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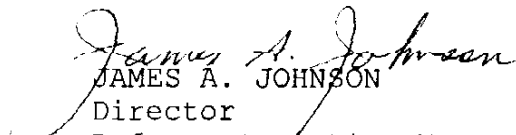
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SEP 2 6 2000

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Approved DLMS Change 37, Intransit Control of
           Shipments to Defense Reutilization and Marketing
           Offices (DRMOs) (Supply/MILSTRIP) (Staffed as PDC 58)

    The attached approved change to DoD 4000.25-1-M, Military
Standard Requisitioning and Issue Procedures (MILSTRIP), and DoD
4000.25-M, Defense Logistics Management System (DLMS), is
provided for implementation on November 1, 2000 (except as noted
in the attachment for interface with the Federal Logistics
Information System (FLIS)).

    Addressees may direct questions to the DLMSO point of
contact, Ms. Ellen Hilert, DSN 427-0676, (703) 767-0676, or
e-mail: ellen_hilert@hq.dla.mil or Ms. Vermella Savage,
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All others please contact your designated Component
representative.

                              JAMES A. JOHNSON
                              Director
                              Defense Logistics Management
                              Standards Office

Attachment

DISTRIBUTION:
Supply PRC Members

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LMI
Joint Group on Material Management-Disposal Policy Working Group

1. ORIGINATOR:

    a.   **Service/Agency:** DLA/DLSC lead for Joint Group on Material Management

    b.   **Originator:** Dave Robbins and Tom Ruckdaschel, DLSC-LC,

2. FUNCTIONAL AREA: Supply

3. REQUESTED CHANGE:

    a.   **Title:** **Intransit Control of Shipments to DRMOs**

    b.   **Description of Change:** Current guidance directs that shipment transaction notices be submitted for all property sent to Defense Reutilization and Marketing Offices (DRMOs). The current system has no transaction edits and many erroneous transactions are passed, creating mismatches and leading to a perception of fraud, waste, and abuse. This change would modify the Intransit Control System (ICS) by adding edits by the Defense Automated Addressing System Center (DAASC) to improve the operation and value of the ICS, and by changing the match validation criteria. Specific changes within the DAASC process are: (1) Validation of DoDAAC, quantity, Federal Supply Class, and unit price fields. (2) Appending of a "critical flag" to the ICS follow-up transactions (DIC AFX/AFZ) to help the Services prioritize research and resolution. Specific changes within the ICS are: (1) The DTID and FSC only will determine intransit matches. (2) The AFX transaction will be changed to generate at 90 days from posting of the XR1/XR3/AS3. (3) When the AFX generates with code 36, close the transaction and place in the history file. No further processing will be required. (4) The second follow-up, AFZ transaction, will generate at 30 days after the first follow-up, AFX transaction. (5) The edit for quantity verification between the XR1/XR3/AS3, code 35, quantity variance will be removed. Other related changes included herein are the deletion of drivers receipt copies upon turn-in, elimination of the requirement for mail back copies of Disposal Turn In Documents (DTIDs), and changes to Advice Codes applicable to ICS.

    c.   **Procedures:**

    (1) Replace DoD 4000.25-1-M, Chapter 3, paragraph AL, as follows:

AL. *PREPARATION OF SHIPMENTS TO DEFENSE REUTILIZATION AND MARKETING OFFICES*

1. *Shipments/transfers to DRMOs will normally require a Disposal Turn-In Document, (DD Form 1348-1A or DD Form 1348-2) and documentation for intransit control* of property identified

by an NSN or local stock number (and excluding scrap [Supply Condition Code S], waste, non-appropriated fund activity, and lost, abandoned, or unclaimed privately owned personal property) shipped/transferred to a DRMO from the time of release by a shipping activity until receipt of the property by the DRMO. Activities will furnish one DI AS3 shipment status transaction, under Chapter 4, to the DRMS for each DTID sent to a DRMO, regardless of dollar value.

