

DLMSO

August 26, 1998

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Request for a Revised Implementation Date for Joint Approved MILS Change Letters (AMCLs) 10 (MILSTRAP) AND 34) (MILSTRIP), Identification of Product Quality Deficiency Related Materiel

The attached change to DoD 4000.25-M, DLMS, Volume 2, DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), and DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP), is forwarded for evaluation and submission of the earliest coordinated Service/Agency implementation date.

This change is one of approximately 26 MILSTRIP and MILSTRAP approved changes which the Components were unable to implement on schedule as resources were shifted to support the Corporate Information Management (CIM) single standard system effort. With the demise of that effort, the Defense Logistics Management Standards Office (DLMSO), in conjunction with the DoD Supply PRC, has agreed to establish revised implementation dates. Joint AMCLs 10 and 34 was initially published as an approved change on September 28, 1990 for implementation November 1, 1994. The Components agreed to submission of Joint AMCLs 10 and 34 for a revised implementation date at the March 23-25, 1998 DoD Supply Process Review Committee (PRC) meeting. Changes to the AMCLs discussed at the meeting are identified by bold underscored text. We will use the dates provided in response to this request to establish a mutually satisfactory revised implementation date.

Procedures associated with this approved change have been incorporated in the DoD 4000.25-M, DLMS, Volume 2, based upon the original AMCL. This publication will be updated to reflect the revisions contained in the attachment.

Please review the attached change and provide your earliest implementation date to DLMSO no later than 60 days from the date of this memorandum. Addressees may direct questions to the DLMSO points of contact, Ms. Mary Jane Johnson, for MILSTRAP, 703-275-5266, DSN 235-5266, or e-mail: maryjane_johnson@hq.dla.mil; and Ms. Vermella Savage, for MILSTRIP, 703-275-5272, DSN 235-5272,

or e-mail: vermella_savage@hq.dla.mil. Others must contact their Service or Agency designated representative.

/s/
JAMES A. JOHNSON
Director
Defense Logistics Managemetn
Standards Office

Attachment

DISTRIBUTION:

Supply PRC Members:

USA AMCLG-SM/ATCL SAL
USN NAVSUP 4113B/NAVICP 101.01/SPCC-031B
USAF AFMC/LGIM
CMC LPS-1/LPP-2
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**REQUEST FOR REVISED IMPLEMENTATION DATE (RFRID)
FOR JOINT APPROVED MILS CHANGE LETTERS (AMCLS)
10 (MILSTRAP) AND 34 (MILSTRIP)**

**Identification of Product Quality Deficiency
Related Materiel**

1. **References:**

a. DoD 4000.25-2-M, May 1, 1987, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), as amended

b. DoD 4000.25-1-M, May 1, 1987, Military Standard Requisitioning and Issue Procedures (MILSTRIP), as amended

c. AMCSM-PDA letter, July 28, 1987, subject: Proposed Change to MILSTRAP, Expanded Use of Supply Condition Code Q

d. DLSSO-BT letter, December 9, 1987, subject: Proposed MILSTRAP Change Letter (PMCL) 1, Inter-Service/Agency Use of Supply Condition Code Q

e. DLSSO-BT letter, July 11, 1988, subject: DoD MILSTRAP Focal Point Committee Meeting FY 88-2

f. DLSSO-BT letter, August 19, 1987, subject: Proposed MILSTRAP Change Letter (PMCL) 116, Supply Condition Code U to Identify Deficient Materiel

g. DLA-OS letter, September 25, 1985, subject: Request for Change to MILSTRAP - New Condition Code "U" to Identify Nonconforming Materiel

h. DoD 4160.21-M, March 1990, Defense Reutilization and Marketing Manual

i. Decisions of the Comptroller General, 43 Comp Gen 15, B-150468, subject: Sales - Conditions Reducing Price - Propriety; to the Director, Defense Supply Agency, July 2, 1963

j. DLSSD-BT letter, October 31, 1988, Proposed MILSTRAP Change Letter (PMCL) 1A, Inter-Service/Agency Use of Supply Condition Code Q to Identify Product Quality Deficiency Related Materiel

k. DLA-OSC letter, January 29, 1990, subject:

