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MAY 8 2008

IN REPLY
REFER TO DLMSO

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 282, Consolidation and Containerization Points (CCP)-Originated Supply Discrepancy Reports (SDRs) including Noncompliant Wood Packaging Material (WPM) Procedures and Shipment Hold Code (Supply/SDR) (Staffed as PDC 295)

The attached change to DoD 4000.25-M, Defense Logistics Management System (DLMS), and DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, is approved for implementation. This change is scheduled for implementation by the Distribution Standard System (DSS) 8.2 Release July through September 2008. The updated DLMS Supplement has been posted to the DLMSO Web site, <http://www.dla.mil/j-6/dlms0/elibrary/TransFormats/formats.asp>.

Addressees may direct questions to the Defense Logistics Management Standards Office point of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676; DSN 427-0676; or, e-mail: Ellen.Hilert@dla.mil. Others must contact their Component designated representative.

DONALD C. PIPP
Director
Defense Logistics Management
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Attachment

cc:
SDR Committees (U.S. & SA)
ADUSD(SCI/L&MR)

ADC 282
CCP-Originated SDRs including Noncompliant WPM Procedures
and Shipment Hold Code

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. Functional POC: Defense Distribution Center (DDC), CML 717-770-4561, DSN 771-4561, FAX 771-6997

2. FUNCTIONAL AREA: Supply (SDR)

3. REFERENCE: DLMSO memorandum dated August 14, 2006, subject: Approved DLMS Change (ADC) 206, Discrepancy Reporting for Wood Packing Material (WPM).

4. REQUESTED CHANGE: This proposal identifies data content and process changes supporting generation of electronic DLMS SDRs by the CCP. This change also identifies a new Shipment Hold code to be used internally by the CCP in conjunction with noncompliant WPM shipments. **Yellow highlights** indicate updates since proposal staffing.

5. BACKGROUND:

a. Intent of the transaction: DLMS SDR transaction (842A/W) is used to notify responsible parties of discrepant shipments including packaging discrepancies.

b. Scenario for which the transaction is used: This change is requested to support generation of DLMS SDRs at the CCP. The initial use will involve shipments using noncompliant Wood Packaging Materials (WPM) and shipping through the CCPs to OCONUS sites. These are required to be packed in/on wood that complies with DoD 4140.01-M-1 and International Standards for Phytosanitary Measures (ISPM) 15 requirements. The CCP will prepare an SDR to notify responsible parties that their WPM is not in compliance. CCP shipments with noncompliant WPM will not be held for disposition; shipments on noncompliant pallets will immediately be repalletized onto compliant wood pallets. Boxes, crates, etc., will be sent to a remediation area through use of current DSS PPP&M process, and placed in a hold status of "W" until remediation is completed. SDRs will be generated for both pallet replacements and box/crate rebuilds. Labor and material to be remediated will be charged to CCP Cost Code. CCPs to provide this type of SDR are DDSP, New Cumberland, Pennsylvania; DDJC, San Joaquin, California; DDWG, Warner Robins, Georgia; DDOO, Oklahoma City, Oklahoma; and, DDNV, Norfolk, Virginia. SDRs will be used to notify ICPs of vendor shipments placed in or on noncompliant WPM, or shipments from Service depots that arrive in or on noncompliant WPM.

c. Procedures, transactions, data elements, processing details in use today: Since 2001, CCPs have been self-certifying noncompliant WPM shipments using the DoD Pest Free stamp criteria, and absorbing the cost. OSD/USDA/EU authorization to use the DoD stamp expired December 31, 2007. After this date, the only authorized WPM mark is the International Plant Protection Convention (IPPC) stamp. IPPC stamp may be used after shipments with noncompliant WPM are either repackaged in compliant wood or heat treated. The American Lumber Standards Committee (ALSC) provides DDC Depot Box Shops a monthly WPM audit and authorizes them to use the IPPC stamp. DoD policy requires use of the IPPC stamp and

SDRs against noncompliant shipments entering the CCPs. Currently CCP SDRs may be prepared manually or force-fit into the Distribution Standard System SDR process.

6. PROPOSED DATA AND PROCESS CHANGES:

a. Requested change in detail: Provide a new SDR Type Code to be assigned to SDRs prepared by CCPs, and authorize the SDR data structure to support shipment level SDRs when applicable. Although, the initial plan is to use the new SDR Type Code to report discrepancies found in WPM on shipments through the CCP, the SDR process may support identification of other packaging discrepancies as needed. The combination of type code and discrepancy code clearly identifies WPM SDRs prepared by the CCP; other discrepancy conditions are subject to future programming/enhancement. Because CCP shipments and available data are different than new procurement for mission stock, SDR data fields associated with this new SDR Type Code will be used differently. CCP-generated SDRs will be structured as follows. Eventually much of this information may be prepopulated at the CCP from the due-in (DLMS 856A, Receipt/Shipment-Consolidation/Due-In Notice).

(1) **SDR Initiator:** The CCP will be identified by a specific CCP DoDAAC.

(2) **SDR To Address:** The CCP will identify the supply source (ICP) that directed the shipment by Routing Identifier. (Future enhancement may be needed to accommodate base level shipments not directed by the ICP.)

(3) **TCN** will be mandatory and will be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one will be assigned in accordance with DTR 4500.9-R, Part II, Appendix L.

(4) **Document Number** is mandatory for DLMS SDR transactions. The CCP will be authorized to generate a document number based upon the CCP DoDAAC. This is necessary because there will be occurrences when the original document number is not available, when the shipment contains multiple document numbers, or when no document number was assigned to the shipment. CCP-generated document number will be transmitted in the Document Number field. Actual document number assigned to the shipment, whenever available, will be systemically populated in the Remarks field, so that it is available for research purposes.

(5) **Contract Number and Vendor Shipment Identification.** GSA contract numbers are 19 characters, so field length in WebSDR must be expanded to accommodate this. The Contract Number or Document Number must be provided in order for supply source to take any action on vendor shipments. Because Contract Number, Call/Order Number, and Shipment Number are not part of the 856A due-in notice provided to the CCP at this time, they are not always available; however, Contract Number, Call/Order Number, and Shipment Number may be manually entered into the SDR if found on the shipment.

(6) **Shipper.** The shipper will be identified on the SDR when available. WebSDR currently uses CAGE or RIC to identify a shipper. This ADC authorizes capability to identify a DoD shipper by DoDAAC. This will support prepopulation based upon the DLMS Defense Transportation E-Business (DTEB)-approved transaction for the due-in to the CCP (856A) which uses a DoDAAC to identify the DoD shipper. This capability will be evaluated by DLA/DDC for adoption in the CCP-generated SDR as a later enhancement of this process.

(7) **Material Identification.** The CCP will be authorized to deviate from standard procedures which require a specific identification of the material as ordered on the SDR. These SDRs may be at a shipment level where there are multiple items included, or there may not be due-in or documentation available. Therefore, CCP SDR will be authorized to identify the material as “UNKNOWN” or “MIXED” (multipack or other consolidation of different items). This will be done using the 842 qualifier ZZ, Mutually Defined, DLMS Note: Use to identify material by other than NSN or part number. Component implementing applications receiving this transaction may choose most appropriate mapping for internal processing. When available from the due-in, the field will be prepopulated.

(8) **Quantity Received , Quantity Discrepant, and Unit of Issue.** These entries will be consistent with the material identification. If material identification is not specific, this information may be left blank. Many CCP shipments are multipacks, so these fields could not always be accurately reported. If the SDR has ‘UNKNOWN’ or ‘MIXED’ in the material identification field, the Quantity Received, Discrepant Quantity, and Unit of Issue will be left blank. But if there is an NSN or Part Number, quantity and unit of issue will be reported.

