and the DA 2404 data must be input into the AEPS System. The action from the last meeting was further discussion was needed between the Army and DDC/DLA. No further discussion has occurred. **ACTION:** DDC and Army meet to discuss solution.

               (3) Joint Component Instruction/DLMS Manual Vol 2, Chapter 17, Change 4. The update to the joint instruction has not been completed since the last SDR meeting. However, the DLMS Manual has been updated and published and can be accessed on the DLMSO website. Ms. Hilert proposed that the joint instruction be cancelled and the DLMS manual be used as the policy and procedures for SDRs. She indicated that the DLMS manual is easier to maintain and could be updated quicker than a joint instruction. Having only one document would eliminate the double workload required today. **ACTION: All Components** are to provide comments/concurrence on eliminating the joint instruction by September 10.

     k. Wrap-up. Ms. Hilert expressed gratitude to the participants for their contribution to making this a successful and informative meeting. The next full Committee meeting will be scheduled at a later date. Telephonic meetings will continue every Wednesday at 9:00 a.m. on the DLMSO call-in number (703-767-5141 (DSN 274)) with topics/participation from the Components as needed.

_____   Approved:_____
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