



DEFENSE LOGISTICS MANAGEMENT SYSTEM

VOLUME 2

SUPPLY STANDARDS AND PROCEDURES

June 13, 2012

DEPUTY ASSISTANT SECRETARY OF DEFENSE
(SUPPLY CHAIN INTEGRATION)



LOGISTICS AND
MATERIEL READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

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DLM 4000.25, Volume 2, December 7, 2012
Change 1

DEFENSE LOGISTICS MANAGEMENT SYSTEM VOLUME 2, SUPPLY STANDARDS AND PROCEDURES CHANGE 1

I. This change to DLM 4000.25, Defense Logistics Management System (DLMS), Volume 2, June 2012, is published by direction of the Deputy Assistant Secretary of Defense for Supply Chain Integration under the authority of DoD Instruction (DoDI) 4140.01, "DoD Supply Chain Materiel Management Policy," December 14, 2011. Unless otherwise noted, revised text in the manual is identified by ***bold, italicized*** print. The exception would be when the entire chapter or appendix is replaced, or a new one added. Change 1 also includes administrative updates in Chapter 16, not marked by bold italics, to change "shall" to "will" per a style change for DoD issuances.

II. This change includes Approved Defense Logistics Management System (DLMS) Changes (ADC) published by DLA Logistics Management Standards Office memorandum:

A. Addendum 93A dated August 29, 2012. Addendum 93A to include Status Code BP in Cancellation Procedures. Revises Chapter 4.

B. ADC 1006 dated July 12, 2012. Exception Processing for DLA Contractor Furnished Material Requisitions. Revises Chapter 4.

C. ADC 1011 dated August 13, 2012. Routing Identifier Code Format Rule for Defense Contract Management Agency Activities. Revises Appendices AP7.2 and AP7.3.

D. ADC 1012 dated July 6, 2012. Accommodation of Disposition Services Local Stock Number in Generator Communication. Establishes Appendix 9.

E. ADC 1013 dated June 16, 2012. Intra-DLA Change: Disposal Turn-In Document Number Suffixing for DLMS 846C and DLMS 846R for use by DLA Disposition Services under Reutilization Business Integration. Revises DLMS Supplements 846C and 846R, without revision to the manual.

F. ADC 1014 dated August 17, 2012. Revised Procedures for Inclusion of Contract Data in Transactions Associated with Government Furnished Property and Management Control Activity Validation of Contractor Furnished Materiel Requisitions. Revises Chapters 4 and 5, Appendices AP6.1, AP8.2, AP8.23, AP8.24 and AP8.48. Revises the following DLMS Supplements, 511R, 511M, 517G, 856S, 856R, 867I, 869C, 869F, 870S, and 940R.

G. ADC 1016 dated June 16, 2012. Adds a new Disposition Services Indicator for Controlled Property Branch Verified, for DLA Disposition Services use with DLMS 527R Receipt Transactions under Reutilization Business Integration. Revises Chapter 16 and DLMS Supplement 527R.

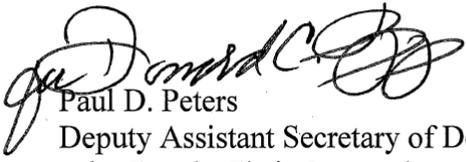
H. ADC 1021 dated July 17, 2012. Revises intra-DLA Procedures and DLMS 527D Pre-Positioned Materiel Receipt to Add Container Detail Supporting Relocation of Materiel between DLA Disposition Services Field Offices under RBI. Revises Chapter 16, and Administrative Update to DLMS Supplements, 511R, 527R, and 940R.

III. The list below identifies the chapters, appendices or other files from the manual that are replaced by this change:

Replaced Files

Change History Page
Table of Contents
Chapter 4
Chapter 5
Chapter 16
Appendix 7.2
Appendix 7.3
Appendix 9 (New)

IV. This change is incorporated into the on-line DLMS manual at the DLA Logistics Managements Standards Website www.dla.mil/j-6/dlms/eLibrary/manuals/dlm/dlm_pubs.asp and the PDF file containing the entire set of change files is available at www.dla.mil/j-6/dlms/eLibrary/Manuals/DLMS/formal_changes.asp


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DEFENSE LOGISTICS MANAGEMENT
SYSTEM
VOLUME 2 – SUPPLY STANDARDS AND
PROCEDURES
FOREWORD

I. The Defense Logistics Management System (DLMS) manual is reissued as Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System (DLMS), under the authority of DoD Instruction (DoDI), 4140.01, DoD Supply Chain Materiel Management Policy. DLM 4000.25 is composed of multiple volumes, each supporting functionally related business processes. Volume 2 prescribes uniform procedures, data elements and codes, formats, forms, and time standards for the interchange of logistics information relating to requisitioning, supply advice, supply status, materiel issue/receipt, lateral redistribution, materiel return, and inventory control processes.

II. The provisions of this manual apply to the Office of the Secretary of Defense, the Military Departments, the Joint Staff, the Combatant Commands, and Defense Agencies. The manual applies, by agreement, to external organizations conducting logistics business operations with DoD including (a) non-Government organizations, both commercial and nonprofit; (b) Federal agencies of the U.S. Government other than DoD; (c) foreign national governments; and (d) international government organizations.

III. This manual incorporates the Approved DLMS Changes (ADC) listed in the Process Change History immediately following this Foreword. ADCs are published electronically at www.dla.mil/j-6/dlmso/elibrary/changes/approved2.asp. Recommended revisions to this manual shall be proposed and incorporated under the Process Review Committee (PRC) forum for logistics functional areas. Submit all proposed change requests through your designated DoD Component PRC representatives. The procedures are in Volume 1 Chapter 3 of this manual and at www.dla.mil/j-6/dlmso/eLibrary/Changes/processchanges.asp

IV. This manual is approved for public release and is available electronically at http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/dlm/dlm_pubs.asp. Use the comment form at www.dla.mil/j-6/dlmso/About/Comment/comment_form.php to contact DLA Logistics Management Standards.



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Deputy Assistant Secretary of Defense
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C17. CHAPTER 17

SUPPLY DISCREPANCY REPORTING¹

C17.1 GENERAL

C17.1.1. Purpose. This chapter establishes information requirements for reporting and processing of discrepancy reports under the supply discrepancy report (SDR) Program. The SDR is a tool used to report shipping or packaging discrepancies attributable to the responsibility of the shipper, (including U.S. Government sources and contractors/manufacturers/vendors) and to provide appropriate responses and resolution, including financial action when appropriate. The purpose of the SDR exchange is to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.1.2. Standard SDR Transactions. Under DLMS, the SDR shall be considered a common logistics information exchange to be integrated with transaction processing through DAAS. The DoD approved standard for electronic transmission of SDR transactions is prescribed by the DLMS Supplement using an ASC X12-compliant variable-length transaction format. Multiple DLMS Supplements are provided to support different SDR related functions. The DLMS 842A/W, Standard SDR, shall be employed for transactional exchange of initial reports and associated follow-on actions. The DLMS 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point. The DLMS Supplements for SDRs are available via the Implementation Convention/DLMS Supplement page of the DLA Logistics Management Standards Website.

C17.1.3. DoD WebSDR. The DoD WebSDR supports DLMS implementation via a DLA Transaction Services-maintained application, that enables SDR transaction exchange; provides a web-based entry method to assist users who are not supported by a Component DLMS-compliant SDR application; and provides visibility of SDRs for research and trend analysis via management report/query capability. The term “DoD WebSDR” (or “WebSDR”) refers to both the overall business process and supporting automation, including both direct web-input and transaction exchange.

C17.1.3.1. The DoD WebSDR application automates the Standard Form (SF) 364 SDR paper form facilitating the DoD standard transactional exchange described above. It brings the SDR into an integrated transactional environment, supporting both direct input (under Component business rules) and transaction exchange originating within Component applications. The WebSDR system facilitates communication and interoperability between U.S. Military and Federal Agencies and the International

¹ Chapter 17 supersedes and replaces Joint Publication DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AFJMAN 23-215, Reporting of Supply Discrepancies, August 6, 2001.

Logistics Control Office (ILCO) on behalf of the Security Assistance customer. It controls routing of web submissions and logistics transactions according to business rules. It supports information exchange between the customer, the Inventory Control Point (ICP)/Integrated Material Manager (IMM), the shipper, and other interested parties. It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and SDR replies (including interim responses, additional information requests, and resolution responses), in addition to the capture of report and response management statistics.

C17.1.3.2. DoD WebSDR shall provide an automated process for tracking SDR response information. Data collected shall enable the Department of Defense to identify trends, establish volume and dollar values of SDRs, bring management attention to problems with shipping activities as necessary, and improve the requisitioning and distribution process within logistics operations. This provides an effective means to report, resolve, and measure discrepancies related to pipeline performance. Ultimately, the goal is to incorporate SDR metrics into other logistics response measurements in support of perfect order fulfillment.

C17.1.3.3. The DoD WebSDR process reduces manual SDR form creation and eliminates dual entry where multiple Component systems are used. The DoD requirement is that paper submission of SDRs and non-DLMS compliant SDR applications shall be phased out with migration to DLMS. By exception, until electronic reporting under DLMS is universally available, SDRs and associated responses may be reported via hard-copy SF 364, email, through customer service help lines (e.g. the DLA Customer Interaction Center, dlacontactcenter@dla.mil) 1-877-352-2255 (1-877-DLA-CALL)), or any other manner acceptable to the submitter and recipient. All manner of reporting must meet the criteria described in this publication.

C17.1.3.4. Access for DoD WebSDR input and management reports requires submission of a System Access Request (SAR) available from the DAAS home page at: <https://www.transactionservices.dla.mil/daashome/homepage.asp>. DoD WebSDR training is available on the DLA Logistics Management Standards Website.

C17.1.3.5. DoD Components with an established interface with DoD WebSDR shall designate primary and alternate representatives for the Component SDR application to DLA Transaction Services. These representatives will be notified via email when transactions fail during WebSDR processing due to failure to meet minimum format/content requirements for processing. Components shall provide name, telephone, and email address to the DoD SDR System Administrator and DLA Transaction Services WebSDR Program Manager.

C17.1.4. DLMS Subcommittees. The DoD Component members of the SDR Subcommittees (U.S. and Security Assistance) of the DoD Supply Process Review Committee are identified on the SDR Subcommittee page of the DLA Logistics Management Standards Website.

C17.1.5. Applicability. These SDR procedures are applicable to the DoD Components, participating Federal Agencies, and other external organization elements as defined in Volume 1, Chapter 1. This includes shipments made from working capital funds (WCF) and non-WCF funded activities, Security Assistance shipments made under the International Logistics Program, and shipments received from commercial sources. By agreement, contractors receiving U.S. Government furnished property (GFP) under MILSTRIP procedures shall comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFP that do not meet minimum dollar value criteria in paragraph C17.3.2., may be reported for information only, as a means of notifying the shipper or ICP/IMM of the discrepant condition.

C17.1.6. Exclusions. The following types of discrepancies are excluded from the provisions of this publication:

C17.1.6.1. Discrepancies found while materiel is in storage. Two exceptions to this exclusion are: 1) short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack may be reported by U.S. Government customers only, and 2) materiel in storage in a sealed vendor's pack that is later discovered to have been shipped with discrepancies relating to Item unique item identification (IUID) data. These may be reported as SDRs and are not subject to submission timeframes. Refer to IUID discrepancies below.

C17.1.6.2. Discrepancies involving local deliveries to, or returns from, internal or satellite activities. This exclusion is not applicable to on-site distribution depot shipments.

C17.1.6.3. Discrepancies involving shipments of privately-owned vehicles.

C17.1.6.4. Discrepancies involving shipments on requisitions or purchase orders from personnel services activities citing non-appropriated funds.

C17.1.6.5. Transportation discrepancies covered by DTR 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement, Chapter 210, Transportation Discrepancy Report (TDR), except as specifically permitted under Security Assistance procedures in this chapter.

C17.1.6.6. Product quality deficiencies to the extent covered by Joint DLAR 4155.24 /AR 702-7/SECNAVINST 4855.5B/ AFR 74-6, except as specifically permitted under Security Assistance procedures in this chapter.

C17.1.6.7. Discrepancies involving personal property shipments.

C17.1.6.8. Billing discrepancies, except as specifically permitted under Security Assistance procedures in this chapter. Price verifications and/or challenges are not reportable on an SDR.

C17.1.7. Types of Discrepancies

C17.1.7.1. Supply Discrepancy. Supply discrepancy is a general term used to describe any variation in goods received from data shown on any authorized shipping document that is not the result of a transportation discrepancy or product quality deficiency. Supply discrepancies include both shipping and packaging discrepancies.

C17.1.7.1.1. Shipping (Item) Discrepancy. A shipping discrepancy is any variation in quantity or condition of goods received from what is shown on the authorized shipping documents, to include incorrect or misdirected materiel, receipts of cancelled requirements, and/or improper or inadequate technical or supply/shipping documentation, that is not the result of a transportation error or product quality deficiency. Discrepancies involving IUID are reportable under shipping discrepancy criteria.

C17.1.7.1.2. Packaging Discrepancy. A packaging discrepancy is any unsatisfactory condition due to improper or inadequate packaging (including preservation, packing, marking, or utilization) that causes the item, shipment, or package to become vulnerable to loss, delay, damage, or unnecessary expense to the U. S. Government, such as excessive packing. Discrepancies involving passive radio frequency identification (pRFID) are reportable under packaging discrepancy criteria.