Restriction on Product Quality Deficient Materiel to the Federal Government (Enclosure 1)

l. Telephone conversations, July 12 AND 19, 1990, between Ms. M.J. Johnson (DLSSD-BT) and the Service/Agency MILSTRAP Focal Point Representatives

m. Federal Acquisition Regulation, April 1, 1984, as amended

n. DLSSO-CB letter, September 26, 1988, subject: Approved MILSBILLS Change Letter (AMCL) 45, Adjustments for Product Quality Deficiency Reports (PQDRs) (NOTAL)

o. DLAI 4155.24/AR 702-7/SECNAVINST 4855.5B/AFI 21-115, May 1, 1997, Product Quality Deficiency Report Program

p. DoD Disposal Program Improvement Study, May 1986, Logistics Systems Analysis Office (LSAO)

q. DoD OIG(I) Final Report, December 24, 1985, subject: Inspection of the Defense Reutilization and Marketing Service (DRMS)

r. DASD(L/SD) memorandum, April 8, 1987, subject: Condition Codes (NOTAL)

s. AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400.21/MCO P441022C, April 27, 1990, Wholesale Inventory Management and Logistics Support of MultiService Used Nonconsumable Items

t. DoD 4140.26-M, January 1992, Defense Integrated Materiel Management Manual for Consumable Items

2. **Change Concept/Rationale:**

a. **Concept.** Revise MILSTRAP (reference 1a) and MILSTRIP (reference 1b) to:

(1) Provide a standard means of identifying and controlling potential/confirmed product quality deficiency related materiel, both within each Service/Agency and across Service/Agency lines.

(2) Identify, to Defense Reutilization and Marketing

(DRM) activities, shipments of materiel which are deficient, may not be used within the DoD, and must be withheld from reutilization screening and local reutilization.

(3) Enable DRM activities to distinguish between deficient materiel which must be mutilated, for public health/safety or national security reasons, and that which does not require mutilation and may be sold with a provision that it not be resold to the DoD.

b. Rationale:

(1) Based on an Army request (reference 1c), PMCL 1 (reference 1d) proposed the removal of the intra-Air Force restriction from the definition of Supply Condition Code (SCC) Q (Suspended, Quality Deficient Exhibits) to allow inter-Service/ Agency use of the code at the wholesale level. The DoD MILSTRAP Focal Point Committee discussed the PMCL 1 comments at MILSTRAP Meeting FY 88-2 (reference 1d). During the discussion, the Air Force revealed that they used the code at all levels of supply, not just wholesale, and for all suspect assets related to a reported quality deficiency, not just exhibits. The Army's proposed use of the code for exhibits only, although compatible with the present code definition, would require redesign of the Air Force system. The Air Force was not amenable to this approach. The System Administrator believed that inter-Service/ Agency use of SCC Q under the Air Force interpretation would be in the best interests of the DoD. It would also negate the need for the new code proposed by PMCL 116 (reference 1f) to identify and control deficient materiel, which DLA recommended by reference 1g. She also stated that the purpose of supply condition codes is to classify materiel in terms of readiness for issue and use, not to achieve the management control over exhibits desired by the Army. The Committee, except for the Army representative, concurred with the Air Force use of the code and agreed that DLSSD should staff a revised proposal to combine the concepts of PMCL 1 and PMCL 116.

(2) DoD 4160.21-M (reference 1h) requires that defective materiel which is dangerous to public health or safety be rendered innocuous, or that adequate safeguards be made therefor, before the materiel is transferred for utilization, donated, or sold. Following a thorough evaluation -- including a legal counsel review of the Comptroller General's decision (reference 1i) regarding improprieties in property mutilation -- DLA concluded that mutilation,

which would reduce the property sales value, should not be applied to deficient materiel which is not dangerous to public health/safety or national security. Additionally, DLA made arrangements with the DRMS to accept dangerous materiel and assure its mutilation. It is expected that the Services, who also have limited mutilation capability, will wish to follow DLA's approach.