a. Only those DI AS3 shipment status transactions applicable to shipments*/transfers* of usable property directed to DRMOs with a line item value of $800 or more per the *(Federal Logistics Information System (FLIS)* and for all shipments*/transfers* of pilferable or *sensitive* items (based on CIIC code) regardless of dollar value will be entered into the *intransit control system (ICS).* The extended value of the shipment will be determined on the basis of the document number, quantity, and the unit price. The unit price will be obtained from the *FLIS.*

b. *The use of this system will provide a capability to monitor shipments/transfers to DRMOs. This system will also provide a capability for DRMS to furnish information to S/A headquarters concerning the shipment/transfer of property to DRMOs.*

2. These procedures do not negate the authority of the DRMO to refuse acceptance of accountability and physical receipt of certain types and classes of materiel *as prescribed by* DoD 4160.21-M, chapter 3. If it is determined that the materiel is not acceptable, (categories of materiel that are not physically acceptable in a DRMO are listed in DoD 4160.21-M) and the shipment is rejected/returned to the shipper, the DRMO will provide notice of rejection to DRMS under existing *procedures, thus purging the ICS suspense file*. Guidance on shipment notices and ICS processing is applicable only to usable items being ~~physically~~ *shipped/*transferred to a DRMO.

(2) Replace DoD 4000.25-1-M, Chapter 3, paragraph AN, as follows:

AN. PROCESSING MATERIEL TO THE DEFENSE REUTILIZATION AND MARKETING SERVICE

1. The *shipment/*transfer of materiel to a DRMO on a DTID requires authority for disposal, which must be indicated on the DTID by entry of the appropriate disposal authority code (appendix B26). *Ensure property is reported to the IMM prior to DTID preparation, if required, per DoDD 4140.1-R.*

2. Activities lacking an ability to prepare mechanically processable transactions and/or electrically transmit them to the ICS will arrange for such preparation and/or AUTODIN transmission of the intransit control transactions by the nearest facility having such capabilities. When support from another activity cannot be obtained, transactions may be mailed, *or transmitted electronically (e-mail, etc),* to DRMS. These must include the in-the-clear address of the activity and a point of contact. DLA/DRMS will coordinate with the military services to determine options for any activities that consistently mail transactions.

3. Activities will direct/process all accountable materiel to disposal using the DTID (DD Form 1348-lA *or DD Form 1348-2*). *Some categories of nonaccountable property may be transferred to a DRMO*

without documentation. Guidance will be provided by the servicing DRMO.

4. For each DTID, activities will furnish one Dl AS3 shipment status transaction, under chapter 4, to the DRMS for each shipment*/transfer* sent to a DRMO without regard to the dollar value. Only those DI AS3s applicable to shipments*/transfers* with a line item value of $800 or more per the **FLIS** and for all shipments*/transfers* of pilferable or *sensitive* items (based on CIIC code) regardless of dollar value will be entered into the ***intransit control system (ICS).*** Activities will prepare and transmit the DI AS3 shipment status transaction, with Distribution Code 9 in rp 54 and the unit price of the materiel in rp 62-68, in the appendix C17 format to the DRMS when a DRC (DI ARJ, ARK, or ARL) is created by the shipping activity reflecting the actual quantity shipped and the date delivered to the carrier for shipment. The DI AS3 shipment status transaction will initiate the suspense file in the ICS, which will, as a minimum, contain the following data:

DATA ELEMENT	SOURCE
Document Number	AS3/***DAISY*** Receipt
NSN/FSC/FSG (if available)	AS3/***DAISY*** Receipt
Unit of Issue	AS3/***DAISY*** Receipt
Extended Dollar Value of Shipment (if available)	***calculated from FLIS unit price***
Controlled Inventory Item Code	***FLIS***
Quantity Shipped	AS3
Date of Shipment	AS3
Quantity Received	***DAISY*** Receipt
Date of Receipt	***DAISY*** Receipt
Extended Dollar Value of Receipt	***DAISY*** Receipt
Dollar Value of Quantity Variance Between Shipment and Receipt (if any)	(Internal computation)

5. Procedures

    a. ***Defense Automated Addressing System Center***

    (1) DAASC will edit the AS3s before passing them to DRMS:

(a) Reject, to the generating activity, those with invalid DoDAACs, invalid FSCs (FSC does not exist), and those with quantities of zero or blank. The rejected transaction will be returned to the originating station with a narrative explanation of the reason for return and instructions not to resubmit.