C17.1.7.2. Transportation Discrepancy. A transportation discrepancy is any variation in quantity or condition of materiel received from that shown in the piece count by type of pack on the bill of lading or governing transportation document and other deficiencies in transportation when discrepant materiel is not involved. These discrepancies involve motor, air, water, rail, and small package commercial carriers (excludes USPS shipments that are lost or damaged). Follow TDR policy found in the Defense Transportation Regulation, Part II, Cargo Movement (DTR 4500.9-R). TDRs are entered and distributed under the Electronic Transportation Acquisition (ETA) system at <https://eta.sddc.army.mil/>.

C17.1.7.3. Product Quality Deficiency. A product quality deficiency is a defective or non-conforming condition that limits or prohibits the item from fulfilling its intended purpose. These include deficiencies in design, specification, materiel, manufacturing, and workmanship. These are reportable on an SDR only by a Security Assistance customer. All others follow PQDR policy found in DLAR 4155.24/AR 702-7/SECNAVINST 4855.5B, AFR 74-6 Product Quality Deficiency Report Program. Quality deficiencies reported via SDR shall be investigated within the ICP/IMM under procedures associated with Product Quality Deficiency Reports. PQDR resolution provided via SDR reply to the submitting ILCO shall identify the associated PQDR record control number (RCN) as a cross-reference to the PQDR identification used by the ICP/IMM.

C17.1.7.4. Billing Discrepancy. Billing discrepancies are those discrepancies related to duplicate or multiple billing per individual shipment, or a single billing with no ship line, which are reportable to the ILCO on an SDR by Security Assistance

customers only. Within U.S. Government channels, the billing discrepancy shall be processed in accordance with MILSBILLS procedures in DLM 4000.25, Volume 4, Finance, Chapter 4. This means the ILCO shall convert the discrepancy to the appropriate DLMS 812R, Request for Adjustment of Non-Fuel Billing, MILSBILLS DIC FAE with appropriate Billing Advice Code.

C17.1.7.5. Financial Discrepancies. Financial discrepancies are those discrepancies related to administrative and accessorial charges. The ILCO, ICP/IMM, or GSA shall forward to Defense Finance & Accounting Service Indianapolis (DFAS-IN), Security Assistance Accounting Customer Accounting Branch for processing all financial discrepancies received directly from a Security Assistance purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to Security Assistance purchases are reportable on an SDR.

C17.1.7.6. Military Personal Property Shipments. This category includes both shipping and packaging discrepancies associated with the movement/storage of household goods under the DoD Personal Property Shipment and Storage Program. Any discrepancies related to personal property shipment shall be referred to Military Surface Deployment and Distribution Command (SDDC) Personal Property at: USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil or USARMY.Scott.SDDC.mbx.omb-for-pp-quality@mail.mil.

C17.2. POLICY

C17.2.1. Use of SDR. The DoD Components shall use the SDR to report shipping or packaging discrepancies attributable to the responsibility of the shipper (including contractors/manufacturers or vendors) and to provide appropriate responses. The purposes of this exchange are to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.2.2. Operations Security (OPSEC) Applicability. Due to an identified OPSEC requirement, SDRs have been designated as controlled unclassified information (CUI) by the DLA Headquarters, and must be identified as "For Official Use Only (FOUO)." Handling and electronic transmission of SDRs must comply with DoD rules for this level of sensitive unclassified information, to include proper labeling and protection. DLA has further directed encryption of all SDR email transmissions. This requirement has been levied on the DoD WebSDR and impacts all participating DoD Components.

C17.2.2.1. In order to receive encrypted e-mail, individual and group e-mail accounts must have their associated e-mail certificate registered at DLA Transaction Services. SDRs directed to e-mail accounts that do not have a registered certificate will be significantly abridged to display minimal information, thereby allowing the SDR to be transmitted in an unprotected environment.

C17.2.2.2. All action activities using e-mail SDRs must register their certificate, so that all information is available for SDR resolution. For low volume customers relying on e-mail SDRs, especially those supported by third party direct

WebSDR input, registration is encouraged, but not required. These users will receive an abridged SDR reply that shall provide disposition instructions and financial action, without the accompanying shipment detail.

C17.2.2.3. Unencrypted e-mails with minimal shipment information shall include instructions for certificate registration and access to DoD WebSDR. Full WebSDR data content will be available to authorized users of DoD WebSDR. Refer to DAAS SDR processing for further details in the abridged SDR procedures and content.

C17.2.2.4. SDR management reports shall be distributed only via e-mail if the corresponding certificate has been signed.

C17.2.3. Documentation Maintenance. The SF364 (or the electronic version DLMS 842A/W) and the action activity's response (or electronic DLMS 842A/R) shall be used to support adjustments to inventory and financial accounting records and shall be maintained as required.

C17.2.4. Receivers of discrepant materiel shall use the SDR to:

C17.2.4.1. Report shipping discrepancies, packaging discrepancies, and discrepancies or non-receipt of United States Postal Service (USPS) shipments.

C17.2.4.2. Modify, cancel, or follow-up on a previously submitted report.

C17.2.4.3. Request reconsideration of a response.

C17.2.4.4. Security Assistance customers may use SDRs to contest the decision stated in a reconsideration response.

C17.2.4.5. Provide information copies of the report to interested parties.

C17.2.5. Responsible action activities as identified in this chapter shall use SDRs to:

C17.2.5.1. Notify the report initiator of interim status or resolution of the SDR.

C17.2.5.2. Request additional information on incomplete submissions.

C17.2.5.3. Reroute/forward the SDR to the appropriate party.

C17.2.5.4. Forward recommendations to the source of supply or other designated activity for determination of financial resolution or materiel disposition.

C17.2.5.5. Provide information copies of the response to interested parties.

C17.2.6. Non-Receipt of Shipments. Non-receipts, shipped by traceable means such as Government or Commercial Bill of Lading, shall not be reported using the SDR, unless the non-receipt is for other than a transportation discrepancy, or for damaged items shipped via modes other than USPS. SDRs shall not be submitted for non-receipt

of shipments made by traceable USPS registered, insured, or certified mail until appropriate tracer action has been completed. If tracer action results confirm non-receipt, then submit an SDR and include results of the tracer action. Customers without automated access to in transit visibility information should contact the ICP/storage activity to determine which shipments are traceable. (Not applicable to Security Assistance customers.)

C17.2.7. Interface with Other Materiel Management Functions. Under DLMS, discrepancy processing may be used to trigger other standard materiel management functions.

C17.2.7.1. IMMs shall use the SDR response to establish a due-in record for return of discrepant materiel under Chapter 12 of this volume. ICPs/IMMs shall use the prepositioned materiel receipt (PMR) to advise storage activities to which a return is directed using MILSTRAP procedures for the DLMS 527D, Due-In/Advance Receipt/Due Verification. Refer to paragraph C11.19, this volume, for additional guidance.

C17.2.7.2. DLMS capable activities returning discrepant materiel shall prepare shipment status for materiel returns using the DLMS 856R, Shipment Status Materiel Returns, under paragraph C11.19.

C17.2.8. Discrepancy Reports Relating to Interchangeability/Substitutability (I&S) or Quantity Unit Pack (QUP) Issues. Incorrect item SDRs shall not be submitted for authorized substitution. The DoD Components and participating Agencies (e.g., GSA), shall follow the policy of automatic shipment of an item, unless the requisition contains an appropriate requisition advice code in accordance with Chapter 4, limiting the request to a specific item. Therefore, incorrect item SDRs shall not be submitted for authorized substitutions. Similarly, quantities may be adjusted to the quantity unit pack, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.2.9. Responsibility for Costs Incurred Due to Discrepancies in Returned Materiel. 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 in accordance with this publication. This includes returns made in violation of prescribed 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.

C17.2.10. Multiple Requisitions. Multiple requisitions received under a consolidated shipment cannot be combined for discrepancy reporting purposes. Individual SDRs must be submitted for each discrepant requisition received in the shipment. An exception to this is authorized for consolidation and containerization points (CCP)/transshippers. Refer to guidance for CCP/transshipper-originated SDRs

below. When both item discrepancies and packaging discrepancies are noted on the same shipment, both types of discrepancy shall be included on the same report.

C17.3. PROCEDURES

C17.3.1. Original Submission of SDR

C17.3.1.1. Discrepancy Identification. The receiving activity, or transshipment activity noting packaging deficiencies on shipments in transit, shall prepare an SDR when one or more of the conditions described under reporting criteria exist.

C17.3.1.1.1. Pending improved processing techniques, it is required that DLMS SDRs identify the type of SDR using the Discrepancy Report Document Type Code (Appendix 3). Within the context of SDR processing, this data element is known as the SDR Document Type Code. This is a one position code used to describe the type of discrepant report and the type of shipment involved, e.g., depot shipment to the customer = Type 7; direct vendor shipment to the customer = Type 6.

C17.3.1.1.2. Identify the discrepancy using the Shipping, Packaging, and Storage Discrepancy Code (Appendix 3). Within the context of SDRs this data element is known as the SDR Discrepancy Code. Use up to three different codes to describe the discrepancy. If no code exists to adequately describe the discrepancy, select Code Z1 and use a clear-text description. The goal of the initial SDR submission is to provide as much relevant information as possible to the action activity, including clarifying remarks to supplement discrepancy codes, so that they can take timely action to correct the problem and provide a timely response and disposition to the customer.

C17.3.1.2. Shipment Information. SDRs must contain a document number. Identify the original requisition document number when known; otherwise a constructed document number is required. DoD requisitioners reporting discrepant shipments may only use a constructed document number for selected discrepancies as discussed below. A constructed document number identifying the receiving distribution depot is required for depot receipts reported electronically, including new procurement receipts. A constructed document number may also be prepared by a transshipper based upon the CCP or port DoDAAC. Additional information, such as transportation numbers (TCN, bill of lading number, etc.) or procurement information (procurement instrument number, line item number, vendor shipment number) shall be provided in accordance with the DLMS transaction format/SF 364. When reporting new procurement receipts, the distribution depot shall cite a "pseudo shipment number," equivalent to that cited on the receipt, when the actual vendor shipment number is not available from shipping documentation. The pseudo shipment number shall be constructed to identify the receiving depot and a constant 01 (that is, the serial number will not be incremented; therefore, the pseudo shipment number will not be unique). In order to systematically identify pseudo shipment numbers the third position must be numeric (vendor assigned shipments use a three digit alpha prefix to identify the vendor). For example, pseudo shipment numbers prepared by Distribution Depot San Joaquin, California (DDJC), shall be reported as DD1JC01.

C17.3.1.3. Requested Action

C17.3.1.3.1. The SDR originator must indicate what action has been taken concerning the discrepant materiel and/or the desired response from the responsible action activity. Identify the action code using the SDR Requested Action Code (Appendix 3). Within the context of SDR processing, this data element is known as the Action Code. If no code exists to adequately describe the action taken or requested disposition, select Code 1Z and use a clear-text description.

C17.3.1.3.2. When an SDR is submitted using Action Code 1H, "No Action Required, Information Only," the SDR must be processed to verify the discrepancy does not require further action. SDRs with Action Code 3B, "Discrepancy Reported for Corrective Action and Trend Analysis. No Reply Required." must be reviewed to determine the appropriate corrective action to prevent recurrence. A reply transaction from the action activity is not required, for Action Codes 1H or 3B, but when provided, it shall be accepted by the customer application. Systematically, this may be interpreted to mean that customer applications may auto-close these SDRs, but must allow them to re-open automatically to process a reply transaction if one is provided. A non-significant reply e.g. indicating acknowledgment of the SDR, may be dropped or posted, but shall not require further attention.

C17.3.1.4. Shipping Documentation. Retain shipping and associated documentation to provide a copy if requested. Do not mail hard-copy documentation if data is otherwise accessible to the responsible action activity. Where relevant to the discrepancy, shipping documentation may be provided electronically as an SDR attachment.

C17.3.2. Reporting Criteria

C17.3.2.1. U.S. Forces and participating non-Security Assistance fall under the reporting criteria based upon dollar value and/or condition as follows:

C17.3.2.1.1. GSA and DLA Directed Shipments Dollar Value Criteria. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. Otherwise, report discrepant shipments when they meet the conditions and value criteria cited in the paragraphs below.

C17.3.2.1.2. Contractor/Manufacturer or Vendor Shipments. Report discrepant shipments from contractors/manufactures or vendors that meet conditions cited under reporting criteria regardless of dollar value.

C17.3.2.2. DoD action activities shall recognize the ILCO's determination whether SDRs fall within submission time standards and dollar limitation contained in the United States of America Department of State Letter of Offer and Acceptance controlling the case, or any other sales agreement with a Security Assistance purchaser. Once accepted by the ILCO and forwarded to the responsible action activity, further evaluation for time standard and dollar criteria is not appropriate.

C17.3.2.3. Condition of Materiel

C17.3.2.3.1. Condition Misrepresented. Report when the condition of an item valued in excess of \$100 per line-item is found to be other than shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records. Use the hazardous materiel discrepancy code when applicable.

C17.3.2.3.2. Hazardous Materiel. Report discrepant receipt of hazardous materiel under the appropriate H-series discrepancy code. Use in place of the C-series codes for condition/shelf-life discrepancies when a hazardous item is received in a condition other than shown on the supply document or on the supporting inspection/test certificate. Report receipt of hazardous item requiring repair and lack of a material safety data sheet (MSDS) in Hazardous Material Information Resource System (HMIRS). Also use to report receipt of a non-radioactive item classified as radioactive, or non-hazardous item classified as hazardous.

C17.3.2.3.3. Missing Part. Report materiel received for repair that has been cannibalized of nonexpendable parts or components (including cannibalization of nonexpendable basic issue item (BII) or nonexpendable supply system responsibility item (SSRI) without the authorization of the inventory manager when the total value of the missing item(s) is in excess of \$100). Expendable BII and SSRI are not subject to these procedures.