(3) When deficient materiel is not mutilated to preclude its future use or restoration as a serviceable part, it can be sold by the DRM activities at public sale only to be repurchased by the DoD based on a low bid on a Government contract. Believing that DRM sales restrictions might help to prevent materiel from reentering the supply system, and give DoD legal recourse should it do so, the DoD MILSTRAP System Administrator agreed to assign a management code indicating that such restrictions should be applied. However, following internal coordination, DLMSO raised concerns that use of such restrictions might countermand the intent of the Comptroller General's decision. We, therefore, omitted any wording addressing such restrictions from code definition in PMCL 1A (reference 1j) and asked DLA to investigate the legality of their application. As stated in DLA's reference 1k letter (Enclosure 1), DLA confirmed the legality of including a contractual provision in surplus sales contracts prohibiting the resale of selected defective or nonconforming materiel to the government. DLA also indicated that DRMS will revise DoD 4160.21-M to incorporate the requirement for such a resale restriction in their sales contract and effect the change concurrent with implementation of AMCL 10. As discussed in the reference 1.1 telephone conversations, we are, based on DLA's findings, including a restrictive resale provision in the Management Code O definition.

(4) As also discussed in the reference 1.1 telephone conversations, to further tighten controls to prevent reentry of deficient materiel to the DoD inventory, procuring activities should use an appropriate FAR (reference 1M) clause, such as 52.210-6 or 52.210-7, for solicitation of items with known conformance problems, as a minimum. For use of these clauses to be effective, however, there must be a means in place to track former government surplus materiel, being sold back to the government by a contractor, to deficient materiel previously sold by DRMS.

(5) Management codes, included in MILSTRIP and MILSTRAP documentation for shipments of deficient materiel to DRM activities, will indicate which materiel must be mutilated and which, although it cannot be used within the DoD may be sold by DRMS with a

restriction that it not be resold to the DoD.

(6) The supply condition code is retained in the reutilization and marketing system as the first position of the federal condition code. Also, the revised DRM system will retain the management code. Therefore, the supply condition code, in conjunction with the management codes, will identify to DRM activities, and to their local customers, the assets to which DoD use restrictions apply.

(7) Based on MILSBILLS AMCL 45 (reference 1n), DLA has revised the quality deficiency reporting instruction (reference 1o) to require entry of a 14-position MILSTRIP document number (containing a code U in the first position of the serial number) on the PQDR when the original requisition document number cannot be identified. When reported materiel is directed for return, the supply source must establish the needed controls for supply accountability and financial accounting. This approved change recognizes the supply interface with the quality process and requires the use of the original requisition number, or assigned MILSTRIP document number, in the due-in record when the supply source directs return of the materiel.

(8) The attached procedures also accomplish the Disposal Program Improvement Study (reference 1p) and DoD IG audit report (reference 1q) recommendations, tasked to DLSSD by reference 1r, to separately identify defective and hazardous materiel being shipped to DRM activities from other materiel being reported in SCC H (Unserviceable, Condemned).

3. Interface/Impact:

a. Interface:

(1) Requires interface among supply sources/retail activities, storage activities, and reutilization and marketing activities.

(2) Requires interface among the supply, quality assurance, procurement, and DRM operations/systems.

(3) Requires interface among the supply, quality, and

financial functions and processes to assure that due-in records are established, pre-positioned materiel receipts are provided to the receiving storage activities, and financial adjustments are processed when reported product quality deficiency related materiel is directed for return.

(4) Requires MILSTRAP Focal Point coordination with their Service/Agency Quality Deficiency Reporting Focal Point and MILSBILLS Focal Point to assure document number interface and other issues are addressed.

(5) Requires DLSSD coordination with LOGDRMS to publish a revised item definition for an approved DoD standard data element (i.e., definition of SCC Q) to be effective concurrent with the implementation of this change.