(9) **Repackaging Cost.** The repackaging cost will identify total corrective action cost to include material and labor.

(10) **Type Pack.** This is a new data element on an SDR transaction; it will be added to identify the type of noncompliant WPM or used as applicable for other types of packaging discrepancies. Component implementing applications receiving this transaction may choose most appropriate mapping for internal processing or defer for future implementation

(11) **Number of Pieces.** This is a new data element on an SDR transaction; it will be added to identify the number of discrepant WPM boxes/crates/skids, etc or other containers with packaging discrepancies. Component implementing applications receiving this transaction may choose most appropriate mapping for internal processing or defer for future implementation.

(12) **.Point of Contact (POC)** information will be provided for the CCP.

(13) **Action Code.** For noncompliant WPM, the SDR will indicate Action Code **IZ**, Other action requested (see remarks). The remarks block will say, “*Noncompliant WPM remediated; do not reply to SDR (POC info provided if assistance is needed). Contact shipper to promote future compliance, and if vendor, for reimbursement.*”

(14) **SDR Document Type Code.** Assign SDR Type Code W, Transshipment SDR (e.g. CCP-originated). **The text name is updated to facilitate future expansion to other transhippers. The document type code is the mechanism authorizing TCN-level SDR data content.**

b. Proposed procedures: The CCP will prepare a SDR to notify owner/manager (e.g. ICP directing shipment were known) that their OCONUS WPM shipment is not in compliance with DoD 4140.01-M-1 and ISPM 15 requirements. (The approved procedures do not identify a requirement for sending a copy of the SDR to the shipper when the SDR is sent to the ICP that directed the shipment.) The expiration of the DoD Pest Free mark and the requirement to use the 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 must be sent out 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 will be sent to a remediation area through use of current DSS PPP&M process, and placed in a hold status of "W" until remediation is completed. SDRs will be generated for both pallet replacements and box/crate rebuilds. SDR does not require a response from the supply source, but is provided so that the supply source may take appropriate action with the vendor. The SDR will be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. Comment field may display standard message indicating reply to POC is needed if SDR was sent to the wrong supply source. Labor and materiel to remediate will be charged to CCP Cost Code.

c. Revise the DLMS Supplement (DS) 842A/W as shown in the Enclosure 1.

d. Concurrently, revise the DS 842A/W with administrative updates to better clarify guidance provided in the DLMS notes as shown in the Enclosure 2.

e. Update MILSTRIP, Appendix 2.17, Shipment Hold Codes, DLMS, and all applicable data repositories which do not currently include Shipment (or Transportation) Hold Code W as shown in Enclosure 2. Changes identified in *bold italics* (red text).

f. Revise the DLMS manual as shown in Enclosure 3 and provide corresponding changes to the joint SDR instruction/regulation. Changes identified in *bold italics* (red text).

g. Alternatives:

(1) Use only hard copy SF 364.

(2) Multiple alternatives have been discussed prior to staffing of this PDC.

Linking the material identification and quantities to the discrepant packing (box/crate/skid) was recommended to minimize impact on automated SDR applications. While this might be more expedient, it is not consistent with business rules which require the material identification/quantities to match the material originally ordered.

(3) Use email SDR distribution (possibly as interim measure).

7. REASON FOR CHANGE: Purpose of change is to create an efficient automated process for CCPs to use in submitting SDRs. Goal is to help managers identify and correct noncompliant vendors, and to improve SDR processing times. Change will also provide an automated process for research and trend analysis to identify noncompliant shippers. Current SDR Type Codes are not a good fit for CCP shipments. DLMSO supports the above approach as the most consistent with DoD direction for electronic advance shipment notice/due-in which will support pre-population of data content, reducing key entry at the CCP and reducing the number of amount of unavailable information.

8. ADVANTAGES AND DISADVANTAGES:

a. Advantages (tangible/intangible): A SDR Type Code dedicated to CCPs will eliminate any misuse of other type codes. It will provide a research tool to readily identify noncompliant shippers for corrective action, eliminating costly labor and materials spent bringing those shipments into compliance. In accordance with the DoD Manual and ISPM 15 requirements, when a noncompliant WPM shipment is frustrated at a foreign port it is the

financial responsibility of the last identified shipper to reimburse that port for repackaging and disposal of noncompliant WPM.

b. Disadvantages: Requires reprogramming to recognize shipment level SDRs (new content and nontradition material identification content.

9. NOTE ANY REGULATIONS OR GUIDANCE: Mandated by DoD 4140.01-M-1 Compliance For Defense Packaging: Phytosanitary Requirements For Wood Packaging Material (WPM) effective September 7, 2007.

10. ESTIMATED TIME LINE/IMPLEMENTATION TARGET (OPTIONAL): DLMS Change should take place on or before implementation of System Change Request #136415, slated for the Distribution Support System (DSS) 8.2 Increment, to be implemented on or about July 2008.

11. IMPACT:

a. Without an efficient automated SDR process for CCP, the CCPs will face production losses due to cumbersome manual processing. Current SDR types are not designed for the type of data that is available on CCP shipments. Failure to do SDR processing will mean the expense to remediate noncompliant WPM gets funded by ICPs and Services, rather than the vendors, who are already contracted to perform this service. Vendors shipping noncompliant WPM will not get identified or corrected.

SDR applications that recognize SDR type codes may be required to recognize the new SDR Type W, CCP-originated transshipment.

b. Material Identification. SDR data content, as specified above, may require reprogramming for successful processing, primarily due to lack of previously required valid material identification.

c. Packaging SDRs. Components should indicate whether the data elements for type pack and number of pieces should be included in other packaging SDR formats (e.g., for DoD WebSDR input, etc).

d. Interface Issues. The CCP due-in information should be leveraged to prepare the SDR and minimize any manual entry by CCP personnel. However, the 856A due-in notice provided to the CCP for vendor shipments does not currently include the new procurement information. Recommend the adoption/population of data fields for contract number, CLIN/SubCLIN, Call/Order Number, Shipment Number. The DDC/HQ J3 should consider submitting a DTEB DM to modify the 856A as suggested.

e. DoD WebSDR. WebSDR screens/edits supporting this process will not be available for initial implementation. Modification of the web submission process shall be identified as a future low priority enhancement pending identification of requirements for WebSDR use by other transshippers.

f. DAAS Distribution of CCP WPM SDRs. Unless otherwise directed, DAAS/WebSDR will forward the SDR to the activity identified by the Routing Identifier-To (party to receive report) as populated by the CCP. Alternative procedures based upon document type code/discrepancy code may be needed to ensure that the SDR reaches the correct action

activity. If necessary, DAASC will be asked to redirect these SDRs to an appropriate email address. (In order to accomplish this by the planned implementation date any organizations requiring this feature must **notify DLMSO by June 1**. Without such a specific requirement, the programming to support this process will not be authorized and may not be prioritized for completion by the initial implementation date.