C17.3.2.3.4. Expired Shelf Life. Report receipt of materiel for which the shelf life either has expired (Type I non-extendible item) or the inspect/test date has lapsed (Type II extendible item), regardless of dollar value. Use the hazardous materiel discrepancy code when applicable.

C17.3.2.3.4.1. For Type I DoD and GSA managed items: submit an SDR.

C17.3.2.3.4.2. For Type II DoD-managed items: prior to submitting an SDR, access the DoD Shelf-Life Extension System (SLES) through the DoD Shelf-Life Program Website at: <https://www.shelflife.hq.dla.mil/default.aspx> or through the shelf life program secure site if you have a .mil address.

C17.3.2.3.4.2.1. Type II items requiring laboratory test: query the DoD Quality Status Listing (QSL) to determine if the specified Type II item is listed as having passed the required laboratory testing and has been extended. Items that are listed on the QSL as passed may be extended and remarked accordingly if the item has been stored in accordance with its storage standard. For items not on the QSL, prior to submitting an SDR, contact the DLA call center at 1-877-DLA-CALL if the shipment originated from a DLA storage activity.

C17.3.2.3.4.2.2. Type II items requiring visual inspection: query the Materiel Quality Control Storage Standards for the specified Type II item, perform visual inspection in accordance with the items storage standard, and extend

and remark if the item has been stored in accordance with its storage standard. If the item fails the visual inspection, dispose of as required by local procedures.

C17.3.2.3.4.3. For Type II GSA-managed shelf-life-items: prior to submitting an SDR, contact the GSA Shelf-Life Hotline at 1-209-547-8634 to determine if the inspect/test date has been extended.

C17.3.2.4. Canceled Requisitions. An SDR is required when materiel received is valued in excess of \$100 per line-item for canceled requisitions. Confirmation of the cancellation must be on file. The submitter should request disposition instructions for unwanted materiel. Exception: an SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.5. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.6. Overage/Shortage, Nonreceipt, or Duplicate Discrepancies

C17.3.2.6.1. Overage/Shortage. An item overage or shortage discrepancy occurs when the quantity received is greater or less than that shown on the shipping document. This type of variance is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked. Report DoD shipper overages or shortages valued in excess of \$100 per line item, except for controlled inventory items, that are reported regardless of dollar value. Customers may use a clear text description to indicate that erroneous or conflicting Materiel Receipt Acknowledgement information was previously submitted.

C17.3.2.6.2. Concealed Overage/Shortage. U.S. Government customers shall report overages or shortages discovered while opening a sealed vendor pack regardless of dollar value or shipper. These reports must contain, if available, the contract number from the packaging, the lot number, and original document number. A constructed document number should be provided when the original number is not known. When using a constructed document number in an SDR coordinate with the applicable Component finance office and follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U), include fund code and credit-to/bill-to DoDAAC, to ensure that credit/billing is appropriate.

C17.3.2.6.3. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.6.4. Quantity Unit Pack (QUP) Variances. Report quantity variance due to incompatibility of unit of issue (U/I) between documentation and materiel received. Automatic adjustment for unit pack is allowable by policy, unless the requisition contains an appropriate advice code, in accordance with Chapter 4, restricting the quantity.

C17.3.2.6.5. Exceptions to Reporting Overage/Shortage. For U.S. Government customers, this does not include transportation discrepancies as follows:

C17.3.2.6.5.1. Overages or shortages of boxes, packages, or loose articles of freight in a commercial/Government-owned/leased shipping container (commonly called SEAVAN), Military SEAVAN (MILVAN), a Military Sealift Command SEAVAN (MSCVAN or MILVAN), roll-on/roll-off (RORO) trailer, or CONEX.

C17.3.2.6.5.2. Overages or shortages of freight (packaged or loose), upon delivery by a carrier, found to be in excess of the quantity of articles recorded on the bill of lading or transportation document covering the shipment.

C17.3.2.6.5.3. Average Net Weight Lotting System. DLA's subsistence commodity will use the average net weight lotting system when shipping perishable specification freeze and chill items. Actual weight received may differ from actual weight requisitioned or shown on the supply documentation. Do not submit a discrepancy report if the number of cases/containers received agrees with the number shown on supply documentation, and actual weight received is within weight range variation.

C17.3.2.6.6. Total Nonreceipts

C17.3.2.6.6.1. Report non-receipt of items shipped via traceable means, e.g., GBL or CBL, registered, insured, certified USPS, or small package carrier shipments, regardless of dollar value only when it has been determined that non-receipt is not the result of a transportation discrepancy. In all cases, U.S. Government customers must have received supply/shipment status and employed materiel follow-up procedures. It is strongly recommended that the customer check for requisition status on Web Visual Logistics Information Processing system (WebVLIPS), for proof of shipment data on DLA Distribution Standard System (DSS) Materiel Release Order (MRO) Tracker or on the Integrated Data Environment/Global Transportation Network (IGC/IDE), or use the DoD WebSDR hyperlink to WebVLIPS to check requisition status before creating an SDR for total non-receipt. This may preclude the need for an SDR or may enable the action activity to resolve the problem more quickly.

C17.3.2.6.6.2. Security Assistance customers reporting non-receipt are required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO shall deny and return as incomplete any SDRs that do not have the documentation attached.

C17.3.2.6.6.3. An SDR is required when items valued in excess of \$100 dollars per line-item, reported shipped by non-traceable USPS (i.e., not shipped registered, insured, certified mail) are not received or are received in a damaged condition.

C17.3.2.6.7. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.6.8. SDRs for Air Force Maintenance Denials Under BRAC Supply, Storage and Distribution (SS&D) Agreement. SDRs resulting from distribution depot denial of an Air Force-directed release order for inventory previously requisitioned from DLA and receipted into Air Force ownership as the result of a “wash” (issue/receipt in-place), shall be reported to the depot for initial action. This is an automatic SDR generation triggered by a warehouse refusal citing Denial Management Code 1 (stock exhausted) or 2 (materiel not available in condition requested). The SDR shall identify the original requisition document number (under which the materiel was purchased from DLA) and the maintenance denial document number (identified by the Air Force maintenance site M-series identifier in the first six characters of the document number). The maintenance denial document number shall be carried as the customer-assigned SDR number to facilitate depot research. The discrepancy may be reported as total non-receipt (total denial) or as a shortage (partial denial). DLA shall issue credit based upon the depot recommendation and confirmation of prior billing. If materiel is still required, a new requisition shall be generated perpetuating the applicable denial management code. The replacement requisition shall also cite the prior (original) document number for cross-reference.

C17.3.2.7. Misdirected Materiel. Report when materiel, regardless of dollar value, is improperly addressed and shipped to the wrong activity. The document number assigned to the SDR will be the document number from the shipping documentation of the misdirected shipment received. (If the customer requisitioned materiel that was not received, it must be reported on a separate SDR for total non-receipt using the document number for the requisitioned materiel.) Misdirected shipments received by Security Assistance customers identify the location of the discrepant materiel and the country reporting the receipt (which may differ from the intended customer). All customers (U.S. and Security Assistance) are required to report misdirected controlled inventory, arms, arms parts, and explosives within 24 hours of discovery. (Properly addressed materiel incorrectly shipped to the wrong activity while under U.S. Government-controlled transportation is reportable as a transportation discrepancy.)

C17.3.2.8. Packaging Discrepancies

C17.3.2.8.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging that causes the item, shipment, or package to be vulnerable to any loss, delay, or damage according to the specific conditions cited. Unless otherwise indicated, the minimum dollar value reporting criteria is when the estimated/actual cost of correction exceeds \$100; or the value of the item, shipment, or package is \$2500 or over, regardless of the estimated or actual cost to correct the packaging discrepancy. This may include loss or damage to the item, shipment, or package except when a report is otherwise required by DTR 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement. Where encoded information on the SDR is not sufficient, the submitter should provide detailed descriptions of how the materiel was packaged, as well as the actual damages incurred to the materiel. The submitter should also include, when available, the estimated cost of correction of packaging on the initial SDR.

C17.3.2.8.2. Packaging Discrepancies Noted at DLA Distribution Depots. To ensure proper billing, indicate if the materiel is a major item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparables, consumables, assemblies, etc. Distribution Depots shall include projected or actual costs for labor and repackaging materiels. If actual, indicate the date corrective action was completed.

C17.3.2.8.3. Mission or Life Endangering. Report packaging discrepancies, regardless of dollar value, resulting in damaged materiel that may endanger life, impair combat or deployment operations, or affect other materiel. Report immediately to the shipping activity, contracting office, or control point by the quickest communication medium to enable the shipper to take immediate corrective action. Submit an SDR within 24 hours of the initial report.

C17.3.2.8.4. Hazardous Materiel (Includes Ammunition and Explosives). Report any packaging discrepancy, regardless of dollar value, if a potentially hazardous condition could result or if damage or an unsatisfactory condition has occurred involving any hazardous materiel. This includes improper identification markings of items and packaging and/or unitized loads. Use hazardous materiel discrepancy codes when applicable.

C17.3.2.8.5. Excessive Packaging. Report excessive packaging by contractors that result in additional costs to the U.S. Government, regardless of dollar value.

C17.3.2.8.6. Improper Packing. Report any type of inadequate or improper packing to include incorrect blocking or bracing, oversized or incorrect container, and inadequate closure, resulting in an unsatisfactory condition or damage. Report when materiel is not packed in required reusable container regardless of dollar value.

C17.3.2.8.7. Delay or Additional Costs. Report packaging discrepancies resulting in delay or additional packaging costs at aerial or water terminals or at consolidation and containerization points. The activity responsible for operating the terminal or port of embarkation/debarkation shall be responsible for the preparation and submission of an SDR on discrepancies noted on shipments moving through the activity. These SDRs shall be prepared using Discrepancy Document Type Code W.

C17.3.2.8.8. Improper Packaging of Customer Returned Materiel. Distribution Depots shall send an SDR to the materiel owner for packaging discrepancies related to customer returned materiel or inter-depot transferred materiel. The materiel owner is responsible for funding packaging costs associated with preparing materiel for storage and reissue. Packaging discrepancies occurring in materiel returns are subject to recoupment action at the discretion of the materiel owner. If the packaging is so bad that the item must be disposed, the shipper may be required to reimburse the receiver for any packing required to effect the shipment and the cost of

turn in to DLA Disposition Services. The distribution depot shall always include the estimate of the costs of repackaging or disposal on the initial SDR submission, in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.2.8.9. Wood Packaging Materiel (WPM). Report WPM that is not consistent with the international standards for the regulation of WPM transiting international borders and Department of Agriculture regulation governing importation of regulated WPM. Compliant WPM must display certification marking as prescribed in reference. Use discrepancy code P215 and provide remarks as applicable. Also see guidance for CCP-originated SDRs below.

C17.3.2.8.10. Repetitive Packaging Discrepancies. Include Discrepancy Code Z1, Repetitive Discrepancy, with the other specific packaging discrepancy code(s) to report repetitive packaging discrepancies that impose a significant burden on receiving or transshipment activities. Total costs to correct packaging shall be included in the SDR.

C17.3.2.8.11. Improper Preservation. Report any type of inadequate or improper preservation or physical protection resulting in an unsatisfactory condition or damage. Report improper preservation of any materiel identified as being electrostatic/electromagnetic (ES/EM) sensitive, regardless of the dollar value.

C17.3.2.8.12. Improper Marking. Prepare an SDR to report any omitted, incomplete, illegible, or misplaced markings. Report improper identification of containers, or items that require opening the container, or result in improper storage of the materiel, regardless of cost. Improper marking includes discrepancies related to passive radio frequency identification (pRFID) tags as follows:

C17.3.2.8.12.1. Report all missing, damaged, or unreadable pRFID tags when such tags are required by contract provisions, DoD policy, or specified by prior shipment notice/status reflecting pRFID content. Report duplication of tag identification associated with a previously processed receipt.

C17.3.2.8.12.2. SDRs may be used to report a tag read formatted for DoD use, but which does not relate to an advance shipment notification containing pRFID content when such advance shipment notification is required by contract provisions or DoD policy.

C17.3.2.8.13. Improper Unitization. Report improper unitization that includes inadequate wrapping/strapping or lack of unitization, where appropriate, resulting in an unsatisfactory condition or damage. Report multiple consignees in a single consignee consolidation container as improper unitization.

C17.3.2.8.14. Latent Packaging Discrepancies. Prepare a late SDR for materiel found in storage with latent preservation and packaging discrepancies. Confine these reports to stocks that constitute a problem resulting from a particular

specification, preservation, or packaging method. Reports relative to packaging discrepancies found in storage shall be annotated "not incident to shipment."

C17.3.2.9. Quality Related Issues Identified During Distribution Depot Receipt. Three-position Q-series discrepancy codes have been developed to accommodate materiel owners with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) materiel received at the distribution depot. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the materiel owner. These reports are contingent upon pre-existing receipt restriction requirements that identify the National Stock Number (NSN) and specific actions the materiel owner expects the distribution depot to perform. Some of the specific programs that require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: PQDR exhibits, items identified as customer return improvement initiative (CRII) items, critical safety items, items that failed under use, and items requiring First Article Testing.

C17.3.2.10. Technical Data. Report item technical information, e.g., name plate, operating handbook, logbook, precautionary markings, warranty data, engineering drawings and associated lists, specifications, standards process sheets, manuals, technical reports, catalog item identifications, and related information that are missing, illegible, incomplete and/or incorrect regardless of dollar value. When reparable are returned and the appropriate historical information/documentation, operator/maintenance logbooks, engine oil analysis, etc., as required by Government regulations, and/or technical manuals are not included, the receiving activity shall submit an SDR regardless of dollar value. Any additional costs incurred by the repairing depot/arsenal because of the missing data shall be charged to the originating activity. The submitter shall ensure that the specific description of what documentation is missing is included in the remarks section.