(6) Requires interface among supply and reutilization and marketing to assure that a restrictive resale clause is applied by DRM activities, when selling deficient materiel not requiring mutilation, to help prevent deficient materiel from reentering the DoD inventory.

(7) Requires interface among supply, quality assurance, reutilization and marketing, and procurement functions to assure that inspection requirements are adequate to help prevent deficient materiel from reentering the DoD inventory. As a minimum, Services and Agencies should consider reviewing and amending, if necessary, inspection criteria used when procuring materiel for which there has been a known sale, by the Government, of deficient materiel for the item. Services and Agencies should assure that they can track former government surplus materiel procured by DoD, back to lots of deficient materiel previously sold by DRM activities. Providing such a capability is in place, an appropriate FAR clause should be included in, as a minimum, solicitations for items known to have been deficient in the past. DLA has identified the following FAR clauses, which require the contractor to identify former government surplus materiel which is being resold to the government, as applicable: 52.210-6, Listing of Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property; and 52.210-7, Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property. Other FAR clauses may also be appropriate. In the opinion of the DLA General Counsel (Enclosure 1), use of such a

restrictive clause does not violate the Comptroller General decision cited earlier. The use of controls to prevent reentry of SCC Q materiel to the DoD supply system is a Service/Agency responsibility.

(8) Requires advance or concurrent publication in AMC-R 700-99 et al. (reference 1s) and DoD 4140.26-M (reference 1t) of the logistics reassignment policy for SCC Q.

b. Impact:

(1) Requires modification of DoD, DRM, and Service/Agency implementing procedures and processing systems.

(2) Requires modification of DoD 4160.21-M to incorporate a requirement for a restrictive resale clause to be used in sales contracts for SCC Q materiel sent to DRM with Management Code O.

(3) May require modification of internal Service/Agency product quality deficiency reporting procedures to require inclusion of the original document number, when available, in intra-Service/Agency PQDRs and to assure assignment of a MILSTRIP document number for controlling the due-in when the original requisition number is not known.

(4) May require revision of Service/Agency MILSTRAP/MILSTRIP implementing publications to require item managers to establish a due-in and prescribe use of SCC Q when directing and to require use of SCC Q and related management codes in disposal turn-in documents.

(5) May require modification of financial adjustment procedures to ensure that credits, when appropriate, are processed.

4. Procedures:

a. AMCL 10. Revise MILSTRAP as follows:

(1) Definitions and Terms. Add the following entries:

"DEFICIENT MATERIEL. See product quality deficiency."

"PRODUCT QUALITY DEFICIENCY. A defect or nonconforming condition which limits or prohibits the product from fulfilling its intended purpose. Included are deficiencies in design, specification, material, manufacturing, and workmanship. (DLAI 4155.24 (reference (m)).)"

(2) Chapter 3. Add new section D to read as follows and renumber the remaining sections accordingly:

"D. ISSUE TO DRMO OF SUPPLY CONDITION CODE Q MATERIEL

When an inspection or technical/engineering analysis reveals a product quality deficiency which prohibits further DoD use of the materiel, the ICP will direct the transfer of the materiel to the DRMO in Supply Condition Code Q. Disposal release orders and related issue transactions for this materiel must cite either Management Code O (alpha) to identify deficient materiel which does not require mutilation or Management Code S to identify deficient materiel which requires mutilation. When Management Code S is entered, ICPs will also provide the specific mutilation requirements to the DRMO. NOTE: Management Code S may be used only when the Service/Agency has made prior official arrangements with the DRMS."

(3) Chapter 4, Section B, Paragraph 3. Add a new paragraph to read:

"3. When ICPs direct materiel for return based on a reported product quality deficiency, they will prescribe use of Supply Condition Code Q in the disposition instructions to the returning activity. ICPs shall establish and monitor dues-in for all returns of potential/confirmed product quality deficiency related materiel, citing the document number included in the report. Provide PMRs for the returns to receiving storage activities, under section C, citing the due-in document number and supply condition code."

