THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR   SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Item Unique Identification (IUID) of Tangible Personal Property – Policy Refinement for Secondary Items in Use or in Inventory

References: (a) DoD Instruction 8320.04, "Item Unique Identification Standards for Tangible Personal Property," June 16, 2008
(b) DoD 4140.1-R, "Supply Chain Materiel Management Regulation," May 23, 2003
(c) Defense Federal Acquisition Regulation Supplement, Subpart 211.274, "Item Identification and Valuation Requirements," August 12, 2008
(d) DoD Instruction 4151.19, "Serialized Item Management (SIM) for Materiel Maintenance," December 26, 2006

Property accountability is a critical capability for which the Department must demonstrate appropriate internal controls based on acquisition standards. Based on a recent Joint Logistics Board (JLB) recommendation to my office, and in coordination with the Comptroller, I have determined that DoD property accountability for secondary items in use or in inventory will continue to be accomplished by counting the quantity on hand for specific materiel requirements where no unique item-level traceability is required at any point during their lifecycle. Unique item-level traceability is defined as the requirement to trace lifecycle management events related to acquisition, property accountability, storage, operation, maintenance, safety, physical security, retirement, and disposal by each individual item, e.g., a single instance of a stock-numbered item or a single assembly/subassembly.

In 2008, reference (a) institutionalized mandatory requirements for Item Unique Identification (IUID) compliance for all tangible personal property. This memorandum refines the application of IUID for secondary items in use or inventory to include only those items that meet one or more of the criteria below and are covered by reference (b). Effective immediately, the secondary items in the categories listed below shall continue to be marked with an IUID compliant mark and registered in the DoD IUID Registry regardless of their original unit acquisition cost:

1. All DoD serially managed items (references (b) and (d)) including, but not limited to:

- Sensitive, critical safety or pilferable items that have an unique item-level traceability requirement at any point in their lifecycle; and

- All depot-level reparable items.

2. Any other item that the requiring activity decides requires unique item-level traceability at any point in their lifecycle.

Secondary items that do not meet any of these criteria, and for which property accountability requirements are met by determining the quantity on hand, are not required to be IUID marked and registered. Included in this exclusion are items such as threaded fasteners designated as critical safety items, but managed only by quantity, by National Stock Number, or by part number. Attached is a list of examples of items covered by reference (b) by supply class that should not be marked, unless unique item-level traceability is required by the requiring activity. All other requirements cited in reference (a) remain in effect as stated.

In issuing this policy update, I want to be clear that program and item managers retain the option to require broader IUID compliance if it is consistent with their needs or directly supports their Systems Engineering Plan, Life Cycle Sustainment Plan or IUID Implementation Plan. Once a legacy secondary item in use or in inventory is designated for IUID, all future DoD acquisitions of that item shall require IUID. Unmarked IUID-designated legacy instances of that item, identified by the Program Manager or Item Identifier, already in use or in inventory shall be marked and data submitted to the DoD IUID Registry at the nearest opportunity during normal maintenance consistent with the plans above.

I also direct that, within 120 days of this memorandum, the Defense Logistics Agency establish and promulgate guidance on the use of Federal Logistics Information System indicators for cataloged items with National Stock Numbers (NSNs) to facilitate IUID compliance. These indicators will ensure mandatory IUID requirements are consistently applied by all acquirers in conformance with the above references and this memorandum. This will facilitate the JLB recommendation that the Unique Item Identifier be used for lifecycle management not later than December 2015.

The Director, Defense Procurement and Acquisition Policy, will implement these changes in the requirements of reference (a) and include them in reference (c) for new acquisitions as appropriate. Additionally, the Assistant Secretary of Defense for Logistics and Materiel Readiness will include these changes in the next publication of references (b) and (d) as appropriate.

My points of contact are: Mr. Rob Leibrandt at 703-602-8019 or Robert.Leibrandt@osd.mil (regarding DFARS and general IUID policy); Ms. Kathy Smith at 703-604-0098 x135 or Kathleen.Smith@osd.mil (regarding supply); and Mr. Greg Kilchenstein at 703-614-0862 or Gregory.Kilchenstein@osd.mil (regarding maintenance policy).

Ashton B. Carter
PD ACTING

Attachment:
As stated

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ATTACHMENT

Items Not Requiring IUID Marking and Registration

Unless the program or item manager requires unique item level traceability, Item Unique Identification (IUID) compliant marking or DoD IUID Registry submission is not required for items in use or inventory within the classes of supply listed in Sections I and II below.
I. Accountability/Traceability Required by Quantity by Case, Weight or Volume – Do Not Mark and Register
• Class I – Subsistence
• Class II – Clothing, Expendable Individual Equipment, Consumable Administrative and Housekeeping Supplies
• Class III – Bulk Fuels, Chemicals & Coal
• Class IV – Fortification and Barrier Materials
• Class VIII – Consumable Medical Supplies
II. Accountability/Traceability Required By Quantity by Each, Unit of Issue or by Case – Do Not Mark and Register
• Class II – Non-Expendable Individual Equipment and Sets, Kits and Outfits that are not serially managed;
• Class III – Packaged Petroleum Products
• Class V – Ammunition items that are not serially managed
• Class IX – Consumable Repair Parts and Components that are not serially managed