Enclosure 1, ADC Updates to the DLMS Supplement (DS) 842A/W, Standard SDR, Follow-up, Correction, Cancellation, & Reconsideration Request

Changes identified in bold italics:

Item #	Location	Revision to 4030 842A/W	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC 282 to DLMS Introductory note 5:</u></p> <p><i>- ADC 282, Consolidation Containerization Points (CCP)-Originated Supply Discrepancy Reports (SDRs) including Noncompliant Wood Packaging Material (WPM)</i></p>	To identify DLMS changes included in supplement.
2.	2/LIN02/0200	<p><u>Revise DLMS Note for Qualifier ZZ.</u></p> <p>Product/Service ID Qualifier Federal Note: Use for material identification.</p> <p>FS National Stock Number DLMS Note: 1. Use to identify the NSN for the material. 2. For FS: WebSDR field length = 13</p> <p>MG Manufacturer's Part Number DLMS Note: 1. Use to identify the part number for the item. 2. For MG: WebSDR field length = 32</p> <p>ZZ Mutually Defined DLMS Note: 1. Use to identify material by other than NSN or part number (<i>includes management control number or locally assigned material identification control numbers</i>). <i>2. Packaging Discrepancies reported by transshippers may use "UNKNOWN" or "MIXED" when specific material identification is not available or the shipment level SDR applies to mixed content.</i> 3. For ZZ: WebSDR field length = 50</p>	<p>Clarification: Qualifier ZZ is not accepted by all systems, but is currently authorized on SDRs - the DLMS note clarifies current and planned intent under this PDC. The field length refers to the DAAS data base for WebSDR; preferred field length corresponding to ZZ may be clarified during staffing.</p> <p>Component implementing applications receiving this transaction may choose most appropriate mapping for internal processing.</p>
3.	2/LQ01/1050	<p><u>Add qualifier "40" and DLMS note:</u></p> <p><i>40 Type Pack Code</i> <i>DLMS Note:</i> <i>1. Use to identify the DoD Type of Pack Code. May be provided when reporting packaging discrepancies. Required for CCP-originated discrepancies.</i></p> <p><i>2. For 40: WebSDR field Length = 2</i></p>	<p>The CCP will provide this code and it will be available in the WebSDR transaction query view, but it is not mandatory that all systems receive this data element. The expectation is that codes such as PT, BX, CR, and SD will be used. Refer to the code list is available on the DLMSO web at https://www.dla.mil/j-6/dlms0/eApplications/Log</p>

			drms/logview/lqvqrpt.asp?FindCode=40&tockword=P&ACK&Code37=00&camefrom=&inat= (The DoD value will be passed, so the the X12 code needed for conversion is not used in this context)
4.	2/LQ01/1050	<u>Revise DLMS Note to identify new code value</u> D Court Document Type Code DLMS Note: Use to identify the Type Document Code. This is a DLA/DoD WebSDR data element used to identify the type of discrepant report and type of shipment involved. Code list is based upon DLAH 4140.4, CDCS Handbook. Valid entries are for SDR types are: 6 – Customer originated, direct vendor delivery 7 – Customer originated, depot/lateral shipment V - Customer originated, lateral shipment under TAV 8 – Depot originated, depot receipt from non-procurement source (other than RDO) A - Storage site receipt, customer return/other (Note: Requires authorization prior to use.) 9 - Depot originated, vendor delivery to depot P - Storage site receipt, vendor delivery (new procurement) (Note: Requires authorization prior to use.) R - Depot originated, redistribution order receipt N - Storage site receipt, depot shipment (RDO) (Note: Requires authorization prior to use.) W - Transshipment SDR (e.g. Consolidation Containerization Points (CCP) originated) An ANSI data maintenance action has been taken to obtain a more appropriate code for use in a future version/release.	The CCP Type code is necessary to alert systems that data content follows different business rules.
5.	2/QTY01/2700	<u>Add qualifier “FL” and DLMS note:</u> <i>FL Units</i> <i>DLMS Note:</i> <i>1. Use to identify the number of discrepant pieces as specified by the type of pack, e.g., the number of discrepant boxes, skids, etc when reporting a packaging discrepancy. May be provided when reporting packaging discrepancies. Required for CCP-originated discrepancies.</i> <i>2. When used the value for type pack is identified from the DoD code list (2/LQ01/1050). Unit of issue is not used.</i>	The CCP will provide this data element and it will be available in the WebSDR transaction query view, but it is not mandatory that all systems receive this data element.

		3. For FL: WebSDR field Length = 3	
6.	2/QTY01/2700	<p>Revise DLMS Note:</p> <p>86 Nonconformance Quantity</p> <p>DLMS Note:</p> <p>1. <i>Must be used</i> to indicate the discrepant/deficient quantity.</p> <p>2. <i>By exception, may be blank for CCP originated SDRs (Document Type=W). Refer to ADC 282.</i></p> <p>3. For 86: WebSDR field length = 7</p>	Clarifies new procedures.
7.	2/NTE01/2400	<p>Add DLMS Note 2 to the following qualifier:</p> <p>RPT Report Remarks</p> <p>DLMS Note: 1. Use to identify the narrative comments associated with the SDR.</p> <p>2. <i>CCP-generated SDRs prepared at the TCN level may use the remarks block to identify specific document numbers consolidated on the shipment or other detailed information where available.</i></p>	Clarifies new procedures.
8.	2/N101/2800	<p>Revise DLMS note for the following qualifier:</p> <p>N101 SH Shipper</p> <p>DLMS Note: Use to identify the shipping activity by Routing Identifier, DoDAAC, or CAGE or the activity name if code is unavailable. Include clear text address when required by Component.</p> <p>N102</p> <p>DLMS Note: 1. Use to identify the name of the manufacturer.</p> <p>2. <i>Equates to address line 1 for the submitter or shipper clear text name. Used when customer input for the reporting activity information or shipper's information is not available or differs from data extracted from the DOD</i></p>	<p>Clarifies new procedures.</p> <p>Shipper DoDAAC for CCP-generated SDRs is a longer term requirement; not essential for July implementation.</p> <p>Clear text shipper name (as an alternative to code) is not used in current implementation of WebSDR. It will be added as time is available; not essential for July implementation.</p>
9.	2/REF01/0700	<p>Add DLMS Note 2 to the following qualifier:</p> <p>TN Transaction Reference Number</p> <p>DLMS Note: 1. Use to indicate the requisition document number. This entry is required in DoD WebSDR.</p> <p>2. <i>The document number cited on SDRs prepared by the Distribution Depot for new procurement receipts (document type 9) and by the CCP (document type W), will be assigned for this purpose based upon the current date and the DoDAAC of the receiving depot or CCP.</i></p> <p>3. For TN: WebSDR field length = 14</p>	Clarifies new procedures.

Enclosure 2, **Administrative Updates to the DS 842A/W**

Changes identified in bold italics:

Item #	Location	Revision to 4030 842A/W Administrative Updates	Reason
1.	1/BNR01/0200	<p><u>Add DLMS Note 2 for the following qualifier:</u></p> <p>00 Original DLMS Note: 1. Use to identify a new submission.</p> <p><i>2. Transaction Set Purpose Code 00 is also used on WebSDR-forwarded SDRs where the original SDR was directed to the wrong action activity (associated with disposition/status reply code 504). It will appear as a new SDR to the new action activity, but will include identification of the forwarding activity and date forwarded (Qualifier 514).</i></p> <p><u>Revise DLMS Notes for the following qualifiers:</u></p> <p>15 Re-Submission DLMS Note: Use to request reconsideration on a SDR resolution/disposition (SDR <i>must</i> contain additional information/justification). <i>Use only after having received a reply from the action activity.</i></p> <p>22 Information Copy DLMS Note: Use to indicate SDR is information copy dissemination to non-action activities. <i>(Use of this code is not comparable to SDR Action Code 1H which informs the action activity that the SDR is provided for information only).</i></p> <p>28 Query DLMS Note: 1. Use to indicate a follow-up SDR for status on an open SDR. Use only after interim status has been received. Requires point of contact information and action date. Do not perpetuate data contents from previous submission. This type of follow-up may not be treated as an original SDR because original unchanged data content is not perpetuated.</p> <p><i>2. Reserved - not currently available.</i></p> <p>3. This is a DLMS enhancement for future implementation and requires coordination prior to use.</p> <p>47 Transfer DLMS Note: 1. Use to indicate SDR is forwarded by action activity to a secondary action activity.</p> <p><i>2. Reserved - not currently available.</i></p> <p>49 Original – No Response Necessary DLMS Note: 1. Use to indicate SDR is forwarded for update to historical</p>	<p>Clarifies business rules.</p>