C17.3.2.11. Incorrect Item

C17.3.2.11.1. Report incorrect or misidentified materiel or unacceptable substitutes regardless of dollar value. However, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item, automatic shipment of an interchangeable or substitute item is allowed by policy. See Interchangeability & Substitutability (I&S) guidance. Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours.

C17.3.2.11.2. Incorrect item discrepancies discovered while opening a sealed vendor pack shall be reported regardless of dollar value or shipper. These reports must contain the contract number from the packaging and, if available, the lot number and the original document number. A constructed document number shall be provided when the original number is not known. When using a constructed document number in an SDR coordinate with the applicable Component finance office and follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U), include fund code and credit-to/bill-to

DoDAAC to ensure that credit/billing is appropriate. Include identity of the incorrect item received in the discrepancy report.

C17.3.2.11.3. Where two separately managed items are involved in a wrong item SDR, e.g., a DLA-managed item was ordered and a Military Service-managed item was received due to shipper error, the SDR initiator shall forward the report to the shipping depot or manager of the item ordered, in accordance with Component rules. It is the responsibility of the SDR action activity (receiver of the SDR) to ensure full and appropriate resolution by coordinating with the other involved ICP/IMM or transferring the SDR (manually), so that the initiator receives all applicable and appropriate response information from the responsible party. This may be interpreted to mean two separate SDR replies, or a single coordinated response identifying financial resolution from the Component that sourced the order, and materiel disposition instructions provided by the owner of the materiel shipped.

C17.3.2.11.4. Report part number discrepancies when the part number marking appears to be inconsistent with the specified NSN. This includes when the part number received is not associated with the applicable NSN or when the part number cannot be matched to Federal Logistics Information System (FLIS) catalog data/FEDLOG. The SDR must include the part number and manufacturer's Commercial and Government Entity (CAGE) Code for the item received. Part discrepancies shall be submitted directly to the item manager.

C17.3.2.11.5. DoD WebSDR requires identification of the incorrect item received using discrete data elements (refer to the DLMS Supplement 842A/W). If multiple incorrect items are received under the same document number, use the appropriate discrepancy code for mixed stock and identify the first (highest quantity or controlled item) and use the remarks text to explain the mixed content shipment.

C17.3.2.12. Repetitive or Other Discrepancies. Receiving activities shall report repetitive discrepancies, regardless of dollar value. Additionally, receiving activities may report any other discrepant condition of an item not specifically identified in this chapter at the time of receipt, unless listed specifically under exclusions.

C17.3.3. SDRs Resulting from Redistribution Orders (RDOs). When a distribution depot receives an RDO from another distribution depot and the materiel is short, over, wrong, or quality deficient, the receiving depot shall:

C17.3.3.1. RDO Shortage. Prepare the SDR to report shortage and use Action Code 1D (materiel still required). The shipping depot shall receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories as appropriate. If the inventory confirms an over balance, the depot shall respond using Disposition/Status (Reply) Code 123 (materiel will be reissued at no charge) citing inventory conducted and verified shipment error. If the inventory confirms correct balance or the balance is short, the depot shall reply with Disposition/Status (Reply) Code 126 (materiel not available for reshipment) or 701 (SDR rejected) citing inventory conducted and no overage was discovered; no

materiel will be shipped, OR, inventory conducted and shortage was identified; loss adjustment recorded on depot accountable record, no materiel will be shipped.

C17.3.3.2. RDO Overage. Prepare the SDR to report overage using Action Code 1B (materiel being retained). The shipping depot will receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories as appropriate. If the inventory confirms an over-shipment error, the shipping depot shall respond with Disposition/Status (Reply) Code 137, annotating that inventories were conducted and balances were adjusted to show correct on hand balance. If inventory confirms no over-shipment was made, the shipping depot shall respond with Disposition/Status (Reply) Code 701 (SDR rejected), citing inventory conducted and on-hand balances are correct.

C17.3.3.3. RDO Wrong Item. Prepare the SDR to report receipt of wrong item using Action Code 1D (materiel still required). The shipping depot shall receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories on both the wrong item that was shipped and the correct item that was not shipped. No distribution depot shall request or authorize return or movement of wrong materiel received as an RDO; the ICP/IMM shall make all materiel movement decisions. If the inventory confirms an overage of the correct NSN, the shipping depot shall respond using Disposition/Status (Reply) Code 123 (materiel will be reissued at no charge), citing inventory conducted and shipment error confirmed; materiel will be shipped to correct shipment error. If the inventory fails to confirm an overage of the correct NSN, but an inventory of the wrong NSN reveals a shortage, the shipping depot shall reply using Disposition/Status (Reply) Code 126 (materiel not available for shipment), citing inventories conducted on both NSNs confirm shipment error; accountable record corrected; no materiel will be shipped. Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours.

C17.3.3.4. RDO Quality-Related Issues. Prepare an SDR when quality-related issues are noted upon receipt, or when materiel received on the RDO must be suspended prior to stow. The action copy shall be sent to the ICP/IMM using Action Code 1A (disposition instructions requested). The ICP/IMM shall respond to the receiving depot with disposition instructions, to include condition code change requirements where appropriate. Refer to quality-related issues in paragraph C17.3.2.9.

C17.3.4. Material Returns

17.3.4.1. Discrepancy Greater Than \$100. Continental United States (CONUS) and Outside Continental United States (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.

17.3.4.2. 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.

C17.3.5. Discrepancies Resulting from Lateral Redistribution Orders (LROs) on Total Asset Visibility (TAV) Shipments. Coordination with the Military Service shipping activity is recommended prior to ICP resolution of the SDR. An exception from normal routing exists for SDRs entered via DoD WebSDR on LROs for TAV shipments between DLA and the Army's Non-Army Managed Items Group, Supply Directorate (NAMI Group, RIC AJ2)".

C17.3.5.1. All SDRs submitted for DLA directed LROs where the item is managed by DLA, owned by NAMI (RIC AJ2), and shipped from an Army CONUS site, shall be sent to NAMI for investigation, with an information copy to DLA (RIC SMS). NAMI shall research the discrepancy and forward recommended disposition to DLA for final action. The NAMI action activity shall provide recommended disposition to DLA within 25 calendar days. After 25 calendar days have elapsed and NAMI recommended resolution has not been received, DLA shall follow-up for recommended disposition.

C17.3.5.2. Upon receipt of recommended disposition, DLA shall review and provide final decision to the customer, along with an information copy to NAMI. DLA shall be responsible for reversing credit to the TAV shipping activity, issuing credit to the requisitioner, and deleting activities from the TAV process due to poor performance, in coordination with NAMI.

C17.3.5.3. If Army shipped the wrong item or an overage, NAMI shall be responsible to provide the customer with disposition instructions and/or directions for returning the item back to Army. If the item is to be retained by the customer, NAMI shall be responsible for financial actions as appropriate. DLA shall not reimburse the shipper for wrong item or over shipments of Army issues relative to TAV.

C17.3.6. Distribution Depot Receipt with no Due In. Distribution Depots shall report receipt of unscheduled materiel from new procurement to the owner/IMM, regardless of condition of materiel, as a discrepancy. Other unexpected materiel receipts, including returns and/or redistributions that are not ICP/IMM directed, and

unscheduled returns to/from maintenance, may be reported by prior direction of the owner/IMM.

C17.3.6.1. New procurement materiel with other applicable discrepancies, e.g., missing receiving report/DD Form 250, improper packaging, shall be placed in Supply Condition Code (SCC) L pending resolution. Exception: discrepant critical safety item (CSI) materiel shall be placed in SCC J regardless of whether it is new procurement or returned materiel. Initial SDR shall include estimated costs of disposal or repackaging in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.6.2. If other than new procurement, the SDR should show receipt in SCC K when the actual condition cannot be determined. Materiel returned with other identified discrepancies, e.g., without associated technical data, shall also be reported as indicated under the appropriate discrepancy category. Returns of excess materiel that are not ICP/IMM directed are subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution depot.

C17.3.7. DLA Disposition Services Discrepancies

C17.3.7.1. Dollar Value Greater Than \$100. Receiving activities shall submit an SDR for discrepancies specified above in shipments to and from DLA Disposition Services Field Offices when the dollar value is greater than \$100 per line item.

C17.3.7.2. Exception. Activities shall submit a discrepancy for overages and shortages in shipments of controlled inventory items regardless of dollar value.

C17.3.7.3. DLA Disposition Services and DLA Disposition Field Office SDR Procedures. During the receiving process, if the DLA Disposition Services Field Office identifies a supply discrepancy, an outgoing SDR shall be generated consistent with Chapter 16.

C17.3.8. Discrepancies in Item Unique Identification (IUID) Data. Report discrepancies involving IUID under Unique Item Tracking (UIT) program requirements or as contractually required under IUID program policy. Discrepancies may be related to the packaging label, including automated information technology (AIT); the item marking, including AIT; supply documentation; the due-in record; and/or a mismatch between the item and any of these. The elements which may comprise unique identification are: unique item identifier (UII), UII type, issuing agency code, enterprise identifier (or manufacturer's CAGE), part number (original or current), serial number, and batch/lot number. The application of these elements vary according to multiple factors such as the type of item and the specific contract requirements. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance. Materiel may be placed in a suspended condition pending resolution. Discrepancies that result in incorrect information within the IUID registry at DLA Logistics Information Service must be reported and corrective action taken.

C17.3.9. Transshipper Prepared SDRs. CCPs shall prepare an SDR to report packaging discrepancies as described above.

C17.3.9.1. Supply Discrepancies Requiring Transshipper Reporting. SDRs shall be prepared for supply discrepancies related to hazardous shipments and non-compliant wood packaging material (WPM). The following discrepancy codes apply, although this does not exclude other item/packaging discrepancies that may result in frustrated shipments:

C17.3.9.1.1. H3 – Lack of a material safety data sheet (MSDS) in Hazardous Material Information Resource System (HMIRS).

C17.3.9.1.2. H6 – Shipper's declaration for dangerous goods missing or incorrect.

C17.3.9.1.3. P209 – Improper packing of hazardous materials.

C17.3.9.1.4. P215 – Non-conformance to specified requirements for WPM.

C17.3.9.1.5. P302 – Improper marking of hazardous materials.

C17.3.9.2. CCP SDRs for Non-Compliant WPM. CCPs shall notify ICPs that their OCONUS WPM shipment is not in compliance with DoD 4140.65-M, "Compliance For Defense Packaging: Phytosanitary Requirements for Wood Packaging Material (WPM)," and ISPM 15 requirements. The expiration of the DoD Pest Free mark and the requirement to use the International Plant Protection Convention (IPPC) stamp to indicate WPM compliance brings the requirement to remediate all noncompliant WPM destined for OCONUS. WPM shipments can be remediated by repackaging or by use of a heat chamber. SDRs shall be prepared for noncompliant shipments received by the CCPs. Noncompliant shipments will not be held for disposition. Shipments on noncompliant pallets will immediately be re-palletized onto compliant wood pallets. Boxes, crates, etc. shall be sent to a remediation area through use of DSS packing, packaging, preservation & marking (PPP&M) process, and placed in a Hold Status W until remediation is completed. SDRs shall be generated for both pallet replacements and box/crate rebuilds. The SDR will normally cite SDR Action Code 3B, Discrepancy Reported for Corrective Action and Trend Analysis. No reply is required. This type of SDR does not require a response from the source of supply or other designated activity; but is provided so that the source of supply may take appropriate action with the Component shipper or vendor and track trends and associated repackaging costs. The SDR shall be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. The point of contact (POC) may be contacted if SDR was sent to the wrong supply source. Labor and material to remediate will be charged to a CCP Cost Code. If a frustrated shipment requires an expedited SDR reply to the CCP, use of Action Code 3A, Transshipper (Aerial/Water port or CCP) Requests Expedited Response; Shipment Frustrated, is authorized.

C17.3.9.3. Aerial or Water Port Prepared SDRs. The port (identified by DoDAAC) shall prepare an SDR to report packaging or documentation discrepancies as described above. If the shipment is not frustrated and forward movement is not stalled awaiting the action activity response, the SDR shall cite Action Code 3B, Discrepancy Reported for Corrective Action and Trend Analysis. No reply is required. If the shipment is frustrated, the SDR shall cite Action Code 3A, Transshipper (Aerial/Water port or CCP) Requests Expedited Response; Shipment Frustrated, is Authorized. The submitter shall use the remarks block to clarify desired actions and shipment information where specific data fields in the SDR are not available pending full implementation.

C17.3.9.4. Expected Data Content for Transshipper SDRs. These SDRs shall be identified by Discrepancy Document Type Code W and shall include the number and type of discrepant pieces. The transportation control number (TCN) shall be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one shall be assigned in accordance with the DTR. SDRs prepared at the shipment level may include multiple items, or there may not be due-in or documentation available. Because a document number is mandatory within DoD WebSDR, the CCP or other transshipment activity may need to generate a document number based upon the submitter's DoDAAC if multiple documents are included or the original document number is unavailable. Action activities shall not reject Transshipper SDRs for unmatched document numbers without researching by TCN and other identifying shipment information. Multiple document numbers, when available, shall be recorded in the SDR remarks. Materiel identification may be identified as "UNKNOWN" or "MIXED" (multi-pack or other consolidation of different items). When this occurs, quantity and U/I shall be left blank. When possible, the shipper shall be perpetuated from the due-in notification (e.g. DLMS (US TRANSCOM-maintained) 856A) or shipping documentation. The owner/manager (source of supply) shall be identified as the ICP/IMM that directed the shipment when applicable.