(b) Edit the unit price: if the transaction contains a local stock number with a blank or zero unit price, reject; if NSN and blank or zero unit price, insert the FLIS price.[1]

(2) DAASC will "flag" ICS follow-up transactions (DIC AFX/AFZ) to help the Services prioritize research and resolution of these transactions. These transactions will include "CRITICAL' in rp 67-74; identifying sensitive items, demil required items, and all items in "critical classes." DAASC will make the determination for appending the critical flag as follows:

(a) To determine if critical class, match FS Group or Class (as appropriate) to table built from DoD 4160.21-M, Chapter 3, Attachment 1.

(b) To determine if demil required, match NSN to FLIS looking for demil code = C, D, E, or F.[2]

(c) To determine if sensitive item, match NSN to FLIS for CIIC looking for Sensitive Item Codes = 1, 2, 3, 4, 5, 6, 8, Q, R, $.[3]

b. Defense Reutilization and Marketing Office

(1) The *DRMO will accept accountability of the shipment if the materiel is acceptable based on the established criteria in DoD 4160.21-M.*

(2) The DRMO will furnish *documentation of receipt* of the DTID upon request by the shipping activity. **NOTE:** The DRMO will always furnish a copy of the signed DTID for all shipments containing quantity discrepancies. The DRMO will note the difference in the quantity received and the quantity shipped on the DTID.

(3) If an error exists because the quantity received is less than or greater than the quantity entered on the DTID, the DRMO shall notify the shipping activity. (see DoD 4160.21-M, chapter 3 *and DLAI 4140.55/SECNAVINST 4355.18A/AFJMAN 23-215/AR 735-11-2).*

c. Defense Reutilization and Marketing Service

(1) When a *DAISY* "receipt of usable property" or "receipt" is processed by DRMS, it will be compared with the suspense file generated by the shipment status transaction (Dl AS3); the DAISY receipt will open the ICS transaction if there is no matching AS3. The suspense file will remain on open file

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[1] FLIS interface for unit price will not be available until April 2001.
[2] FLIS interface for demil code will not be available until April 2001.
[3] FLIS interface for CIIC will not be available until April 2001

for a period of one year from the date it is initiated unless it is closed by one of the actions specified below. All transactions generated by *ICS* will be transmitted through DAASC to the activity in rp 30-35 of the AS3. ICPs/IMMs receiving these transactions will forward them to the shipping activity as appropriate (see Appendix C5).

The suspense file will be closed:	If the receipt matches a shipment status transaction (DI AS3) previously recorded in the suspense file. ***A match is based on DTID number and FSC.***
Forward a follow-up transaction	If, after a period of ***90*** days from the date of DRMS posting of the receipt, there is no matching shipment status transaction, and the extended value is $800 or more, or the item is recorded as pilferable or sensitive. ***This notification (DI AFX with advice code 36) will close the ICS suspense.***
	When, after a period of ***90*** days, there is no receipt applicable to a shipment status transaction and the extended value of the AS3 is more than $800 or the item is recorded as pilferable or sensitive. ***This follow-up will be a DI AFX with advice code 37***.

(2) If a disposal supply status transaction (DI AE3) or a disposal shipment confirmation transaction (DI ASZ) is not received within 30 days of transmission of the disposal shipment/receipt confirmation follow-up a second disposal shipment confirmation follow-up transaction using DI AFZ will be generated. The record will remain open for a period of 1 year from the date it was originated unless closed by a response to the AFZ follow-up. When moved from the active suspense file, records will be placed on an accessible history file for an additional 2-year period.

(3) Receipt of supply status (DI AE3) will direct further ICS processing.

DE supply status	Advise the ICS to terminate intransit control processing for the document number in question. If received in response to DI AFX/AFZ with Advice Code 37, a record of the AS3 transaction is not required.
DF supply status	Advise the ICS to remove the record from the active suspense file and place the record in an accessible history file for a period of 2 years.
DG supply status	Close the record in ICS, processing is considered complete. DRMS will use its own procedures to determine why notification of receipt of the materiel had not been sent by the DRMO to DRMS and the ICS will retain an accessible history file record for 2 years.