		<p>records only. DAAS is intended recipient. When used, the SDR will be recorded in the WebSDR/DAAS data base, but no outgoing transaction will be created. All data content must be provided as comparable to that of non-historical SDRs.</p> <p>2. When Transaction Set Purpose Code 49 is used, the associated date of the SDR action and the Point of Contact (POC) must be specifically identified to the type of action being performed (e.g., cancellation date using Qualifier 177, or follow-up POC using Qualifier SM).</p> <p>3. Also use for receipt acknowledgement. (not authorized for other purposes)</p> <p>CO Corrected DLMS Note: Document Number and Suffix may not be modified from the original submission. If these were identified in error the SDR must be cancelled and resubmitted.</p>	
2.	1/PER/1700 (Segment note)	<p>Revise as follows: DLMS Note: Use a second repetition if needed to identify additional communication numbers. Must provide email address and at least one phone number.</p>	Clarifies business rules.
3.	1/PER/3300 (Segment note)	<p>Revise as follows: DLMS Note:</p> <p>1. Use to identify the report preparer when the customer DoDAAC is identified in this loop (rather than in the transaction header). Only one POC may be identified as the report preparer.</p> <p>2. Use a second repetition if needed to identify additional communication numbers. When used, must provide email address and at least one phone number.</p>	Clarifies business rules.
4.	Various	<p>Mark as reserved for future use those data elements not currently applicable to SDR transaction submission:</p> <p>Reference Numbers (REF04/Qualifier SQ, OC, and QW) Quantity (QTY01/Qualifier GV, WV)</p>	<p>Specific data elements related to discrepant containers and IUID are not currently in use and have been marked to assist SDR transaction implementers.</p> <p>Any future requirements for use of these data elements must be documented by DLMS Change.</p>

AP2.17. APPENDIX 2.17

SHIPMENT HOLD CODES

NUMBER OF CHARACTERS: One.

TYPE OF CODE: Alpha (except I and O).

EXPLANATION: When MILSTRIP-requisitioned materiel is delayed at a shipping activity after it has been picked, packed, marked, and made ready for shipment, the delay will be recorded on the shipment planning worksheet using the appropriate code below and will be reported for inclusion in the MILSTRIP shipment status and MRC transaction.

RECORD POSITION: 51 (in MILSTRIP transactions).

<u>CODE</u>	<u>EXPLANATION</u>
A	Shipment unit held for consolidation.
B	Awaiting carrier equipment.
C	Awaiting export/domestic traffic release.
D	Delay due to diversion to surface resulting from challenge by air clearance activity.
E	Delay resulting from challenge by air clearance activity for which no diversion to surface occurs and materiel was shipped by air.
F	Embargo.
G	Strikes, riots, civil commotion.
H	Acts of God.
J	Shipment delayed to process customer cancellation request(s).
K	Diversion to surface movement due to characteristics of materiel that preclude air shipment; for example, size, weight, or hazard classification.
L	Delay requested and/or concurred in by consignee.
M	Delay to comply with valid delivery dates at CONUS destinations/outloading terminals.
N	Delay due to diversion to air (requisition priority upgraded).
O-V	Reserved.
W	<i>Wood Packing Material (WPM) remediation/decontamination.</i>
X-Y	Reserved.
Z	Holding action of less than 24 hours from date materiel is available for shipment.

C17. CHAPTER 17.

SUPPLY DISCREPANCY REPORTING

C17.1 GENERAL

C17.1.1. Purpose. This chapter establishes information requirements for reporting and processing of Supply Discrepancy Reports (SDRs) (formerly referred to as Reports of Discrepancy (RODs)). The SDR is a tool used to report shipping or packaging discrepancies attributable to the responsibility of the shipper, (including Government sources, contractors/ manufacturers or vendors) and to provide appropriate responses and resolution. The purpose of this 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 DAASC. The DoD approved standard for electronic transmission of SDRs is the DLMS Supplement (DS) to 842A Federal Implementation Convention (IC), Discrepancy Report, an ASC X12-compliant variable-length transaction format for the purpose of communicating deficiency/discrepancy information. Multiple DS are provided to support different SDR related functions. The 842A/W, Standard SDR, shall be employed for transactional exchange of initial reports and associated follow-on actions. The 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point. The DSs for SDRs are available via the [IC/DS page](#) of the DLMSO Web.

C17.1.3. DoD WebSDR. The [DoD WebSDR](#) is a DAASC-maintained system which facilitates transaction exchange that provides a web-based entry method. This WebSDR application is an effort to automate the [SF 364](#) SDR paper form and transition to the DoD standard 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 Logistics Control Office (ILCO) on behalf of the Security Assistance (SA) customer. It controls routing of web submissions and logistics transactions according to business rules using any-to-any translation to support unique and standard transaction formats following the DS 842A/W and 842A/R. It supports information exchange between the customer, the ICP/IMM, and the shipper, and other interested parties. It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and forwarding of SDR resolution responses, in addition to the capture of report and response management statistics. The WebSDR process reduces manual SDR form creation and eliminates dual entry where multiple Component systems are used. It shall provide an automated process for tracking SDR response information. Data collected shall enable DoD 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 within other logistics response measurements in support of perfect order fulfillment. [Computer-based training](#) for DoD WebSDR is available on the DLMSO Web.

C17.1.4. DoD Component members of the SDR Subcommittees (U.S. and SA) of the DoD Supply Process Review Committee are identified on the SDR Subcommittee page of the DLMSO Web.

C17.1.5. Applicability. These SDR procedures are applicable to the DoD Components and external organization elements as defined in Volume 1, Chapter 1. This includes shipments made from Working Capital Funds (WCF) and non-WCF funded activities, SA shipments made under the International Logistics Program, personal property shipments, and shipments received from commercial sources.

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

C17.1.6.1. Discrepancies found while material is in storage. Short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack may be reported by U.S. Government customers only. Material in storage in sealed vendor's packs which 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 (DD) 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 DoD [4500.9-R](#), Defense Transportation Regulation, Part II, Cargo Movement, Chapter 210, Transportation Discrepancy Report (TDR), except as specifically permitted under SA procedures in this chapter.

C17.1.6.6. Product quality deficiencies to the extent covered by Joint [DLAR 4155.24](#), et. al., Product Quality Deficiency Report Program, except as specifically permitted under SA procedures in this chapter.

C17.1.6.7. Discrepancies involving personal property shipments, with the exception of packaging discrepancies relative to personal property.

C17.1.6.8. Billing discrepancies, except as specifically permitted under SA 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 which 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 shown on the authorized shipping documents, to include incorrect or misdirected material, receipts of cancelled requirements, and/or improper or inadequate technical or supply documentation, which 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) which 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 material 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 material is not involved. These discrepancies involve motor, air, water, rail and small package commercial carriers (excludes USPS shipments which are lost or damaged). These are reportable on an SDR only by a SA customer. All others follow TDR policy found in the Defense Transportation Regulation, Part II, Cargo Movement ([DoD 4500.9-R](#)). TDR's 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 which limits or prohibits the item from fulfilling its intended purpose. These include deficiencies in design, specification, material, manufacturing and workmanship. These are reportable on an SDR only by a SA 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 will be investigated within the ICP/IMM under procedures associated with Product Quality Deficiency Reports.

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 SA customers only. Within U.S. Government channels, the billing discrepancy will be processed under Volume 5, Finance. This means the ILCO shall convert the discrepancy to the appropriate DS 812R, Request for Adjustment of Non-Fuel Billing, or DLSS/Military Standard Billing System Document Identifier FAE.

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 DFAS-DE/I for processing all financial discrepancies received directly from a SA purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to SA purchases are reportable on an SDR.