(4) Chapter 4, Section I, Subparagraph 2.e(9). Revise
to read:

"(9) **Product Quality Deficiency.** It is normally preferable for the receiving activity to retain custody of the materiel, whether or not it has been accepted. Report the deficient quantity as a condition Q receipt. The ICP or CAO/PO will determine if litigation or informal action with the procurement instrument source should be initiated. ***The ICP will take action to transfer the assets under chapter 5, paragraph B.2.***"

(5) Chapter 4, Section I, Subparagraph 3c(9). Revise
to read:

"(9) **Product Quality Deficiency.** ***Supply Condition Code Q entered in PMRs will indicate that the receipt is related to a reported product quality deficiency. Storage activities will report receipt of this materiel in condition Q. Do not cite a discrepant receipt management code in the transaction. Based on the results of the inspection or technical/engineering analysis, ICPs will direct the appropriate materiel disposition (see chapter 5, section B).***"

(6) Chapter 5, Section B, Changes In Condition of Materiel. Add the following new paragraph 2 and renumber the remaining paragraphs and revise the Table of Contents accordingly:

"2. **Reclassification of Condition Q Product Quality Deficiency Related Materiel**

a. ***Storage activities will report discrepant receipts in condition Q as prescribed by the chapter 4, subparagraph I.2.e(9) and I.3.c(9), receipt processing procedures. When directed by the owner, storage activities will also transfer stored, including suspended, materiel to Supply Condition Code Q and report the action using a dual adjustment transaction following the paragraph 1a***

procedures in this section.

b. When inspection or technical/engineering analysis of materiel confirms a product quality deficiency, possibilities for other use of the materiel within the DoD, as well as public health/safety and national security interests, must be considered. Owners will determine if the further use of the item can be made within the DoD.

c. When inspection or technical/engineering analysis of materiel indicates that litigation action is required, the owner will direct transfer of the materiel to Supply Condition L.

d. If the deficiency does not prohibit further DoD use (e.g., the defect is minor or the item meets specifications for another NSN), owners will direct storage activities to reidentify and/or transfer the suspended condition Q materiel to the appropriate condition. Storage activities will, within 3 calendar days from receipt of the ICP direction, reclassify the condition Q materiel to the appropriate condition. Report completion of this action with a DI Code DAC Inventory Adjustment – Dual, using the same document number originally used to report the materiel in condition Q (i.e., the document number of the original receipt or adjustment transaction). Enter the new supply condition code in record position 66 and Supply Condition Code Q in record position 71 of the dual adjustment. For reidentifications, storage activities will follow the section G procedures.

e. If the deficiency prohibits further DoD use, the materiel will remain in Supply Condition Code Q and owners will direct transfer of the materiel to DRMOs following the chapter 3 procedures.”

(7) Chapter 5, Section B, Renumbered Subparagraph 3b.

Add a last sentence to renumbered paragraph 3, Reclassification of Condition L Receipts, subparagraph b, as follows:

“b. Owners are responsible for monitoring materiel suspended in condition L and directing transfer of the materiel to its correct condition when litigation or other action to resolve the

discrepancy is completed. *If inspection or technical/engineering analysis confirms that a product quality deficiency prohibits further use of the materiel within the DoD, the owner shall direct transfer of the materiel to Supply Condition Code Q."*

(8) Chapter 5, Section B, Renumbered Paragraph 6. Add a new subparagraph c, to renumbered paragraph 6, Monitoring Assets Recorded in Suspended Supply Condition Codes, as follows:

"c. Although there is no prescribed timeframe for transferring suspended materiel from Supply Condition Code Q, supply sources will review all records for materiel suspended in condition Q at least monthly. Supply sources will take necessary action to ensure expeditious inspection or technical/engineering analysis of suspect assets and prompt transfer of the assets, under paragraph 2 of this section, based on the inspection results."

(9) Chapter 5, Section H, Paragraphs 1 and 2. Revise to read:

"1. When *materiel is not identified by an NSN and is actually scrap*, Services and Agencies may prescribe that it be classified in Supply Condition Code S for turn-in to DRMOs. Otherwise, only materiel recorded on accountable records in Supply Condition Codes A through H **and Q** will be reported or turned in to the DRMO.