C17.3.10. SDR Distribution. This section addresses those organizations that must be identified on the SDR as initial action recipient or as receiver of information copies. Such determination is based upon the type or origin of the shipment involved, the DoD Component that directed shipment, and the type of discrepancy. Applicable action activities include ICP, ILCOs, and DLA Distribution Depots. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible action activity must ensure additional distribution of the report as required. The submitter shall provide a copy of the Serious Incident Report, or other Component-required report, regarding controlled inventory items believed to be stolen, lost, or unaccounted for. Where access to an electronic SDR application and associated supply information is available, hard-copy documents shall not be mailed. Where electronic attachment capability is not available, an exception is provided for mailing of information not readily available to the responsible/action activity and photographic/pictorial evidence of the discrepancy.

C17.3.10.1. Security Assistance Shipments. All Security Assistance SDRs shall be sent directly to the applicable ILCO for initial screening and processing. SDRs

may be submitted to the ILCO via SF 364, Report of Discrepancy, or authorized electronic/automated formats. The ILCO shall forward the SDR electronically to the appropriate action activity. Security Assistance SDRs bypassing the ILCO shall not be accepted by DoD and participating Agency action activities.

C17.3.10.2. SDR Distribution for Shipment (Item) Discrepancies

C17.3.10.2.1. DoD Originated Shipments

C17.3.10.2.1.1. Army Directed Shipments. Initial action shall be directed to the source of supply (SoS). The only valid Army action activity/SoS RICs are AKZ, A12, A35, AJ2, B14, B16, B17, B46, B64, and B69. Army users are advised not to submit SDRs to single stock fund (SSF) site RICs or to Army shipping depot RICs via DoD WebSDR. There are currently no WebSDR interfaces to support SSF sites or Army shipping depots. The Army action activity can be determined from the shipping documentation (e.g., the RIC in record position 67-69 of the DD 1348-1A), or as part of a NIIN/NSN or Part Number search in WebFLIS (<http://www.dlis.dla.mil/webflis/>). Note that the FLIS SoS will not apply if the requisition was filled by AJ2, Non-Army Manager Item (NAMI) SoS. Services ammunition users are advised to send SDRs to B14 for ammunition commodity discrepancies. These SDRs will be further routed by the Army to Army ammunition storage depots that manage Army, Service common, and Service unique ammunition stock.

C17.3.10.2.1.2. Total nonreceipt SDRs for Security Assistance Shipments from DLA Distribution Depots. SDRs shall be forwarded by the ILCO directly to the DoD shipping depot regardless of implementing Component. Where the shipping depot is not known, forward to the ICP/IMM.

C17.3.10.2.1.3. Defense Logistics Agency (DLA) Directed Shipments. Initial action to the DoD shipping activity. Where the shipping activity is not known, forward the SDR to the ICP/IMM. WebSDR shall provide an information copy to the ICP when identified on the SDR and when the SDR response is provided by the shipping activity. The ICP shall provide additional response to the submitter with final resolution and providing financial action when applicable. For contact information for DLA action activities refer to the DLA Customer Handbook. For assistance contact the Customer Support - Virtual Contact Center at 1-877-352-2255 (1-877-DLA-CALL) or DSN 661-7766; or the DLA Distribution Customer Support Team Point of Contact for SDRs at DSN 977-8749 (717)770-8749.

C17.3.10.2.1.4. GSA Directed Shipments

C17.3.10.2.1.4.1. GSA shipped from a GSA Supply Distribution Facility. Initial action to GSA (GSA National Customer Service Center).

C17.3.10.2.1.4.2. GSA shipped from a DLA Distribution Depot. Initial action to the shipping activity. DoD WebSDR shall provide a copy to GSA.

C17.3.10.2.1.4.3. Purchases made by DoD Activities from Federal Supply Schedules or GSA Open-End Contracts. The customer may coordinate off-line with the supplier for resolution. Identify GSA to receive the SDR under the following conditions:

- repetitive discrepancies,
- cases of dispute that cannot be resolved between the ordering office and the supplier, or
- product quality deficient materiel in Security Assistance shipments where GSA has provided inspection at source.

C17.3.10.2.1.5. All Other DoD Component or Participating Agency Directed Shipments. Initial action to the DoD shipping activity. Where the shipping activity is not known, forward to the ICP/IMM. WebSDR shall provide an information copy to the ICP, when identified, and/or the SDR response is provided by the shipping activity.

C17.3.10.2.2. DoD Central Procurement and Direct Vendor Delivery. For materiel procured centrally by a DoD Component ICP, distribution shall be as follows irrespective of the point of inspection and acceptance.

C17.3.10.2.2.1. Initial action to the procuring ICP for internal distribution to the contracting officer or designated personnel.

C17.3.10.2.2.2. Copy to office administering the contract/purchase order, if different from the purchasing office, except as otherwise prescribed for purchases made from federal supply schedules or GSA open-end contracts below. If not identified on the SDR, the initial action activity may forward as appropriate.

C17.3.10.3. Materiel Returns

C17.3.10.3.1. Initial action to manager's ICP.

C17.3.10.3.2. Copy to shipping activity.

C17.3.10.4. Shipments to DLA Disposition Services

C17.3.10.4.1. Initial action to the turn-in activity, as identified on the defense turn-in document (DTID) (DD 1348-1A, Block 2). The SDR will be sent directly to the generator's email address when available as the result of an electronic turn-in (DLA Disposition Services ETID). If ETID email address is not available, WebSDR distribution shall be to the turn-in activity SDR monitor or Component-sponsored SDR application.

C17.3.10.4.2. If distribution via ETID email address, a WebSDR generated copy will also be provided to the turn-in activity SDR monitor or Component-sponsored SDR application.

C17.3.10.5. Shipments from DLA Disposition Services. Initial action to the Disposition Services Field Office or Recycling Control Point (RCP) as applicable. If not known, SDRs may be directed to DLA Disposition Services (RIC S9D).

C17.3.10.6. Local Purchase. Follow DoD Component guidance. A copy will be furnished the Government inspector when inspection is at origin. DoD WebSDR does not support SDRs applicable to local purchase discrepancies.

C17.3.10.7. Industrial Plant Equipment Shipments. DLA, shall review all SDRs from the initiator, make further distribution as necessary, request appropriate action from the consignor, and provide the initiator with replies from the consignor and other closeout action.

C17.3.10.8. SDR Distribution for Packaging Discrepancies

C17.3.10.8.1. Contractor/Vendor Shipments

C17.3.10.8.1.1. Initial action to the ICP.

C17.3.10.8.1.2. Copy to Contract Administration Office (CAO).

The submitter is encouraged to identify the applicable Defense Contract Management Agency (DCMA) office as a distribution copy recipient when applicable (see block 10 of DD Form 250, Material Inspection and Receiving Report or comparable receiving report). When applicable and not identified by the submitter on the SDR, the initial action activity shall forward the SDR to the DCMA or other applicable CAO. When the contract is administered by the Service or Agency issuing the contract, the ICP is responsible for insuring the CAO has access to the SDR information.

C17.3.10.8.2.3. Copy to Administrative Contracting Office (ACO).

The initial action activity shall furnish a copy of the SDR to the ACO (or otherwise provide visibility), if a different organizational entity is involved.

C17.3.10.8.2.4. Copy to Procuring Contracting Office (PCO). The initial action activity shall furnish a copy of the SDR to the PCO (or otherwise provide visibility), if a different organizational entity is involved.

C17.3.10.8.2.5. Copy to Component Packaging Monitor. SDRs for Air Force ICP-directed shipments shall be provided to the designated Air Force ICP packaging monitor by DoD WebSDR under Component-unique routing rules.

C17.3.10.8.2. DoD Originated Shipments

C17.3.10.8.2.1. Initial action as indicated above for DoD originated shipments.

C17.3.10.8.2.2. Information copy to be provided systemically by DoD WebSDR per Component guidance. SDRs for Air Force ICP directed shipments shall be provided to the designated Air Force ICP packaging monitor.

C17.3.10.10. The Exchange (formerly Army and Air Force Exchange Service (AAFES)). SDRs may be routed to the Exchange via DoD WebSDR to the SoS RIC.

C17.3.11. Follow-Up on Original SDR

C17.3.11.1. When the action activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the submitting activity shall provide an SDR follow-up. Prior to submitting a follow-up, the reporting activity should first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the WebSDR-assigned control number when known. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.3.11.2. If no response is received to the follow-up within 30 calendar days, the originator shall contact DLA Distribution for distribution depot shipments (direct email to: DDC.ISDR@dla.mil) or the SoS for all other shipments to request assistance. Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and later follow-up. DLA Distribution or SoS will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.3.12. Responsible Action Activity Response to an SDR

C17.3.12.1. Procedures

C17.3.12.1.1. Processing. Responsible action activities shall process all discrepancy reports under the policies and procedures set forth in this publication and the DoD Component implementing regulations. Responsible action activities include all activities required to take action on a reported discrepancy. Action activities shall consider the associated MRA during validation of SDRs. Conflicting information shall be investigated as appropriate.

C17.3.12.1.2. Replies. Responsible activities shall reply to SDRs by submission of a DLMS 842A/R to WebSDR or via direct WebSDR input. Pending implementation of DLMS, other previously authorized SDR response formats may be used. SDR replies shall indicate the appropriate disposition, e.g., acknowledgment of the report, disposition of the materiel, validation of the report with authorization of financial adjustment, and/or instructions for repackaging, repair or other types of corrective action. SDR replies must contain the appropriate discrepancy code consistent with all information provided by the customer. This may require updating of the discrepancy codes used by the customer to assign the appropriate discrepancy code for the scenario described in the SDR remarks. The action activity shall identify the disposition/status using the appropriate Reply Code (Appendix 3). Action activities

shall ensure that inappropriate reply codes are blocked from use when responding to transshipper SDRs (Document Type Code W)². Shipment information applicable to direct vendor deliveries, new procurement, etc., must be completed by the action activity where incomplete or inaccurate on the original report. This includes identification of the shipping activity or vendor (by CAGE), contract number, and identifying shipment numbers. DLMS compliant applications must also ensure that direct vendor delivery shipments are identified by Document Type Code 6 on the SDR reply, regardless of what the customer originally designated. Historical replies (transactions citing Transaction Set Purpose Code 49) shall be used to fulfill these requirements where the submitter indicated that an SDR reply was not required.

C17.3.12.1.2.1. Interim Replies. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. Responsible activities must provide an interim reply where a final reply cannot be provided within the established timeframes. Failure to meet the established timeframes must be caused by reasons outside the control of the ICP/IMM or GSA. Such interim replies shall indicate when additional status will be provided. Identify the interim disposition/status using the appropriate Reply Code (Appendix 3). If no coding exists to specifically identify the reasons for the delay, select Code 137 and provide a clear-text explanation.

C17.3.12.1.2. 2. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification, shall be considered for information only, or denied, as appropriate. DoD ICP/IMM action activities are encouraged to accept late submissions lacking justification for trend analysis/corrective action; with associated financial credit provided at the discretion of the action activity. The responsible activity shall use the SDR response and cite the appropriate disposition/status (reply) code.

C17.3.12.1.3. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA shall:

C17.3.12.3.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation. This includes SDRs which the customer has reported as requiring no action (Action Code 1H or 3B).

C17.3.12.3.2. Provide the SDR response to include disposition instructions as needed to the customer or the ILCO for Security Assistance SDRs. The responsible activity shall provide point of contact information for each SDR response.

C17.3.12.3.3. Based upon validated SDRs, request that DFAS or integrated financial process authorize adjustment/credit in accordance with MILSBILLS procedures in DLM 4000.25, Volume 4, Finance.

² Refer to [Approved DLMS Change 317B](#), Action Activity Replies to Transshipper-Prepared SDRs

C17.3.12.3.4. Provide signed evidence of shipment to the ILCO for Security Assistance SDR for non-receipt of materiel. If this documentation cannot be provided, appropriate credit is required.

C17.3.12.3.5. Provide documentation to the ILCO that is matched to the quantity shipped for Security Assistance SDRs for concealed shortages. Examples of such documentation are those containing size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the differences is required.

C17.3.12.4. Disposition of Materiel. Use the SDR response as an action reply for those discrepant conditions requiring disposition instructions to the reporting activity, e.g., overages, damages (USPS), deficient materiel (Security Assistance), or erroneous or misdirected materiel.

C17.3.12.4.1. Returning Discrepant Materiel. When discrepant materiel is directed to be returned, the responsible activity shall direct the customer to reship the materiel using the same document number under which the materiel was originally shipped. The SDR reply shall include the date by which the customer is requested to return the materiel to the designated location. The ICP shall require expedited return where appropriate, such as FMS classified/sensitive item returns, and overage returns for back-ordered materiel not available within another customer's required delivery date. The return-to location shall be identified by DoDAAC or CAGE (contractors where no DoDAAC is assigned). Clear text addresses may be included in addition to the coded address since all customers may not have access to the authoritative address source. The SoS shall provide reimbursement for packing, crating, handling, and transportation for directed returns under MILSBILLS procedures in DLM 4000.25, Volume 4, Finance, procedures. Use of the Defense Transportation System (DTS) for the return movement is encouraged. As an alternative to providing transportation reimbursement, the responsible action activity may provide the transportation account code (TAC) chargeable for the transportation services and supporting information, e.g., the bill of lading number, or small package carrier account information. In those cases where an exhibit of the discrepant materiel is directed for return, the activity requesting this action will pay for exhibit shipment costs. Action activities shall either furnish DD Form 1348-1A for materiel to be returned or provide comparable information to accomplish the return. A copy of the SDR and the shipment document shall be included with returned materiel and annotated as an "SDR RETURN." When discrepant materiel is directed for return to a contractor, a hard-copy SDR including disposition instructions shall be included with the shipment. No statement adversely affecting the Government's claim shall be shown on any documentation returned to the contractor. For non-Security Assistance customers, materiel not returned as directed within 90 calendar days (if CONUS) or 120 days (if OCONUS) of the SDR reply will be billed.