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 cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.2.2. Electronic Communication. Components are encouraged to maximize the use of electronic reporting and response with the goal of paperless processing of supply discrepancies.

Until electronic reporting is universally available, SDRs and associated responses may be reported via hard-copy SF 364, ROD; by electronic means, to include automated discrepancy reporting systems and electronic data interchange; customer service help lines; email; or any other manner acceptable to the submitter and recipient. All manner of reporting must meet the criteria described in this publication. SDRs shall be submitted in accordance with Component-specific guidance via appropriate automated systems or via the internet-based DoD WebSDR available from the DAAS home page at: <https://www.daas.dla.mil/daashome/>. While exceptions may be permitted, the DoD goal is that paper submission of SDRs will be phased out once full implementation of transaction exchange has been achieved.

C17.2.3. Documentation Maintenance. The SF364 (or the electronic version DS 842A/W) and the action activity's response (or electronic DS 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 material shall use the SDR to:

C17.2.4.1. Report shipping discrepancies, packaging discrepancies, and discrepancies or nonreceipt 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 or contest the decision stated in a response.

C17.2.4.4. Provide information copies of the report to interested parties.

C17.2.5. Responsible action activities as identified in this chapter and Appendix 3 shall use 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 the SDR to the appropriate party.

C17.2.5.4. Request additional information on incomplete submissions.

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 SA customers.)

C17.2.7. Interface with Other Material Management Functions (For Future Planning). Under DLMS, discrepancy processing may be used to trigger other standard material management functions. IMMs should plan to use the SDR response to establish a due-in record for return of discrepant material under Chapter 12, Due In and Advanced Shipment Information. By DLMS enhancement,

IMMs may use the Advance Receipt Information (ARI) to advise activities to which storage activity a return is directed under Chapter 12 (refer to DS to 527D, Due-In/Advance Receipt/Due Verification). By DLMS enhancement, IMMs may use the material release order/material receipt confirmation (MRO/MRC) to direct and record return of discrepant material located at DoD shipping depots under Chapter 4, Requisitioning, (refer to DS to 940R, Material Release). IMMs may use material returns supply status to re-direct the return of discrepant material received at other locations under Chapter 5, Status Reporting (refer to DS to 870M, Material Returns Supply Status). When returning discrepant material by DLMS enhancement, shipping activities (other than DoD shipping depots) may prepare shipment status for material returns as described under Chapter 5 (refer to DS to 856R, Shipment Status Material Returns). DLMS enhancements must be coordinated prior to implementation.

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 GSA shall follow the policy of automatic shipment of an item, unless the requisition contains an appropriate 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 Material. U.S. Government activities returning material 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 (CCPs)/transhippers. Refer to guidance for CCP-originated SDRs below.***

C17.2.11. Combining Item and Packaging Discrepancies. When both item discrepancies and packaging discrepancies are noted on the same shipment, both types of discrepancy shall be included on the same report.

C17.2.12. Government Furnished Material (GFM). By agreement, contractors receiving GFM shall comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFM which do not meet minimum dollar value criteria below, may be reported for information only, as a means of notifying the shipper/IMM of the discrepant condition.

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. Identify the SDR type by using the SDR document type code available from the [DLMS Data Element Dictionary/Directory](#). This is a one position code used to describe the type of discrepant report and the type of shipment involved.

C17.3.1.1.2. Identify the discrepancy using the discrepancy code available from the [DLMS Data Element Dictionary/Directory](#). Use up to three codes to describe the discrepancy. If no coding 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, 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. A constructed document number identifying the receiving Distribution Depot (DD) is required for DD receipts reported electronically including new procurement receipts. 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 DS/SF 364.

C17.3.1.3. Requested Action. The SDR originator must indicate what action has been taken concerning the discrepant material and the desired response from the responsible activity. Use the appropriate discrepancy action code available from DLMS Data Element Dictionary/Directory. If no coding exists to adequately describe the action taken or requested disposition, select Code 1Z and use a clear-text description.

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.

C17.3.2. Reporting Criteria

C17.3.2.1. Security Assistance (SA) Discrepancy Reports. SA discrepancy reports below dollar limitations contained in the United States of America Department of State Letter of Offer and Acceptance controlling the case, or any other sales agreement with an SA purchaser, shall not be accepted for processing by the DoD Components unless a valid justification for the submission is also provided.

C17.3.2.2. Non-SA SDRs. Non-SA SDRs fall under the reporting criteria based upon dollar value and/or condition cited below.

C17.3.2.3. GSA and DLA Directed Shipments. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. Report all other discrepant shipments when they meet the conditions and value criteria cited below.

C17.3.2.4. Contractor/Manufacturer or Vendor Shipments. Report discrepant shipments from contractors/manufactures or vendors that meet conditions cited below regardless of dollar value.

C17.3.2.5. Condition of Material

C17.3.2.5.1. 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 material discrepancy code when applicable.

C17.3.2.5.2. Hazardous Material. Report discrepant receipt of hazardous material 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.

C17.3.2.5.3. Missing Part. Report material received for repair which 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.

C17.3.2.5.4. Expired Shelf Life. Report receipt of material 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 material discrepancy code when applicable.

C17.3.2.5.4.1. For Type I DoD and GSA managed items: submit an SDR.

C17.3.2.5.4.2. 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.asp> or through the shelf life program secure site if you have a .mil address.

C17.3.2.5.4.2.1. Type II items requiring laboratory test: query the DoD Quality status Listing (QSL) to determine if the specified Type II item 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.

C17.3.2.5.4.2.2. 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.

C17.3.2.5.4.3. 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.

C17.3.2.6. Canceled Requisitions. An SDR is required when material 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 material. Exception: an SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.7. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.8. Overage/Shortage, Nonreceipt, or Duplicate Discrepancies

C17.3.2.8.1. 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 which are reported regardless of dollar value. Customers may use a clear text description to indicate that erroneous or conflicting MRA information was previously submitted.

C17.3.2.8.2. 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, include fund code and credit-to/bill-to DoDAAC, if different from that in the document number, to ensure that credit/billing is appropriate.

C17.3.2.8.3. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.8.4. QUP Variances. Report quantity variance due to incompatibility of unit of issue between documentation and material received. Automatic adjustment for unit pack is allowable by policy, unless the requisition contains an appropriate advice code, in accordance with Chapter 5, restricting the quantity.

C17.3.2.8.5. Exceptions to Reporting Overage/Shortage. For U.S. Government customers, this does not include transportation discrepancies as follows:

C17.3.2.8.5.1. 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.

C17.3.2.8.5.2. 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.

C17.3.2.8.5.3. 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 agree with the number shown on supply documentation, and actual weight received is within weight range variation.

C17.3.2.8.6. Total Nonreceipts

C17.3.2.8.6.1. 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 the 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 material follow-up procedures. It is strongly recommended that the customer check for requisition status on Web VLIPS, for POS data on DSS MRO Tracker or on the Global Transportation Network, or check SDR status in the DOD WebSDR system 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.

C17.3.2.8.6.2. SA customers reporting non-receipt are required to provide documentation from the freight forwarder indicating that no material 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.

C17.3.2.8.6.3. 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.

C17.3.2.8.7. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.9. Misdirected Material. Report when material, regardless of value, is improperly addressed and shipped to the wrong activity. Properly addressed material incorrectly shipped to the wrong activity while under U.S. Government-controlled transportation is reportable as a transportation discrepancy.

C17.3.2.10. Packaging Discrepancies

C17.3.2.10.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging which 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 DoD 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 material was packaged, as well as the actual damages incurred to the material. The submitter should also include when available the estimated cost of correction of packaging on the initial SDR.

