



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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June 27, 2017

**MEMORANDUM FOR SUPPLY DISCREPANCY REPORT (SDR) PROCESS REVIEW
COMMITTEE (PRC) MEMBERS**

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1260, New Supply Discrepancy Report (SDR) and Storage Quality Control Report (SQCR) Discrepancy Codes for Identification of Packaging, Preservation, and Storage Conditions Resulting in Corrosion (SDR/SQCR/Supply)

We are forwarding the attached approved change to DLM 4000.25, Defense Logistics Management Standards, for implementation August 1, 2017.

Addressees may direct questions to DLMSSDR@dla.mil, Ms. Ellen Hilert, DOD SDR System Administrator, e-mail: ellen.hilert@dla.mil; or Mr. Ben Breen, SDR Alternate, e-mail benjamin.breen@dla.mil. All others must contact their Component designated Supply PRC representative or SDR PRC representative available at: <http://www.dlms.dla.mil/eLibrary/ServicePoints/allpoc.asp>

HEIDI M. DAVEREDE
Program Manager
Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD (SCI)

Attachment to Approved DLMS Change (ADC) 1260 New Supply Discrepancy Report (SDR) and Storage Quality Control Report (SQCR) Discrepancy Codes for Identification of Packaging, Preservation, and Storage Conditions Resulting in Corrosion

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Pamela Holmes, Army Aviation and Missile Command (AMCOM) Packaging & Stock Readiness Branch, AMSAM-MSC-DP, Pamela.a.holmes.civ@mail.mil, 256-876-8179 (DSN 746-8179)

b. **Functional POC:** Rosemarie (Rose) Wilder, AMCOM Packaging @Stock Readiness Branch, AMSAM-MSC-DP, Rosemarie.m.wilder.civ@mail.mil, 256-842-9130, (DSN 788-9130)

2. FUNCTIONAL AREA:

a. **Primary/Secondary Functional Area:** Supply/Finance

b. **Primary/Secondary Functional Process:** Receipt/Distribution/Stock Readiness

3. **REFERENCE:** [DLM 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting; Appendix 7.28, Supply Discrepancy Report Relevant Data Elements; and Appendix 7.29, Stock Readiness Relevant Data Elements

4. **APPROVED CHANGE(S):** Green highlighting identifies revisions subsequent to staffing.

a. **Brief Overview of Change:** Add SDR/SQCR discrepancy codes to identify item corrosion due to inadequate and/or incomplete packing or preservation, or improper storage conditions.

b. Background:

(1) After installation of repair parts on an aircraft/vehicle, the Product Quality Deficiency Report (PQDR) process tracks corrosion related issues. This type of corrosion usually is due to the materials or compounds used to build the part. The DOD also needs a way to track corrosion related discrepancies identified prior to the installation of these parts during maintenance. It is appropriate to establish additional discrepancy codes for use in SDRs and SQCRs because this type of discrepancy is due to improper and/or insufficient preservation, insufficient or improper packaging, or improper storage conditions.

(2) Army Aviation and Missile Command (AMCOM) is deeply involved in trying to reduce the number of assets lost due to corrosion. The Army estimates losing \$2B in parts annually due to corrosion prior to the installation of parts. An Army Regulation (AR) 5-5

study conducted by AMCOM corrosion office under tasking from the Department of the Army highlighted the impact of the corrosion problem. The corrosion problem has senior level visibility in the Army.

(3) The Army established a Care of Supplies in Storage (COSIS)/Corrosion Team at AMCOM in which the Stock Readiness staff collaborates with the Corrosion Office to provide COSIS/Packaging/SDR training to Army Combat Aviation Brigades (CABs). There are numerous reasons behind corrosion related issues that the Army is finding, and although there have been some improvements since the inception of the training, there are continuing areas of concern.

(4) Attention to details for creation of SDRs has improved since training began, especially when there are corrosion and packaging relationships. In order to matrix the corrosion issues separately from the packaging issues, which will enable AMCOM's Corrosion Program Office to conduct a more in-depth analysis of the corrosion issue and provide their recommendations, we need a distinct code for corrosion related discrepancies.

(5) Corrosion is not just an AMCOM or Army problem. It is a serious problem on a DOD wide basis and the Army estimates that it costs the taxpayers billions of dollars annually. We have to put a stop to corrosion, but we need a way to determine the root cause and identify the point(s) in the supply chain that need attention. Assigning a discrepancy code specifically for corrosion related issues will help sources of supply identify root causes and help us identify where we can focus our attention to making supply chain improvements.

c. Approved Change in Detail:

(1) For SDR and SQCR creation, add discrepancy codes:

P116 Preservation inadequate or incorrect resulting in item corrosion

P216 Packaging inadequate or incorrect resulting in item corrosion

(2) For SQCRs creation, add discrepancy code:

A6 Improper storage conditions resulting in item corrosion

d. Revisions to DLM 4000.25 Manuals:

(1) Add SDR discrepancy codes to identify item corrosion due to inadequate and/or incomplete packing or preservation to DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, as shown in approved change detail.

(2) Add SQCR discrepancy codes to identify corrosion due to improper storage conditions to DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Appendix 7.29, Stock Readiness Relevant Data Elements, as shown in approved change detail.

e. Transaction Flow: No change to current process.

f. **Alternatives:** None currently known.

5. REASON FOR CHANGE: The Services need metrics to track packaging/preservation corrosion issues via the SDR/SQCR. This will help to identify and resolve root causes. There is currently no way to specifically identify corrosion related discrepancies using existing discrepancy codes.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Adding the new discrepancy codes for the SDRs and SQCRs will enable users to run queries to identify SDRs (and after full automation, SQCRs) with corrosion related issues.

b. **Disadvantages:** None known

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Codes are effective August 1, 2017.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Currently estimated the DOD is losing \$2B in assets to corrosion resulting from packing/preservation related discrepancies. Once new discrepancy codes are implemented, sources of supply will be able to determine and correct root causes that could potentially save millions of dollars annually and increase unit readiness across the board.

9. IMPACT:

a. **New DLMS Data Elements:** None identified.

b. **Changes to DLMS Data Elements:** Add discrepancy code values as shown above for use beginning August 1, 2017.

c. **Automated Information Systems (AIS):** Component SDR systems must update their discrepancy code tables.

d. **Defense Automatic Addressing System (DAAS):** WebSDR must update the discrepancy code tables used for input and queries for use beginning August 1, 2017.

e. **Non-DLM 4000.25 Series Publications:** DOD Components must update internal guidance as appropriate.

**10. PROPOSED DLMS CHANGE (PDC) 1260 STAFFING RESPONSE/COMMENT
RESOLUTION:**

	Originator	Response/Comment	Disposition
1.	Army	<p>The Army SDR Community concurs. Logistics Support Activity Packaging, Storage & Containerization Center recommends adding "item" before corrosion in the discrepancy codes as follows:</p> <p>In Paragraph 4c.(1) P116 Preservation inadequate or incorrect resulting in item corrosion P216 Packaging inadequate or incorrect resulting in item corrosion</p> <p>In Paragraph 4c.(2) A6 Improper storage conditions resulting in item corrosion</p> <p>This is to ensure that there is an understanding that this is reported after a Technical inspection.</p>	<p>Noted.</p> <p>Updated as requested.</p>
2.	Air Force	Concur	Noted.
3.	Marine Corps	Concur	Noted.
4.	Navy	Concur	Noted.