2. When excess, serviceable, or unserviceable materiel is classified in Supply Condition Code J, K, L, M, N, P, **[code deleted]** or R, activities must initiate action to reclassify the materiel to an acceptable supply condition code (A through H, S, **or Q**) before preparing the turn-in documentation. Section B contains the materiel reclassification procedures."

(10) Chapter 11, Section C, Subparagraph 2b. Revise the subparagraph to read as follows:

"c. Nonconsumable assets in Supply Condition Codes G, H, J, K, L, M, P, **and Q**. Supply Condition H and P materiel will never be decapitalized. (See AMC-R 700-99, et al., (reference (qq)) for complete criteria.)"

(11) Chapter 11, Section D, Subparagraph 1c. Revise the subparagraph to read as follows:

"I. Assets in Supply Condition Codes Q [*text deleted*] and R will be reclassified by the LIM to the appropriate supply condition code before the LIM provides the updated supply control study, prescribed by paragraph C5, to the GIM."

(12) Appendix B6, Federal Condition Codes. Revise the code Q entry under "Supply Condition Codes" as follows:

CODE	TITLE	DEFINITION
"Q	Suspended (Product Quality Deficiency Exhibits)	<i>Potential and confirmed product quality deficiency related materiel which is prohibited for use within DoD and prohibited for reutilization screening. Includes product quality deficiency exhibits returned by customers/users as directed by the IMM due to technical deficiencies reported by Product Quality Deficiency Reports. Exhibits require technical or engineering analysis to determine cause of failure to perform in accordance with specifications."</i>

(13) Appendix B7, Management Codes, Paragraph a. Add the following code 0 (alpha) and S entries to paragraph a, Receipt Related Transactions:

CODE	APPLICABLE DI CODES	DEFINITION
"O (alpha)	D6_	<p><i>Materiel is not hazardous to public health/safety or national security. Materiel is prohibited for DoD use but may be sold by the DRMO. DRMO must assure that all sales include a restrictive resale provision to preclude reentry of the materiel to the DoD supply system.</i></p>
O (alpha)	All other DI codes	Reserved for future DoD assignment.
S	D4_	<p>Materiel receipt discrepancy; discrepancy report submission required. Vendor caused misdirected shipment from procurement instrument source. Materiel meets acceptance criteria specified in the contract.</p>
S	D6_	<p><i>Materiel is hazardous to public health/safety or national security. DRMO shall assure mutilation is accomplished. Specific mutilation requirements are provided by separate correspondence, citing the disposal turn-in document number. (May be used in disposal release orders to DRMOs only when the Service or Agency of the activity directing the shipment has made prior official arrangements with the DRMS.)</i></p>

CODE	APPLICABLE DI CODES	DEFINITION
S	All other DI codes	Reserved for future DoD assignment."

(14) Appendix B7, Management Codes, Paragraph b.

Revise the introduction, renumber existing footnotes 1 and 2 as footnotes 2 and 3 respectively, add a new footnote 1, and revise the code O (alpha) and S entries as follows:

"b. **ISSUE RELATED TRANSACTIONS.** Management codes are assigned for use in record position 72 of MILSTRAP issue related transactions (DI Code D7_ Issues, DG_ Backorders, and DHA Demands) and MILSTRIP (reference (h)) transactions (DI Code A4_ Referral Orders, A5_ Materiel/Disposal Release Orders, A6_ Materiel/Disposal Release Denials, *ACJ Disposal Release Cancellations*, AE6 Supply Status, *AEJ Disposal Supply Status*, *AFJ Disposal Release Followups*, *AGJ Reply to Disposal Release Cancellations*, *AKJ Disposal Release Cancellation Followups*, *ARJ, ARK, and ARL Disposal Release Confirmations*) and related release documentation (when applicable), as indicated below:"

CODE	APPLICABLE DI CODES	DEFINITION
"O (alpha)	<i>D7J, A5J, ACJ, AEJ, AFJ, AGJ, AKJ, ARJ, ARK, ARL¹</i>	<i>Materiel is not hazardous to public health/safety or national security. Materiel is prohibited for DoD use but may be sold by the DRM. DRMO must assure that all sales include a restrictive resale provision to include reentry of the materiel to the DoD supply system.</i>
O (alpha)	DHA, D7_ less D7J, A4_	No demand.
O (alpha)	All other DI codes	Reserved for future DoD assignment.