C17.3.12.4.2. Corrective Action for Packaging Discrepancies. Responsible activities shall immediately investigate reported discrepancies and take

action to prevent their recurrence. An indication of what corrective action shall normally be included in the SDR reply. An information copy shall be sent to the appropriate Component packaging monitor. For shipments of ammunition, explosives, or other hazardous materiel, the DoD or GSA responsible activities must provide reports of corrective action in all cases. Wherever possible, use the reply code and SDR remarks to show the corrective action. A corrective action statement may be recorded on a separate document if additional space is required. Statements of corrective action shall also be sent when requested by the SDR initiator or upon special request of the Component packaging monitor. For contractor originated shipments, investigating activities shall send an information copy of the results of their investigation to the responsible procurement activity or commodity command. Reports of corrective action must not be delayed pending final determination of the contracting officer when reimbursement is warranted. Report final actions when completed. When a Contract Administration Office (CAO) investigating activity finds corrective or preventive action is outside the scope of contract administration and requires action by the procuring activity, the SDR and investigation report shall be forwarded to the procuring activity for action, with information copies to the appropriate Component packaging monitor and the initiator.

C17.3.12.4.3. Packaging Discrepancies Noted at a Distribution Depot. The ICP shall annotate the SDR to indicate that distribution depot repackaging is approved or not approved. If the ICP authorizes corrective action, the SDR will also show the appropriate funding/ authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the distribution depot may charge the corrective action costs. After completing corrective action, the distribution depot will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.

C17.3.12.4.4. Corrective Action for Non-Compliant WPM. Action activities in receipt of SDRs reporting WPM non-compliance under generic packaging discrepancy codes must reassign the discrepancy code to P215 on their responses. This supports mandatory tracking and trend analysis using automated SDR applications. In the event the shipment becomes frustrated, the action activity will provide instructions for corrective action in order to bring the shipment into conformance or otherwise direct remedial action. Corrective actions and options shall be based upon the circumstances of the quarantined/frustrated shipment, value and priority of the shipment, access to the shipment by DoD personnel, and location of the consignee. Alternatives include:

C17.3.12.4.4.1. Inspection, certification, and marking of compliant WPM,

C17.3.12.4.4.2. Replacement of the WPM,

C17.3.12.4.4.3. Consignee pick-up of the materiel only, or

C17.3.12.4.4.4. Return to origin or designated location.

C17.3.12.4.4.5. Repacking and disposal costs associated with non-compliant WPM receipts that shall be the responsibility of the owner of the stock directing shipment (i.e. last identified shipper or item manager). Photographic evidence may be requested to substantiate a claim for the recoupment of funds expended in bringing the shipment into compliance. Where applicable, the reporting activity may submit an SF 1080, "Voucher for Transfers between Appropriations and/or Funds."

C17.3.13. Time Standards

C17.3.13.1. Submitting SDRs and SDR Responses. This section provides standard timeframes for submission of SDRs and SDR responses.

C17.3.13.1.1 Timeframes for SDR Submission by Non-Security Assistance Customers. An SDR shall be submitted by receiving activities and/or transshipment activities as soon as possible, but not later than the time standards listed below. SDRs not meeting the reporting criteria or timeframes specified in this guidance that do not present sufficient justification shall be processed for information only. Routine time standards, special rules, and exceptions are:

C17.3.13.1.1.1 CONUS Destinations: 60 calendar days from date of shipment.

C17.3.13.1.1.2. Overseas Destinations: 120 calendar days from the date of shipment

C17.3.13.1.1.3. Discrepant Controlled Inventory Items, Arms, Arms Parts, Ammunition, and Explosives. Report discrepancies within 24 hours of discovery for shortage, overage, wrong item, misdirected shipments. This includes stock number materiel with a catalogued controlled inventory item code (CIIC) indicating the item is identified as classified or sensitive. In addition, pilferable codes associated with arms and ammunition are also included (codes N and P) in this category.

C17.3.13.1.1.4. Exceptions:

C17.3.13.1.1.4.1. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.13.1.1.4.2. Time limits do not apply to those IUID discrepancies that must be reported to ensure the IUID registry and/or owner records are properly maintained.

C17.3.13.1.1.4.3. Time limits for reporting discrepancies relating to contractor warranties are prescribed in individual warranty clauses and/or contracts. Those time limits override other time limits specified in this chapter.

C17.3.13.1.1.5. Late Submission. When circumstances prevent compliance with the above time standards, e.g., response to a tracer action reveals a supposed transportation discrepancy to be a shipping/packaging discrepancy, the reasons for delay shall be provided in a brief clear-text explanation. If appropriate, the responsible activities will honor the discrepancy report. Reporting activities are required to send SDRs to report a shipping or packaging discrepancy even after the above submission time standard has elapsed. If lacking justification, action activities shall process for use in reporting metrics and corrective action, if appropriate. The SoS shall not be responsible for financial resolution on late submission SDRs unless shipment history is available and the circumstances warrant such action

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, 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. Sources of supply 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. Distribution depots shall respond to SDRs submitted directly to the shipping activity within 25 calendar days. Responses from distribution depots may be confirmed or superseded/corrected by a later response when Component business rules require sequential processing by the source of supply and the finance center.

C17.3.13.2.4. ICP/IMMs shall respond to SDRs submitted directly to the SoS within 50 calendar days. Where sequential process by distribution depot and ICP/IMM are required, total processing time shall not exceed 50 calendar days.

C17.3.13.2.5. Action activities receiving SDRs inappropriately shall make every effort to forward to the correct action activity within 5 calendar days. Customers should be aware that misrouting of SDRs may extend total processing time beyond the authorized 50 calendar day processing time.

C17.3.13.3. Transfers of IMM Responsibilities

C17.3.13.3.1. Logistics Reassignment. Under the logistics reassignment procedures, IMM responsibility for an item may have been transferred to another DoD Component after the date of shipment. In these instances, a single discrepancy reported on a requisition line-item may require action and/or reply from two different DoD Components (e.g., shipper's ICP/IMM and gaining item manager (GIM)). For example, on receipt of an incorrect item, one DoD Component could be responsible for the investigation (shipping activity) and the initiation of a billing adjustment (shipper's ICP/IMM) for the item billed (but not received), and the GIM would be responsible for providing disposition instructions for the erroneous materiel.

C17.3.13.3.2. Response Coordination. It is not the responsibility of the SDR initiator to forward copies of the SDR to all parties involved. Instead, it shall be the responsibility of the shipping activity or losing item manager (LIM) to coordinate with the GIM for an appropriate response/disposition to the submitter.

C17.3.14. Contested Decisions for Non-Security Assistance Related Discrepancies. When the SDR originator does not concur with a reply/disposition received in response to an SDR, they shall forward the SDR indicating a contested decision. Requests for reconsideration pertaining to distribution depot shipments shall be forwarded to the shipping depot; all others shall be forwarded to the SoS. Requests for reconsideration must be submitted within 45 calendar days from date of action activity response. Cite the SDR report number of the original report. For transactional exchange, SDR applications shall include the WebSDR-assigned control number when known. Requests for reconsideration transactions require all data that was in the previous SDR submission. In addition, a narrative entry is required to provide justification for reconsideration. POC information for the new submission and submission date is required. An SDR must be in a closed status before a request for reconsideration can be submitted (this means the action activity reply to the SDR must be recorded within the applicable Component application). The designated recipient of the request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SoS for resolution (when the SDR is forwarded, the 45 calendar days for processing and evaluation will begin when the SDR is received by the SoS). The resulting decision shall be final.

C17.3.15. Correction and Modification/Update of Original Report. When the originator needs to modify discrepancy information or requested action concerning a previously submitted SDR, a new transmission of the SDR may be used. Indicate that the SDR is a modification or correction and forward to all parties who received the original submission. Cite the nonconformance report number of the original report. SDR applications shall include the WebSDR-assigned control number when known. SDR applications shall include revised content and the original unchanged discrepancy information from the original report using the DLMS 842A/W. POC information applicable to the revised SDR is required. A brief narrative description of the revision

must be included. Significant errors, such as an incorrect requisition document number or document number suffix must be corrected by canceling the original SDR and submitting a new report.

C17.3.16. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a new SDR cancellation must be prepared to cancel the original. Forward to all parties that received the original submission. Cite the original report number. SDR applications shall include the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DLMS 842A/W. POC information applicable to the cancelled SDR is required. A brief narrative description of the reason for cancellation should be included.

C17.3.17. Consignor Replies on Industrial Plant Equipment (IPE) Packaging Deficiencies. Consignor (shipper) replies on IPE packaging deficiencies, which DLA Aviation in Richmond, Virginia, has previously funded for packaging, crating, and handling (PC&H) will provide necessary documents to transfer or reimburse funds for any required corrective action. Handling for PC&H is based on specified requirements for IPE in MIL-HDBK-701, Military Standardization Handbook Blocking, Bracing, and Skidding of Industrial Plant Equipment, and MIL-STD-107, Military Standard Preparation and Handling of Industrial Plant Equipment.

C17.3.18. Follow-up on Credit Adjustments on SDRs. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent non-receipt of credit and 60 calendar days has elapsed, the SDR submitter should consult the bill-to finance office for verification. When non-receipt of credit is confirmed, the financial office shall submit a request for billing adjustment as prescribed by MILSBILLS procedures in DLM 4000.25, Volume 4, Finance.

C17.3.19. Materiel Receipt Acknowledgment (MRA). ICPs shall monitor for discrepancies reported on MRAs (DLMS 527R) to ensure identified discrepancies have been properly reported.

C17.3.20. Defense Automatic Addressing System (DAAS) SDR Processing

C17.3.20.1. Under DLMS, SDRs shall be integrated with standard logistics transaction processing through DAAS. DLMS transaction formats are available in ASC X12 EDI or EDI-based XML. Guidance for transaction content is provided in DLMS Supplements available at www.dla.mil/j-6/dlms/e/library/transformat/140_997.asp. DoD WebSDR shall perform the following actions:

C17.3.20.1.1. Pass/route SDR transactions.

C17.3.20.1.1.1. Generate and route an information copy of each SDR reporting packaging discrepancies associated with Air Force-directed shipments to the Air Force packaging monitoring office.

C17.3.20.1.1.2. Route the action copy of SDRs reporting distribution depot receipt of PQDR exhibits (Discrepancy Code Q11) to the materiel owner by agreement with DLA. For Air Force owners, this process shall use an electronic (e-mail-based) interface with the Air Force processing system for product quality deficiencies.

C17.3.20.1.1.3. Provide special e-mail routing of the action or distribution copy of transshipper prepared SDRs upon Component request.

C17.3.20.1.1.4. Return unroutable transshipper prepared SDRs to the submitter for continued processing off-line.³

C17.3.20.1.2. Edit SDR transactions in accordance with business rules specified below. Additionally, DoD WebSDR shall edit SDRs to improve data consistency and the appropriateness of data content as follows:

C17.3.20.1.2.1. The owner/manager may not be identified by a routing identifier associated with a Distribution Depot or a CCP.

C17.3.20.1.2.2. The shipping activity may not be identified by the routing identifier associated with an inventory control point or item manager.

C17.3.20.1.2.3. Inappropriate entries will be overlaid with the correct value, if available, from DAAS history.⁴

C17.3.20.1.3. Provide translation capability to the Army User Defined File (UDF) format to support Army Web-Based Tool (WBT) SDR application transaction processing pending DLMS implementation.⁵ No other transactional non-DLMS formats are authorized for SDRs.

C17.3.20.1.4. Convert SDRs for e-mail distribution where SDR transactions are not feasible due to lack of an established SDR application interface.

C17.3.20.1.4.1. Upon determination that an e-mail (vice transaction) is to be prepared for a specific SDR communication, DLA Transaction Services will check to determine if the appropriate e-mail certificate has been registered. If registered, the SDR e-mail transmission shall be encrypted as FOUO. The e-mail SDR shall contain all associated SDR content as well as clear text addresses and code explanations to facilitate interpretation. If not registered, an abridged content SDR report, confirmation, distribution copy, or reply, as appropriate, will be prepared. The e-

³ Refer to ADC 317, Revised Business Rules for Transshipper-Prepared Supply Discrepancy Reports. Implementation delayed.

⁴ Refer to ADC 425, Revised SDR Codes and Procedures, including Incorrect Part Number Discrepancy Codes and DoD WebSDR Data Edits and Forwarding Enhancement.

⁵ Refer to ADC 452, Implementation of DOD WebSDR Automated SDR Rejection Capability.

mail sent to the user will also provide information on how to access WebSDR and instructions on registering the e-mail certificate.

C17.3.20.1.4.1.1. Abridged SDR. The abridged unencrypted version of the SDR e-mail will include the following data content. Coded information shall not include the corresponding clear-text explanation. The submitter and action activities shall not be identified by clear-text addresses.

- DoD Web SDR Report Control Number
- Additional System SDR Control Number
- Customer-Assigned Control Number
- Document Number/Suffix
- Contract Number
- Transportation Control Number
- Date of Preparation
- Document Type Code
- DLA Disposition Services SDR Type Code
- Discrepancy Code(s)
- Action Code
- Submitter (Activity From)
- SDR Point of Contact
 - Name
 - Commercial Phone or DSN
 - E-mail
- Attachment/Off-line Flag

C17.3.20.1.4.1.2. Abridged SDR Reply. The abridged unencrypted version of the SDR Reply e-mail shall include the following data content. Coded information shall not include the corresponding clear-text explanation with the exception of the Reply Disposition Code which must include text for understanding. The submitter and action activities shall not be identified by clear-text addresses.