DH supply status	Close the record, intransit processing is considered complete and an accessible history file record will be retained by the ICS for a period of 2 years.
BF supply status	Remove the record from the active suspense file and place it in the accessible history file for a period of 2 years.

(4) If a shipment status transaction (DI ASZ) is received by the *ICS*, intransit control for the document number in question is considered complete. Accessible history file records will contain NSNs, quantities, document numbers, dollar value of variances (if any), and the identity of applicable shipping activities and DRMOs.

     d. Shipping Activity

(1) Supply organizations in receipt of disposal shipment confirmation follow-ups (DI AFX or AFZ) will ensure that applicable shipping activities review receipt documentation, and provide timely responses (within *30* working days of receipt of the follow-up). *AFX transactions with advice code "36" do not require a response.*

(2) Upon receipt of a follow-up, the shipping activity will respond to the follow-up, by supply status, DI AE3, or shipment status, as follows:

Provide BF supply status	When the shipping activity has no record of the shipment nor of generating the shipment status (DI AS3) and has not received receipt documentation of the DTID.
Provide DE supply status	When it is determined that although shipment status (Dl AS3) had been sent, no shipment had been made or no record of shipment, other than the AS3 transaction, can be located.
Provide DF supply status	When receipt documentation is not available, but investigation indicates that property was removed from the storage area and cannot be located. The shipping activity will perform additional research as determined by S/A procedures, including, if necessary, referral to the appropriate criminal investigative activity.
Provide shipment status (ASZ)	When the shipping activity (the activity in receipt of the (AFX/AFZ)) has no record of generating a shipment status transaction (Dl AS3) but has received receipt documentation of the DTID.

3. As requested, the DRMS will provide tailored Special Extract Reports.

(3) Revise DoD 4000.25-1-M, Figure 5-4, as follows:

Delete (5) If activity requires a driver's return copy, a fifth copy will accompany the shipment.

Rationale: Meets revised receiving criteria agreed to within OSD and published in DoD 4160.21-M.

(4) Revise DoD 4000.25-1-M, Appendix B15, as follows:

(a) Delete code 35

(b) Revise code 36 as follows:

Code	Explanation
36	A DRMO receipt exists for which a matching AS3 has not been received. ***No response is required.*** (For use with DIC AFX by DRMS only.)

(5) Replace DoD 4000.25-1-M, References, paragraph (k) as follows:

DoD 4160.21-M, "Defense Materiel Disposition Manual," August 1997, authorized by DoDD 4140.1-R, May 1998.

(6) Replace DoD 4000.25-1-M, Appendix C5 as attached.

4.   REASON FOR CHANGE: The current system for tracking property intransit to disposal is outdated and provides little control or management data. The current system has often been severely criticized by GAO and requires change. These changes will enhance the system and improve responsiveness….especially to follow-up transactions. Changes regarding turn-in and receipt copies are made to coincide with OSD approved changes in DRMO receiving procedures published in DoD 4160.21-M.

5.   ADVANTAGES AND DISADVANTAGES:

   a.   Advantages: These changes do not require systems changes by the Military Services and therefore should be easy and relatively inexpensive to implement, while greatly reducing the number of "mismatches" in the ICS. The changes outlined here have been presented through the Joint Group on Material Management.

   b.   **Disadvantages:** The basis of the ICS remains, at this time, an unstructured data file, not a database. Nonetheless, some changes must be made to respond to OSD and GAO

concerns.