¹ Also applicable to DI codes assigned by Services/Agencies for use on the DTID below the wholesale level.

CODE	APPLICABLE DI CODES	DEFINITION
S	D7J, A5J, ACJ, AEJ, AFJ, AGJ, AKJ, ARJ, ARK, ARL ²	<i>Materiel is hazardous to public health/safety or national security. DRMO must assure mutilation is accomplished. Specific mutilation requirements are provided by separate correspondence, citing the disposal turn-in document number. (May be used in disposal release orders to DRMOs only when the Service or Agency of the activity directing the shipment has made prior official arrangements with the DRMS.)</i>
S	DHA, D7_ <i>less</i> D7J, A4_	Commissary resale demand.
S	All other DI codes	Reserved for future DoD assignment."

b. AMCL 34. Revise MILSTRIP as follows:

(1) Table of Contents for Chapter 3, Requisition Processing and Related Actions. Revise the titles of paragraph AM and AN as follows:

a. "AM. DIRECTING MATERIEL TO DEFENSE REUTILIZATION AND MARKETING OFFICES."

b. "AN. PROCESSING MATERIEL TO DEFENSE REUTILIZATION AND MARKETING OFFICES."

(2) Chapter 3, Paragraph AM. Revise as follows:

"AM. DIRECTING MATERIEL TO DEFENSE REUTILIZATION AND MARKETING

²Also applicable to DI codes assigned by Services/Agencies for use on the DTID below the wholesale level.

OFFICES

1. Supply sources will utilize the DRO (A5J) and related transactions to direct and control issue of supply system stocks on their accountable records to DRMOs. DROs are transmitted to the storage site having custody of the stock and result in the preparation of the DD Form 1348-1A as outlined in chapter 5, paragraph E. Preparation of DROs will be accomplished using the appendix C12 format. *If the item is classified in Supply Condition Code Q and is being transferred to a DRMO, the DRO will contain Management Code O (alpha) or S, as appropriate, to indicate if the materiel is hazardous to public health/safety and whether mutilation is required. (See MILSTRAP (reference (cc)), appendix B7.) (NOTE: materiel requiring mutilation may not be consigned to DRMOs unless the Service/Agency of the activity directing the shipment has made prior official arrangements with the DRMS. If mutilation is required, provide specific instructions to the DRMO by separate correspondence, citing the DTID number.)* When the quantity to be transferred to a DRMO exceeds the capability of the quantity field, rp 25-29, multiple DROs with new document numbers will be utilized. When multiple DROs are required, each DRO prepared for the same item will contain the total retention quantity in rp 55-61. When the quantity to be retained exceeds the capability of the retention quantity field, rp 55-61, the transaction will be processed off line."

(3) Chapter 3, Paragraph AN. Revise the title to read as follows:

"AN. PROCESSING MATERIEL TO DEFENSE REUTILIZATION AND MARKETING OFFICES".

(4) CHAPTER 3, Paragraph AN. Renumber subparagraphs AN.2. through AN.6. as AN.3. through AN.7., respectively.

(5) Chapter 3, Paragraph AN. Add a new subparagraph 2 as follows:

"2. The transfer of an item in Supply Condition Code Q requires the entry of Management Code O (alpha) or S, as appropriate, on the DTID to indicate if the materiel is hazardous to public health/safety and whether utilization is required. (See MILSTRAP (reference (cc)), appendix B7.)"

Enclosure (ENCLOSURES SENT TO ADDRESSEES WITH HARD COPY)