- DoD WebSDR Report Control Number
- Additional System SDR Control Number(s)
- Original Reference Number
- Document Number/Suffix
- Contract Number
- Transportation Control Number
- Reply Date
- Document Type Code

- DLA Disposition Services SDR Type Code
- Reply Code(s)
- Action Activity (Activity From)
- Submitter (Activity To)
- Comments/Remarks
- Reply POC
 - Name
 - Commercial Phone or DSN
 - E-Mail
- Attachment/Off-line Flag

C17.3.20.1.4.1.3. Organizations that are not supported by an SDR application for transactional reference shall provide to DLA Transaction Services an e-mail address to be linked with their DoDAAC/RIC for e-mail distribution.

C17.3.20.1.4.1.4. Each DoD Component shall designate to the DoD SDR System Administrator a specific e-mail account or point of contact to receive unroutable SDRs for manual attention. This is required to ensure operational support where no SDR application or e-mail address has been identified for an SDR recipient, or an attempted e-mail distribution has failed due to an invalid address.

C17.3.20.1.5. Maintain historical records of SDRs and associated transactions.

C17.3.20.1.6. Provide access to SDR information via Web Visual Logistics Information Processing System (WEBVLIPS).

C17.3.20.1.7. Provide ad-hoc queries and management reports.

C17.3.20.1.8. Maintain the DoD WebSDR as a value-added service to support submission, reply, and other functions related to SDR processing.

C17.3.20.1.9. Convert CCP-generated SDRs for e-mail distribution pending owner/manager ability to process electronically.

C17.3.20.1.10. Post for history, but not forward SDR replies to the SDR submitter (i.e., distribution depots or CCP) identifying passive RFID or WPM discrepancies based upon addressing to the DAAS RIC (SGA). This will suppress unnecessary transmission of SDR transactions where the SDR submitter has closed the SDR with no expectation/requirement for a reply under these conditions.⁶

⁶ Refer to ADC 425, Revised SDR Codes and Procedures including Incorrect Part Number Discrepancy Codes and DoD WebSDR Data Edits and Forwarding Enhancement, Implementation delayed.

C17.3.20.2. WebSDR shall edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability.⁷ Reject to the generating activity SDR and follow-on transactions that do not meet the following conditions:

C17.3.20.2.1. SDR transactions must contain valid values as appropriate to the transaction purpose: discrepancy code, action code, and reply code. Reject with Disposition/Status Code (Reply) Code 915, 916, or 927.

C17.3.20.2.2. SDR must include materiel identification. Materiel identification may consist of the NSN, manufacturer's part number and manufacturer's CAGE, or as authorized under DLMS for unique business processes (e.g. "mixed" or "unknown" for transshipper SDRs and local catalog identification number⁸). Where wrong item discrepancies are reported, materiel identification of the wrong item must be included. Wrong item received may be identified as previously indicated or by description alone (citing "UNKNOWN" as the wrong item part number). Reject with Disposition/Status (Reply) Code 931.

C17.3.20.2.3. SDRs reporting materiel received is not in the correct condition must include valid condition codes to identify the received conditions. Only valid condition codes shall be permitted. The condition code must be appropriate for the discrepant materiel and associated action activity or source of supply (i.e., Supply Condition Code N, V, and T may not be directed to the DLA ICP). Reject with Disposition/Status (Reply) Code 928.

C17.3.20.2.4. SDRs coded to indicate narrative is required must provide applicable narrative. Reject with Disposition/Status (Reply) Code 924.

C17.3.20.2.5. SDRs must include minimal point-of-contact information to include name and phone/email. Reject with Disposition/Status (Reply) Code 920 or 921.

C17.3.20.2.6. Only valid DoDAACs and RICs will be permitted. Reject with Disposition/Status (Reply) Code 929.

C17.3.20.2.7. Quantity fields will only allow entry of numeric values. Reject with Disposition/Status (Reply) Code 917 or 918.

C17.3.20.2.8. SDR replies coded to indicate that a ship-to/mail-to address or additional information is associated with the reply, must include the specified additional address or information as transaction data fields and must include narrative

⁷ Refer to ADC 452, Implementation of DOD WebSDR Automated SDR Rejection Capability.

⁸ Refer to ADCs 282, CCP-Originated SDRs including Noncompliant WPM Procedures and Shipment Hold Code; 317, Revised Business Rules for Transshipper-Prepared SDRs; and 322, Addition of Local Catalog ID qualifier to Support Requirements for Theater Enterprise-Wide Logistics System (TEWLS) Requisitions. Local Catalog ID implementation delayed.

remarks to reflect the address (due to limited implementation of the separate address fields). Reject with Discrepancy Status/Disposition Code (Reply) 924.

C17.3.20.2.9. SDR follow-ups must comply with follow-up submission timeframes. Follow-ups submitted without allowing sufficient action activity response time will be rejected (see section C17.3.13. Reject with Discrepancy Status/Disposition Code 933 (implementation pending).

C17.3.20.2.10. SDR follow-ups and contested SDR/reconsideration requests shall not be submitted against cancelled SDRs. Reject with Discrepancy Status/Disposition Code 907.

C17.3.20.2.11. Reply with Discrepancy Status/Disposition Code 504 forwarding action may not be used to forward SDRs where incomplete information is available to construct the new forwarded SDR, or the SDR is otherwise not suitable for automated forwarding action. Reject with Discrepancy Disposition/Status (Reply) Code 935.

C17.3.20.2.12. SDR document numbers and associated suffix codes must conform to MILSTRIP standards. A temporary exception is allowed for Air Force maintenance document numbers used between the Air Force item manager and the supporting depot. The full document number edit does not apply to transshipper SDRs (Document Type W) due to the potential for reporting against the shipment unit rather than a specific document number. For these SDRs, the document number must be filled and must be 14 positions. It may contain a 14 position purchase request number, the first 14 positions of the transportation control number, or a constructed document number based upon the DoDAAC of the port submitting the SDR. Reject with Discrepancy Status/Disposition Code 910.

C17.3.20.2.13. SDRs must contain valid transaction set purpose codes and document type codes as shown in the applicable DLMS Supplement. Reject with Discrepancy Disposition/Status (Reply) Code 938 and 939, respectively. Submitting system personnel will be notified of invalid transaction set purpose codes.

C17.3.20.2.14. SDRs associated with new procurement (Document Type 9 or P) must contain the applicable contract number and contractor-assigned shipment number. Reject with Discrepancy Disposition/Status (Reply) Code 940.

C17.3.20.2.15. Inter-Component SDR replies citing 200-series reply codes may be used only for Security Assistance SDRs. Reject with Discrepancy Disposition/Status (Reply) Code 941.

C17.3.20.2.16. Duplicate SDRs defined as a new submission matching an existing SDR on document number/suffix, discrepancy code, and transportation control number (if provided). Reject with Discrepancy Disposition/Status (Reply) Code 719. Note: DoD Components may use this code based on internal business rules.

C17.3.20.3. WebSDR will edit SDR submissions via DoD WebSDR at the point of entry to improve the accuracy of the data content. All of the above criteria apply. In addition, web-specific functionality includes:

C17.3.20.3.1. The SDR submission process will be facilitated by the auto-population of data content based upon the shipment and cataloging data available to DAAS.

C17.3.20.3.2. Address information will be retrieved based upon DoDAAC and RICs. User generated updates to initiator's address are permitted and will be passed to the receiving system for information, but will not impact SDR processing.

C17.3.20.3.3. SDR replies coded to indicate that an address or additional information is associated with the reply must include the specified additional address or information.

C17.3.20.4. DAAS shall provide the support to SDR transaction exchange to facilitate DLMS processes.

C17.3.20.4.1. WebSDR shall facilitate appropriate distribution when the action party receiving the initial distribution employs the Distribution/Status (Reply) Code 504 indicating the SDR must be forwarded to a new action activity. When the new action activity is a distribution depot, the original SDR will be retransmitted to the designated depot. The customer shall receive notification of interim status.

C17.3.20.4.2. WebSDR shall facilitate appropriate distribution when the action party receiving the initial distribution employs distribution status codes in the 300 series indicating that the SDR must be sent to the SoS for disposition. The SDR reply shall be sent to the designated SoS and to the SDR initiator for notification of interim status.

C17.3.20.4.3. WebSDR will respond to DAAS-directed rejected reply transactions indicating no matching original report or information copy of the SDR is found in the automated application (Reply Code 926), by providing an information copy of the original report to the activity which rejected the reply. Unmatched requests for an information copy will be returned by DAAS as rejected (Reply Code 926) to the sending organization. DAAS will create and forward an information copy of the DLA SoS for all customer SDRs based upon the storage site reply where an information copy was not previously provided.

C17.3.20.4.4. WebSDR shall provide information copies of SDRs in accordance with Component business rules and as designated by the initiator.

C17.3.20.4.4.1. WebSDR shall ensure DLA Enterprise Business System (EBS) receives an information copy of all SDRs routed to a distribution depot for initial action where EBS is the SoS.

C17.3.20.4.4.2. All parties receiving an information copy of the original SDR as designated by the initiator or by a Component business rule will receive a copy of all changes, cancellation, and replies associated with the SDR.

C17.3.20.4.5. WebSDR shall accept and forward supporting documentation associated with SDRs using DLMS attachment exchange procedures.

C17.3.20.4.5.1. SDR attachments may be uploaded directly to the DoD WebSDR or exchanged electronically in association with the SDR transaction.

C17.3.20.4.5.2. SDR attachments must be referenced/uploaded under a SDR Attachment File Name constructed in accordance with DLMS rules. Up to five attachments may be associated with a new SDR report and subsequent change, reply, request for reconsideration. Attachments may be submitted with follow-up and cancellation transactions for archive, but these will not be forwarded to the action activity.

C17.3.20.6. DoD WebSDR shall restrict the use of inappropriate discrepancy status/disposition reply codes in responses to transshipper prepared SDRs.

C17.4. MANAGEMENT EVALUATION

C17.4.1 Purpose. The supply discrepancy reporting program is designed to promote evaluation, correction, and improvement of logistics operations. To accomplish this objective, discrepancies as specified in this publication must be reported and investigated in accordance with established policies and procedures. DoD Components shall institute SDR quality programs that will include periodic reviews to assess the accuracy and quality of work processes applicable to supply discrepancy processing. In addition, DoD Components shall require, as a minimum, semi-annual summary reporting to an appropriate headquarters for review and analysis. The DoD Components unable to support the full scope of the required data collection under legacy systems shall incorporate this reporting requirement under business system modernization efforts. The DoD WebSDR management reports and canned queries may be used to supplement internally prepared reports. DoD Components and USTRANSCOM shall monitor SDR program performance applicable to transshipper SDRs. Data collected must be sufficient to enable monitoring activities to:

C17.4.1.1. Identify trends.

C17.4.1.2. Establish volume and dollar values of SDRs.

C17.4.1.3. Bring management attention to problems with shipping activities as necessary.

C17.4.1.4. Prevent recurrence of discrepancies.

C17.4.1.5. Measure quality and responsiveness of action activities.

C17.4.2. IMM/ICP Summary Reporting. As a minimum, the IMM/ICP and shipping activities must have visibility of detail/summary reports that show:

C17.4.2.1. The number of SDRs received during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission timeframes.

C17.4.2.2. The number of SDR responses processed during a particular timeframe by action activity, dollar value, and discrepancy type. Reports will show a breakdown of SDR actions taken to include dollar value of credit authorized and reshipped materiel. Reports will measure compliance with SDR processing timeframes and show age of ongoing investigations.

C17.4.3. Receiving Activity Reporting. As a minimum, the U.S. Government receiving activity and the ILCO must have visibility of detail/summary reports that show:

C17.4.3.1. The number of SDRs prepared during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission, processing, and follow up timeframes.

C17.4.3.2. Responses received from the responsible action activity, and dollar values recovered, either in the form of reshipped materiel or credit received.

C17.5. SECURITY ASSISTANCE DISCREPANCY REPORTS

C17.5.1. General. This section provides specific procedural guidance relevant to the processing of Security Assistance SDRs. Based upon United States of America Letter of Offer and Acceptance (LOA) agreements, Security Assistance customers will use SDRs to report all supply, billing/financial, and product quality deficiencies/discrepancies associated with Security Assistance shipments. Supply discrepancies are identified under paragraph C17.3.2., Reporting Criteria, except as specifically excluded for Security Assistance and as supplemented below. In addition to the routine data content, Security Assistance SDRs shall include the location of the discrepant materiel (in-country depot, freight forwarder, U.S. Government facility, or contractor facility) and the country that received the discrepant materiel. Security Assistance discrepancy reports below dollar limitations contained in the United States of America Department of State LOA controlling the case, or any other sales agreement with a Security Assistance purchaser, shall not be accepted by the ILCO for subsequent processing by the DoD Components or participating Agencies unless a valid justification for the submission is also provided.

C17.5.1.1. All Security Assistance SDRs will be submitted directly to the applicable ILCO for initial screening and processing in accordance with this manual and DoD 5105.38-M, SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats. Incorrect item SDRs must provide supporting documentation to include photographs of the wrong item received.

C17.5.1.2. Acceptable SDRs will be forwarded for further processing to DoD ICP/IMM, shipping depot, GSA, or other organization as applicable. ILCOs shall submit SDRs using a DLMS-compliant SDR application or, pending full implementation, via direct DoD WebSDR input. Total non-receipt SDRs shall normally be forwarded directly to the shipping depot. All responses to discrepancy reports shall be returned to the ILCO.