C17.3.2.10.2. Mission or Life Endangering. Report packaging discrepancies regardless of dollar value resulting in damaged material which may endanger life, impair combat or deployment operations, or affect other material, 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 a formal SDR within 24 hours of the initial report.

C17.3.2.10.3. Hazardous Material (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 material. This includes improper identification markings of items and packaging and/or unitized loads. Use hazardous material discrepancy codes when applicable.

C17.3.2.10.4. Excessive Packaging. Report excessive packaging by contractors that result in additional costs to the U.S. Government, regardless of dollar value.

C17.3.2.10.5. 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 material is not packed in required reusable container regardless of dollar value.

C17.3.2.10.6. Personal Property. Report packaging discrepancies involving shipments of personal property not conforming to specifications. Packaging discrepancy reports on personal property shipments shall be prepared at ocean and aerial terminals only.

C17.3.2.10.7. 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 will be responsible for the preparation and submission of an SDR on discrepancies noted on shipments moving through the activity.

C17.3.2.10.8. Improper Packaging of Customer Returned Material. DDs shall send an SDR to the material owner for packaging discrepancies related to customer returned material or inter-depot transferred material. The material owner is responsible for funding packaging costs associated with preparing material for storage and reissue. Packaging discrepancies occurring in material returns are subject to recoupment action at the discretion of the material 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 DRMO. The DD 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.

C17.3.2.10.9. Wood Packaging Material (WPM). Report WPM which 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.*

C17.3.2.10.10. 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 should be included in the SDR.

C17.3.2.10.11. 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 material identified as being electrostatic/electromagnetic (ES/EM) sensitive, regardless of the dollar value.

C17.3.2.10.12. Improper Marking. Prepare an SDR to report any omitted, incomplete, illegible or misplaced *markings*. Report improper identification of containers, or items which require opening the container, or result in improper storage of the material, regardless of cost. Improper marking includes discrepancies related to *passive radio frequency identification (pRFID) tags* as follows:

C17.3.2.10.12.1. 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.

C17.3.2.10.12.2. SDRs may be used to report a tag read *formatted for DoD use*, but which does *relate to an* advance shipment notification containing pRFID content when such advance shipment notification is required by contract provisions or DoD policy.

C17.3.2.10.13. 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.

C17.3.2.10.14. Latent Packaging Discrepancies. Prepare a late SDR for material found in storage with latent preservation and packaging discrepancies. Confine these reports to stocks which constitute a problem resulting from a particular specification, preservation, or packaging method. Reports relative to packaging discrepancies found in storage will be annotated "not incident to shipment."

C17.3.2.11. Product Quality. Report product quality deficiencies relative to SA shipments only. However, the SA 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 material, manufacture, and/or workmanship. The submitter must identify by discrepancy code latent defects and quality deficiencies 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 material; point of contact information (if other than the preparing official); along with a detailed description of the complaint if needed to supplement encoded information. In addition, provide 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:

C17.3.2.11.1. 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.

C17.3.2.11.2. Subsequent tests conducted and results including test equipment model, serial number, and software version along with test readings.

C17.3.2.11.3. Justification that initial receipt inspection and testing could not have detected the deficiency.

C17.3.2.11.4. Documentation of storage and handling of the item since receipt including type of storage.

C17.3.2.12. Quality Related Issues Identified During DD Receipt. Three-position Q-series discrepancy codes have been developed to accommodate material owners with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) material received at the DD. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the material owner. These reports are contingent upon pre-existing receipt restriction requirements which identify the NSN and specific actions the material owner expects the DD to perform. Some of the specific programs which require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: Product Quality Deficiency Report exhibits, items identified as Customer Return Improvement Initiative (CRII) items, Critical Safety Items, items that failed under use, and items requiring First Article Testing.

C17.3.2.13. Technical Data. Report missing and/or incomplete 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 reparables 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 will be charged to the originating activity. Submitter will ensure that the specific description of what documentation is missing is included in the remarks section.

C17.3.2.14. Incorrect Item

C17.3.2.14.1. Report incorrect or misidentified material 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 I&S guidance above.

C17.3.2.14.2. 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 will be provided when the original number is not known. When using a constructed document number in an SDR, include fund code and credit-to/bill-to DoDAAC to ensure that credit/billing is appropriate. When known, include identity of the incorrect item received in the discrepancy report.

C17.3.2.14.3. If an authorized I&S item is not acceptable to a SA customer, the purchaser shall send a customer report of excess under procedures governed by this

manual to the ICP/IMM or GSA, who shall provide disposition instructions. All transportation charges shall be born by the SA customer in this instance.

C17.3.2.15. Repetitive or Other Discrepancies. Report repetitive discrepancies, regardless of dollar value, or when any other condition of an item not listed herein, unless listed specifically under exclusions, at time of receipt.

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

C17.3.3.1. Short. Prepare the SDR to report shortage and use Action Code 1D (material still required). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over balance, the DD will respond using Disposition/Status (Reply) Code 123 (material 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 DD will reply with Disposition/Status (Reply) Code 126 (material not available for reshipment) or 701 (SDR rejected) citing inventory conducted and no overage was discovered; no material will be shipped, OR, inventory conducted and shortage was identified; loss adjustment recorded on DD accountable record, no material will be shipped.

C17.3.3.2. Overage. Prepare the SDR to report overage using Action Code 1B (material being retained). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over-shipment error, the shipping DD will 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 DD will respond with Disposition/Status (Reply) Code 701 (SDR rejected) citing inventory conducted and on-hand balances are correct.

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

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

C17.3.4. Material Returns

17.3.4.1. Discrepancy Greater Than \$100. CONUS and OCONUS activities receiving material returns (excess or redistributed material, or reparable material, 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 material return shipments are classified as unserviceable and uneconomically reparable upon receipt, the receiving activity shall report to the shipping activity. The report shall include material 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. 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 Product Support Integration Directorate (NAMI-PSID) (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, will be sent to NAMI for investigation, with an information copy to DLA (RIC SMS). NAMI will research the discrepancy and forward recommended disposition to DLA for final action. DLA will hold the information copy for not longer than 55 calendar days pending receipt of the recommended disposition from NAMI. After 55 calendar days has elapsed and NAMI recommended resolution has not been received, DLA will follow up for recommended disposition.

C17.3.5.2. Upon receipt of recommended disposition, DLA will review and provide final decision to the customer, along with an information copy to NAMI. DLA shall be responsible for reversing all credits previously paid, issuing debits 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 Not Due In. DDs shall report receipt of unscheduled material from new procurement to the owner/IMM, regardless of condition of material, as a discrepancy. Other unexpected material receipts, including returns and/or redistributions which 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 material with other applicable discrepancies, e.g., missing receiving report/[DD Form 250](#), improper packaging, shall be placed in SCC L pending resolution. Exception: discrepant Critical Safety Item (CSI) material shall be placed in SCC J regardless of whether it is new procurement or returned material. Initial SDR will 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. Material 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 material which is not ICP/IMM directed is subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution depot.

C17.3.7.. Reutilization and Marketing Shipment 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 DRMOs 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.

C17.3.8. Discrepancies in 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 will vary according to multiple factors such as the type of item and the specific contract requirements. Discrepancies identified during receipt of new procurement material must be reported prior to acceptance. Material may be placed in a suspended condition pending resolution. Discrepancies which resulted in incorrect information within the IUID registry at DLIS must be reported and corrective action taken.

C17.3.9 Consolidation and Containerization Points (CCP)/Transshipper-Originated SDRs including Noncompliant Wood Packaging Material (WPM).