6. IMPACT:

   a.   Data Content/Procedures:

   b.   **Publication(s):** DoD 4000.25-1-M, possibly DoD 4160.21-M and service publications

FEDERAL STOCK CLASSES REQUIRING TURN-IN BY VALID NSN
Reference: Paragraph C2b

GROUP 10	FSC 2305	FSC 5826
ALL FSCs	FSC 2330	FSC 5840
	FSC 2350	FSC 5841
GROUP 11		FSC 5845
ALL FSCs	GROUP 28	FSC 5850
	FSC 2840	FSC 5855
GROUP 12	FSC 2845	FSC 5860
ALL FSCs		FSC 5865
	GROUP 29	
GROUP 13	FSC 2915	GROUP 59
ALL FSCs		FSC 5963
	GROUP 36	FSC 5985
GROUP 14	FSC 3690	FSC 5998
ALL FSCs		FSC 5999
	GROUP 42	
GROUP 15	FSC 4230	GROUP 66
FSC 1560		FSC 6615
	GROUP 44	
GROUP 16	FSC 4470	GROUP 69
FSC 1670		FSC 6920
	GROUP 49	FSC 6930
GROUP 17	FSC 4921	FSC 6940
FSC 1710	FSC 4923	
FSC 1720	FSC 4925	GROUP 84
	FSC 4927	FSC 8470
GROUP 18	FSC 4931	FSC 8475
FSC 1810	FSC 4933	
FSC 1820	FSC 4935	
FSC 1830	FSC 4960	
FSC 1840		
	GROUP 58	
GROUP 19	FSC 5810*	* Disposal of FSC
FSC 1905	FSC 5811*	5810/5811 equipment which is
	FSC 5821	classified or designated CCI is
GROUP 23	FSC 5825	the responsibility of the owning

military service.

APPENDIX C5

DISPOSAL SHIPMENT CONFIRMATION FOLLOWUP

1. The following entries will apply when shipment status has been received from a shipping activity by DRMS on shipments to DRMOs.

FIELD LEGEND	RECORD POSITION(S)	ENTRY AND INSTRUCTIONS
Document Identifier	1-3	DI AFX for initial followup. DI AFZ when response to initial followup has not been received.
Routing Identifier	4-6	See paragraph 3 instructions below.
All Other Fields	7-61	Duplicate entries from shipment status document (DI AS3).
Blank	62-64	Leave blank.
Advice	65-66	Enter advice code from appendix B15 indicating the reason for followup.
Research Guidance	*67-74*	*"CRITICAL" or blank, as appropriate.*
Blank	75-80	Leave blank.

2. The following entries will apply when shipment status has not been received from a shipping activity by DRMS on shipments to DRMOs.

FIELD LEGEND	RECORD POSITION(S)	ENTRY AND INSTRUCTIONS
Document Identifier	1-3	Enter DI AFX for initial followup. Enter DI AFZ when response to initial followup has not been received.
Routing Identifier	4-6	See paragraph 3 instructions below.
Media and Status	7	Leave blank.
Stock Number	8-22	Enter stock number/data as shown in the DRMO receipt of usable property document.
Unit of Issue	23-24	Enter unit of issue as shown in the DRMO receipt of usable property document.
Quantity	25-29	Enter quantity as shown in the DRMO receipt of usable property document.
Document Number	30-43	Enter document number as shown in the DRMO receipt of usable property document.

Suffix	44	Enter suffix as shown in the DRMO receipt of usable property document or leave blank when none is entered by DRMO.
Supplementary Address	45-50	Enter DoDAAC of receiving DRMO.
Signal	51	Leave blank.
Fund	52-53	Leave blank.
Distribution	54	Enter 9.
All Other Fields	55-64	Leave blank.
Advice	65-66	Enter advice code from appendix B indicating the reason for the followup.
Research Guidance	***67-74***	***"CRITICAL" or blank, as appropriate.***
Blank	75-80	Leave blank.

3. DI AFX/AFZ Routing Instruction:

    a. DRMS will generate DI AFX/AFZs with rp 4-6 always blank.

    b. DAAS will route DI AFX/AFZs to rp 4-6 or to rp 30-35 if rp 4-6 are blank.

    c. ICP/IMMs receiving DI AFX/AFZs (based on the entry in rp 30-35) will:

        (1) Entry the shipping activity RI in rp 4-6 of the DI AFX/AFZ and route them to the shipping activity via DAAS for the shipping activity to answer directly to DRMS using DI ASZ; or

        (2) Perform research with the shipping activity in order to provide either an ICP/IMM or storage activity DI ASZ answer to DRMS.