C17.5.1.3. Responding action activities shall provide the SDR reply for Security Assistance SDRs using a DLMS-compliant SDR application via DoD WebSDR or, pending full implementation, via direct DoD WebSDR input or authorized electronic/automated equivalent format. SDR replies must include, at a minimum, the applicable document number, the Security Assistance report number (item 2 of the SF 364), point of contact information, and pertinent information from the data blocks on the reverse side of the SF 364 or the expanded SDR data element code lists (Appendix 3).

C17.5.1.4. The DoD shipping activity will retain paper copies of the Security Assistance shipping documentation (signed carrier's receipt and shipping document) at the shipping site for a period of 2 years following the shipping date. After this point, the paper records shall be retired to the appropriate Federal Records Center for a period of 28 years. The stored records must be segregated by country and the container marked accordingly. Billing documentation will be retained by the Military Departments and DoD agencies as specified in MILSBILLS procedures and DoD 7000.14-R, Vol. 15, Department of Defense Financial Management Regulation (Security Assistance Policy and Procedures).

C17.5.2. Time Standards

C17.5.2.1. Time Standards for SDR Submission by Security Assistance Customers. Discrepancy report preparation and submission time by the Security Assistance purchaser is limited to the time standards cited in the United States of America Department of State LOA, and amendments thereto, as explained in DoD 5105.38-M.

C17.5.2.2. Security Assistance customers receiving misdirected shipments or shipments containing incorrect items that are identified as classified/sensitive materiel, and/or arms, arms parts, or explosives, must report within 24 hours of discovery regardless of dollar value for disposition. Where estimated dollar values are unknown or fall below the minimum criteria, report using Action Code 1A, Disposition instructions for discrepant materiel requested; financial action not applicable.

C17.5.2.3. ILCOs are permitted 15 calendar days from the time of discrepancy report receipt for processing prior to forwarding to the appropriate action activity. Upon return of the SDR response from the action activity, ILCOs are permitted 15 calendar days for processing and forwarding to the Security Assistance customer.

C17.5.3. Directed Returns

C17.5.3.1. Whenever materiel is directed for return to U.S. custody, the purchasing country will be instructed to reship the materiel using the same document number under which the materiel was originally shipped. The country will be advised that they must return the materiel to U.S. Government custody within 180 calendar days from date of approval/instructions. However, the time standard allowed for the return of wrong item controlled/sensitive materiel or unidentified materiel is 30 calendar days from date of the ILCO reply. The ILCO shall monitor directed returns and follow-ups with customers where controlled/sensitive materiel has not been returned. In those instances when materiel is to be returned to the United States at U.S. Government expense, every effort will be made to utilize the DTS for the return movement. Action activities shall provide the Service/Agency transportation account code (TAC) chargeable to return the discrepant materiel to the appropriate U.S. Government activity or other designated location. In lieu of the TAC, the action activity may provide commercial package carrier account information. In addition, the SoS shall provide reimbursement for packing, crating, handling for directed returns under MILSBILLS procedures in DLM 4000.25, Volume 4, Finance. The SoS shall also provide reimbursement for in-country transportation of the original shipment to the Security Assistance customer (when a directed return applies) under procedures prescribed by DoD 5105.38-M, as amended. When appropriate, the action activity may direct the submitter to return an exhibit of the discrepant materiel. The activity requesting this action will pay for exhibit shipment costs. The exhibit shall be returned to U.S. Government custody within 90 calendar days from the date of instructions. Action activities or the ILCO shall furnish DD Form 1348-1A for materiel to be returned. A copy of the SDR and DD Form 1348-1A should be included with returned materiel and annotated as an "SDR RETURN." Upon evidence of materiel being returned, a credit adjustment will be processed for the return of the discrepant materiel if previously authorized. This evidence releases the Security Assistance customer of liability for the materiel.

C17.5.3.2. Discrepant Security Assistance materiel not being returned to the stocks of the Department of Defense or GSA, or retained, or sent to disposal by the foreign government at the direction of the ILCO, shall be turned in to the nearest U.S. accountable military activity (regardless of the DoD Component responsible for the materiel). This is in accordance with the governing regulation serving as the authority for the turn-in. The local U.S. military activity shall pick up the materiel up in stock as a gain to inventory and determine if materiel is required or is in excess to requirements. If materiel is required, it shall be retained. If excess to requirements of the local military activity, the materiel must be reported under Chapter 12.

C17.5.4. Incorrect Items. Incorrect item SDRs are not permitted for authorized substitution, unless the substitute item does not meet fit, form, or function standards. DoD Components and GSA follow the policy of automatic shipment of an interchangeable item unless the requisition contains an appropriate advice code, in accordance with MILSTRIP, limiting the request to a specific item. Similarly, quantities may be adjusted to the unit pack quantity, when appropriate, unless restricted by the

appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.5.5. Non-receipt. When an SDR is initiated for non-receipt, the Security Assistance customer is required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO shall deny any non-receipt SDRs received that do not have this documentation attached. The ILCO shall return these SDRs to the customer as incomplete.

C17.5.6. SDR Follow-Up. When the action activity does not respond to an SDR within the prescribed time standard specified in this chapter, the ILCO, acting on behalf of the Security Assistance customer, shall submit an SDR follow-up. Prior to submitting a follow-up, the ILCO must first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the WebSDR-assigned control number when known.

C17.5.6.1. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.5.6.2. If no response is received to the follow-up within 30 calendar days, the ILCO may contact DLA Distribution for distribution depot shipments or the SoS to request assistance. Off-line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up. DLA Distribution or the SoS shall ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.5.7. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, an SDR cancellation must be prepared to cancel the original. The ILCO via the DoD WebSDR will forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DLMS Supplement. Provide POC information. A brief narrative description of the reason for cancellation should be included.

C17.5.8. Contested Decisions and Requests for Reconsideration. These procedures allow the report originator to voice disagreement with disposition decisions. The Security Assistance purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's Service focal point.

C17.5.8.1. Requests for Reconsideration

C17.5.8.1.1. The Security Assistance purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. Purchasers must send a Request for Reconsideration to the ILCO within 45 calendar days from the date of the ILCO final reply to the customer concerning disposition, except when materiel/exhibit return to the customer is required subsequent to US Government-directed evaluation/testing/repair. This exception is applicable only when the materiel/exhibit must be re-inspected by the customer to confirm that the reported discrepancy/deficiency has been resolved and, therefore, additional transportation time is necessary for the return shipment. Under this scenario only, the SA purchaser is authorized up to 90 days from the date of the final ILCO reply to submit the Request for Reconsideration to the ILCO. The ILCO shall be responsible for monitoring that requests for reconsideration are submitted within the allowable time standards.

C17.5.8.1.2. The request for reconsideration shall use the nonconformance number associated with the original report. When the customers ask for reconsideration, the ILCO shall add a Suffix Code R to the SDR number. The ILCO shall convert the request for reconsideration to electronic transmission and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration within 20 calendar days of receiving the request for reconsideration from the customer. If relevant information is not accessible by the responsible activity, the ILCO may forward supporting documentation. The designated recipient of the request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days (90 days for security assistance shipments where materiel was returned to country when previous SDR resubmission was closed)⁹. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SoS for resolution (when the SDR is forwarded, the 45 calendar days for processing and evaluation will begin when the SDR is received by the SoS).

C17.5.8.3. Second Request for Reconsideration (Contested Reconsideration Response). Security Assistance customers may further contest the ICP/IMM or GSA decision given after the request for reconsideration. To do so, the customer must send a written request to the ILCO within 45 calendar days from the date of the ILCO reply to the request for reconsideration. The customer must indicate why the ICP/IMM or GSA decision is not satisfactory. Cite the nonconformance number on the original SDR. The ILCO shall add a Suffix Code C to the report number, which shall be used in all references to the SDR. The ILCO shall convert the request to electronic transmission and forward the SDR, with an appropriate advice code, within 20 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 50 calendar days from the date of receipt of the ILCO information. A contested reconsideration may only be submitted transactionally to DoD

⁹ ADC 430, Timeframe Change for Security Assistance SDR Requests for Reconsideration

WebSDR and will be forwarded to the original action activity(ies). Additional distribution may be accomplished manually. Pending full DLMS implementation, contested reconsideration requests may be forwarded manually. If relevant information is not accessible by the focal point, the ILCO may forward supporting documentation. The ILCO shall ensure all interested parties receive the SDR resolution.

C17.5.9. Follow-up on Credit Adjustments on SDRs

C17.5.9.1. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent non-receipt of credit, the ILCO should consult with the appropriate finance office for verification. Allow a minimum of 60 calendar days from the date of the SDR response before initiating a follow-up action. To facilitate research of supply and financial records, it is suggested that follow-up action for non-receipt of credit associated with the return of discrepant materiel occur within a reasonable period (e.g., not longer than 45 calendar days after the ILCO provides the action activity the initial notice with evidence of discrepant materiel return).

C17.5.9.2. When non-receipt of credit is confirmed, the ILCO will submit a request for billing adjustment as prescribed by MILSBILLS procedures under DLM 4000.25, Volume 4, Finance, using DLMS 812R (DIC FAE) and Billing Advice Code 26. Do not send a hardcopy of the SDR or reply, as this may create duplicate work for the finance centers and may cause improper processing of your request.

C17.5.10. Product Quality. Product quality deficiencies relative to Security Assistance shipments are reportable via SDR. If product quality is for latent defect, the the Security Assistance customer must provide evidence that a receipt inspection was done and the defect could not be detected at that time and that the defect is present for reasons other than deterioration or damage incurred during storage or handling. Quality deficiencies include deficiencies in design, specifications materiel, manufacture, and/or workmanship. The submitter must identify by discrepancy code any quality deficiencies (including latent defects) that result in a safety hazard. Include the following information in the SDR, as applicable: manufacturer's name; contract/purchase order number; date of manufacture, pack, or expiration; lot/batch number; location of materiel; point of contact information (if other than the preparing official); along with a detailed description of the complaint if needed to supplement encoded information. Include the following information in all product quality SDR packages, as applicable: photographs, test data, and related documentation. When submitting a latent defect discrepancy code on the SDR, the report must include substantiating documentation to validate the latent defect such as the applicable test report used to identify the latent defect. Latent defects must be submitted to the ILCO with substantiating documentation. Following is a list of potentially applicable forms of substantiating documentation:

C17.5.10.1. Receipt tests conducted and test reports (including test equipment model, serial number and software version), or documentation of receipt tests not conducted, and justification for tests not conducted.

C17.5.10.2. Subsequent tests conducted and results including test equipment model, serial number, and software version along with test readings.

C17.5.10.3. Justification that initial receipt inspection and testing could not have detected the deficiency.

C17.5.10.4. Documentation of storage and handling of the item since receipt including type of storage.

C17.5.11. Billing Discrepancy. Billing discrepancies reported to the ILCO on a SDR shall be converted to the appropriate transaction format per MILSBILLS procedures under DLM 4000.25, Volume 4, Finance, for the DLMS 812R (DIC FAE).

C17.5.12. Financial Discrepancy. Financial discrepancies reported to the ILCO on a SDR shall be forwarded to DFAS-DE/I for processing.

C17.5.13. Management Evaluation. As a minimum, the ILCO must have visibility of detail/summary reports that show:

C17.5.13.1. The number of SDRs received during a particular time standard by customer with breakdown by shipping activity showing dollar value and discrepancy type. Reports will measure customer compliance with SDR submission time standards and ILCO compliance with SDR processing time standards.

C17.5.13.2. A breakdown of SDR action activity response showing actions taken to include dollar value of credit authorized and reshipped materiel.

C17.5.14. Responsibilities

C17.5.14.1. The ILCO shall:

C17.5.14.1.1. Complete initial SDR screening in accordance with this manual and DoD 5105.38-M.

C17.5.14.1.2. Review all SDRs received for processing and determine proper course of action based on available case history data. Reject discrepancy reports that fail to meet Security Assistance time and dollar standards (with exception of those that require disposition instructions for wrong item received or misdirected shipments) or do not contain required data, unless such data is readily available, at the ILCO. Forward SDRs to the appropriate ICP/IMM, shipping depot, or GSA action activity.

C17.5.14.1.3. Reject duplicate SDRs, except those that are resubmitted to request reconsideration of previous decision.

C17.5.14.1.4. Review all requests for reconsideration that contest a reconsideration decision (second request for reconsideration). Reject those requests

that lack sufficient justification or were not received within the established time standards.

C17.5.14.1.5. Process to the Security Assistance customer initial acknowledgment of receipt of SDR replies and/or denials.

C17.5.14.1.6. Report the disposition of SDRs applicable to materiel and services to the DFAS-DE/I as required in the DoD 7000.14-R, Volume 15.

C17.5.14.1.7. Review SDR replies from action activities for completeness and reject those that do not specify necessary information, e.g. disposition instructions for discrepant materiel. Under DLMS transactional exchange, the ILCO reject transaction may be directed to the action activity to identify necessary corrections. After three ILCO reject transactions, the action activity should be contacted off-line to clarify the issues involved.

C17.5.14.1.8. Maintain records of all Security Assistance-related discrepancy reports to completion.

C17.5.15.2. The DoD ICP/IMM, shipping depot, or GSA shall:

C17.5.15.2.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.5.15.2.2. Furnish properly completed SDRs to the ILCO for further processing to the Security Assistance customer. The action activity shall cite the appropriate reply code (Appendix 3).

C17.5.15.2.3. Based upon the validated SDR, request that DFAS authorize adjustment/credit in accordance with MILSBILLS procedures under DLM 4000.25, Volume 4, Finance.

C17.5.15.2.4. Provide signed evidence of shipment to the ILCO when non-receipt of materiel is involved. If this documentation cannot be provided, appropriate credit is required.

C17.5.15.2.5. Provide documentation that is matched to the quantity shipped for concealed shortages. Examples of such documentation are those that contain size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the difference is required.