C17.3.9.1 The CCP shall prepare a SDR to report packaging discrepancies as described above. In particular, CCPs shall notify ICPs that their OCONUS WPM shipment is not in compliance with DoD 4140.01-M-1 and ISPM 15 requirements. The expiration of the DoD Pest Free mark and the requirement to use the 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 will be sent to a remediation area through use of DSS Packing, Packaging, Preservation & Marking (PPP&M) process, and placed in a hold status of "W" until remediation is completed. SDRs will be generated for both pallet replacements and box/crate rebuilds. This type of SDR does not require a response from the supply source, but is provided so that the supply source may take appropriate action with the Component shipper or vendor. The SDR will be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. The POC may be contacted if SDR was sent to the wrong supply source. Labor and materiel to remediate will be charged to CCP Cost Code.

C17.3.3.2 Data Content. CCPs and other transhippers may follow this guidance for data content. SDRs shall be identified by Document Type code W and will include the number and type of discrepant pieces. The Transportation Control Number (TCN) will be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one will be assigned in accordance with the DTR. CCP SDRs at the shipment level may include multiple items, or there may not be due-in or documentation available. Therefore, the CCP shall generate a document number based upon the CCP DoDAAC if multiple documents are included or the original document number is unavailable. Multiple document numbers, when available, will be recorded in the SDR remarks. Material identification may be identified as “UNKNOWN” or “MIXED” (multi-pack or other consolidation of different items). When this occurs quantity and UI will be left blank. When possible, the shipper will be perpetuated from the due-in notification (e.g. 856A) or shipping documentation.

(renumber remaining paragraphs)

C17.3.10. Follow-Up on Original SDR

C17.3.19.1. When the action activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the reporting activity or the ILCO, acting on behalf of the SA customer, shall submit an SDR identified as a query (follow-up) on a previously submitted report. Prior to submitting a follow-up, the reporting activity or 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 DAAS-assigned control number when known. Follow-up transactions may 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.

C17.3.9.2. If no response is received to the follow-up within 30 calendar days, the originator contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SOS) to request assistance. DDC or SOS will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.3.10. Responsible Action Activity Response to an SDR

C17.3.10.1. Procedures

C17.3.10.1.1. 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 will be investigated as appropriate.

C17.3.10.1.2. 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 disposition/status (reply) code available from [DLMS Data Element Dictionary/Directory](#). If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.10.1.3. Replies. Responsible activities shall reply to SDRs by submission of a DS 842D or other approved SDR response format indicating the appropriate disposition, e.g., acknowledgment of the report, disposition of the material, validation of the report with authorization of financial adjustment, and/or instructions for repair or other types of corrective action. Identify the interim disposition/status using up to three codes disposition/status (reply) codes available from the DLMS Data Element Dictionary/Directory. If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.10.1.4. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification, shall be denied. The responsible activity will use the SDR response and cite the appropriate disposition/status (reply) code.

C17.3.10.1.5. Procedures Unique to SA. The ILCO shall review all discrepancy reports related to SA shipments in accordance with this publication and DoD 5105.38-M, Security Assistance Management Manual, and determine proper course of action based on available FMS case history data. If approved for further processing, the ILCO shall send the SDR to the ICP/IMM, the DoD shipping depot for FMS nonreceipt SDRs, or GSA, as appropriate. ILCOs may consider the associated MRA information during screening. To facilitate SDR processing at the action activity, ILCOs may use a clear text description to clarify when erroneous or conflicting MRA information was previously submitted. The ILCO shall report the disposition of SDRs applicable to material and services to the Defense Finance and Accounting Service – Denver Deputate for Security Assistance (DFAS-DE/I) as required in DoD 7000.14-R, Volume 15. The ILCO shall control and maintain records of all FMS-related discrepancy reports to completion.

C17.3.10.2. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA shall:

C17.3.10.2.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.3.10.2.2. Send the SDR response to include disposition instructions as needed to the customer or the ILCO for SA SDRs. The responsible activity shall provide a point of contact for each SDR response.

C17.3.10.2.3. Based upon validated SDR, request that DFAS authorize adjustment/credit in accordance with Volume 5, Finance.

C17.3.10.2.4. Provide signed evidence of shipment to the ILCO for SA SDR for nonreceipt of material. If this documentation cannot be provided, appropriate credit is required.

C17.3.10.2.5. Provide documentation to the ILCO that is matched to the quantity shipped for SA 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.

C17.3.10.3. Disposition of Material. 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 material (SA), or erroneous or misdirected material.

C17.3.10.3.1. Returning Discrepant Material. When discrepant material is directed to be returned, the responsible activity shall direct the customer to reshipe the material using the same document number under which the material was originally shipped. In those instances where returns are at Government expense, every effort will be made to use the DTS for the return movement. The responsible activity must provide the transportation account code (TAC) chargeable for the transportation services and supporting information, e.g., the bill of lading number. In those cases where an exhibit of the discrepant material is directed for return, the activity requesting this action will pay for exhibit shipment costs. Action activities will furnish DD Form 1348-1A for material to be returned. A copy of the SDR and the shipment document should be included with returned material and annotated as a "SDR RETURN."

C17.3.10.3.2. Discrepant Material in Possession of SA Customers. The SA purchaser country shall be advised that they are limited to 180 calendar days from date of approval/instructions to have material back in custody of the U.S. Government. Discrepant SA material 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 material). This is in accordance with the governing regulation serving as the authority for the turn-in. The local U.S. military activity shall take the material up in stock as a gain to inventory and determine if material is required or is in excess to requirements. If material is required, it shall be retained. If excess to requirements of the local military activity, the material must be reported under Chapter 12.

C17.3.10.4. 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 is required will normally be included in the SDR reply within the specified time limits and directed to the initiator with an information copy to the appropriate control point. For shipments of ammunition, explosives, or other hazardous material, the Department of Defense or GSA responsible activities must provide reports of corrective action in all cases. Wherever possible, use the discrepancy status or disposition code to show the corrective action. Less preferably, briefly summarize the corrective action in the narrative portion of the SDR. 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 control point. 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 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 control point and the initiator.

C17.3.10.5. Corrective Action for Noncompliant 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 will support 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:

C17.3.10.5.1. Inspection, certification, and marking of compliant WPM,

C17.3.10.5.2. Replacement of the WPM,

C17.3.10.5.3. Consignee pick-up of the material only, or

C17.3.10.5.4. Return to origin or designated location.

C17.3.10.5.5. Repacking and disposal costs associated with noncompliant WPM receipts 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.

C17.3.11. Time Standards

C17.3.11.1. General

C17.3.11.1.1. Submitting SDRs and SDR Responses. This section provides standard timeframes for submission of SDRs and SDR responses. Time limits for reporting discrepancies relating to contractor warranties are prescribed in individual warranty clauses and/or contracts. These time limits override other time limits specified in this chapter. Time limits do not apply to those IUID discrepancies which must be reported to ensure the IUID registry and/or owner records are properly maintained.

C17.3.11.1.2. Timeframes for SDR Submission by Non-SA 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 and do not present sufficient justification shall be denied.

C17.3.11.1.2.1. For shortages or overages in shipments of controlled inventory items arms, arms parts, ammunition, and explosives: report within 24 hours of discovery.

C17.3.11.1.2.2. All other discrepancies:

C17.3.11.1.2.2.1. CONUS destinations: 90 calendar days from date of shipment.

C17.3.11.1.2.2.2. Overseas destinations: 150 calendar days from the

date of shipment

C17.3.11.1.2.2.3. Exception. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.11.2. Timeframes for SDR Submission by SA Customers

C17.3.11.2.1. SA Purchasers: Discrepancy report preparation and submission time by the SA purchaser is limited to the timeframes cited in the United States of America Department of State Letter of Offer and Acceptance, and amendments thereto, as explained in [DoD 5105.38-M](#).

- C17.3.11.2.2. ILCO: The ILCO is permitted 15 calendar days for processing discrepancy reports from date of receipt, prior to forwarding to the appropriate ICP/IMM, shipping depot, or GSA action activity. Upon return of the SDR response from the action activity, ILCOs are again permitted 15 calendar days for processing and forwarding to the SA customer.

C17.3.11.3. 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 using 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 will normally use such SDRs only in the system evaluation and correction process.

C17.3.11.4. Timeframes for SDR Response. Responsible activities shall reply to all SDRs received within the following timeframes. Provisions for interim responses are provided under responsible activity response to an SDR above.

- C17.3.11.4.1. Thirty calendar days from date of receipt of reports for DoD shipping activities responding to the ILCO concerning SA nonreceipt SDRs
- C17.3.11.4.2. Thirty calendar days from date of receipt of reports by the action activity when associated with shipments of controlled inventory items.
- C17.3.11.4.3. Otherwise, 55 calendar days from date of receipt of report by the action activity.
- C17.3.11.4.4. An additional 15 calendar days from the date of receipt of the response are allowed the ILCO when SA discrepancies are involved.

C17.3.12. Distribution of SDRs

C17.3.12.1. General

C17.3.12.1.1. Requirements. US Customers shall submit SDRs for initial action in accordance with Appendix 3. SA Customers shall submit all SDRs for SA shipments to the ILCO for initial action and the ILCO shall forward as appropriate in accordance with Appendix 3. For items requiring special handling and/or reporting, such as controlled inventory items, the

responsible activity will make 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.

C17.3.12.1.2. Use of the Electronic SDR. Where access to an electronic SDR and associated supply information are available, hard-copy documents shall not be mailed unless requested by the action activity. Exceptions to this include information not readily available to the responsible/action activity and photographic/pictorial evidence of the discrepancy. Where access to an automated discrepancy reporting system is not available, forward the SDR with attached shipping/billing documents to each responsible activity and information addressee.

C17.3.12.1.3. Return to Contractor. When discrepant material is directed for return to a contractor, enclose a hard-copy SDR including disposition instructions. No statement adversely affecting the Government's claim shall be shown on any documentation returned to the contractor.

C17.3.12.2. Transfers of IMM Responsibilities

C17.3.12.2.1. 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 IMM/ICP 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 IMM/ICP) for the item billed (but not received), and the GIM would be responsible for providing disposition instructions for the erroneous material.

C17.3.12.2.2. 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.

C17.3.13. Contested Decisions and Requests for Reconsideration. These procedures allow the report originator to voice disagreement with disposition decisions. The SA purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's focal point.

C17.3.13.1. Contested Decisions for Non-SA 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 DD shipments shall be forwarded to the shipping depot; all others shall be forwarded to the SOS. Cite the SDR report number of the original report. For transactional exchange, include the DAAS-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 days for processing and evaluation will begin when the SDR is received by the SoS). The resulting decision shall be final.

C17.3.13.2. Requests for Reconsideration for SA-Related Discrepancies. The SA purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. Purchasers must send a written request to the ILCO within 90 calendar days from the date of the ILCO reply to the customer concerning disposition, as provided by the responsible action activity. 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 30 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 action activity shall review to determine if the request should be honored, initiate any required action, and reply to the ILCO within 60 calendar days from the date of the ILCO correspondence with information to all concerned parties. ILCOs shall notify the ICP/IMM or GSA when extenuating circumstances require additional processing time beyond the 120 calendar days allowed for submission and ILCO research. This shall allow the ICP to retain applicable documentation for SDR resolution.

C17.3.13.3. Contesting Reconsideration Decisions for SA-Related Discrepancies. SA 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 90 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 will 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 15 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 60 calendar days from the date of receipt of the ILCO information. 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.

C17.3.14. Correction and Modification/Update of Original Report. When the originator wishes to modify status or requested action concerning a previously submitted SDR, a new transmission of the SDR may be used to accomplish this. 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. Include the WebSDR-assigned control number when known. Do not duplicate information from the original report except as indicated in the DS. Provide POC information. A brief narrative description of the revision must be included. Significant errors, such as an incorrect original requisition document number must be corrected by canceling the original SDR and submitting a new report.

C17.3.15. 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 and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DS. Provide POC information. If encoded information does not adequately describe the reason for the

cancellation, a brief narrative description may be included. The originator may submit a revised SDR under a new nonconformance report number.

C17.3.16. GSA Shipments. On shipments from GSA shipping activities or directed by GSA from a contractor/vendor (regardless of dollar value), GSA will investigate and, when appropriate, credit the account cited on submission of [SF 1080](#), Voucher for Transfer Between Appropriation and/or Funds. Reference to the SDR by its nonconformance report number is acceptable as supporting documentation.

C17.3.17. Consignor Replies on Industrial Plant Equipment (IPE) Packaging Deficiencies. Consignor (shipper) replies on industrial plant equipment (IPE) packaging deficiencies which Defense Supply Center Richmond 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. 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 nonreceipt of credit and 60 calendar days has elapsed, the SDR submitter should consult the bill-to finance office for verification. When nonreceipt of credit is confirmed, the financial office shall submit a request for billing adjustment as prescribed by DLMS Volume 5, Finance.

C17.3.19. MRA. ICPs shall monitor for discrepancies reported on MRAs, (DS to 527R) to ensure identified discrepancies have been properly reported.

C17.3.20. DAAS SDR Processing

C17.3.20.1. Under DLMS, SDRs shall be integrated with standard logistics transaction processing through DAAS. DAAS 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 SDRs reporting packaging discrepancies associated with USAF-directed shipments to the USAF packaging 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 material owner by agreement with DLA. For USAF owners this process will use an electronic (email-based) interface with the USAF processing system for product quality.

C17.3.20.1.2. Edit SDR transactions in accordance with business rules specified below.

C17.3.20.1.3. Provide translation capability to support a variety of communications methods for exchanging computer-readable SDR transactions.

C17.3.20.1.4. Maintain historical records of SDRs and associated transactions.

C17.3.20.1.5. Provide access to SDR information via Web Visual Logistics Information Processing System (WEBVLIPS).

C17.3.20.1.6. Provide ad-hoc queries and management reports.

C17.3.20.1.7. Maintain the DoD WebSDR as a value-added service to support submission, reply, and other functions related to SDR processing.

C17.3.20.2. DAAS shall edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability. 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 disposition/status code. Reject with Disposition/Status Code (Reply) 915, 916, or 927.

C17.3.20.2.2. SDR must include material identification. Material identification may consist of the NSN, manufacturer's part number and manufacturer's CAGE, or manufacturer's part number and a description. Where wrong item discrepancies are reported, material 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 material received is not in the correct condition must include valid condition codes to identify the received conditions. Only valid condition codes shall be permitted. 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 Routing Identifiers 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 or must include narrative remarks. Reject with Disposition/Status (Reply) Code 930.

C17.3.20.3. DAAS 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 routing identifiers. 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.

C17.3.20.5.. DAAS 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 DD, the original SDR will be retransmitted to the designated DD. The customer will receive notification of interim status.

C17.3.20.6. DAAS 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 will be sent to the designated SOS and to the SDR initiator for notification of interim status.

C17.3.20.7. DAAS 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 reject (Reply Code 926) to the sending organization. (ADC 225 implementation pending). DAAS will create and forward an information copy of the DLA source of supply for all customer SDRs based upon the storage site reply where an information copy was not previously provided (ADC 225A).

C17.3.20.8. DAAS shall provide information copies of SDRs in accordance with Component business rules and as designated by the initiator. |

C17.3.20.9. DLA Enterprise Business System (EBS) will receive an information copy of all SDRs routed to DD for initial action where EBS is the SOS.

C17.3.20.10. 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.

C17.4. 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 will 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. 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.

C17.4.2. 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 SDRs 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 material. 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 material or credit received.