



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3500

SUSTAINMENT

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1434, Assignment of Supply Condition Code U Serviceable - Limited Remaining Life Before Failure (Supply)

The Defense Logistics Management Standards change, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Dr. Gail Fuller, e-mail: [DEDSO.Supply@dla.mil](mailto:DEDSO.Supply@dla.mil). Others must contact their designated Process Review Committee representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Leigh E. Method, SES  
Deputy Assistant Secretary of Defense  
for Logistics

Attachments:  
As stated

cc:  
OUSD(C)  
DLA J6DS

# Approved Defense Logistics Management Standards Change 1434

## Assignment of Supply Condition Code U

### Serviceable - Limited Remaining Life Before Failure

#### 1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Ms. Terra Graham, Air Force Sustainment Center, Condition Based Maintenance (CBM+) Functional Integrator, Supply & Requirements Branch, COMM: 937-257-2170 or email: [terra.graham.1@us.af.mil](mailto:terra.graham.1@us.af.mil).

b. **Functional POC:** Mr. George W. Brown, Air Force Logistics, Engineering and Force Protection, Logistics Readiness Division (AF/A4L), Logistics Specialist, Fuels & Materiel Management Branch, COMM: 937-241-9509, or e-mail: [george.brown.3@us.af.mil](mailto:george.brown.3@us.af.mil).

#### 2. REASON FOR CHANGE:

a. **Bottom Line Up-Front:** Substantive updates made after staffing are identified in green highlighting.

(1) The Military Services, in an effort to improve materiel readiness, continue to develop and enhance maintenance programs; evolving from reactive and preventative to proactive and predictive. This evolution involves using alerts based on artificial intelligence, statistical analysis, historical performance data, sensor-based data, or other processes that predict the remaining life of a serviceable component. To support this evolution, the DoD requires a new supply condition code (SCC) to properly capture and classify serviceable components with limited remaining life before failure. These components require engineering analysis to confirm the efficacy of the predictive maintenance practices and require restorative maintenance actions that return the component to its full expected life.

(2) This supply condition classification will support repair activities in distinguishing serviceable components that are issuable from those that require engineering analysis and repair due to their limited remaining life prior to being issued, when predictive maintenance practices are utilized. The ability to separately classify these components will support the segregation from those in other materiel conditions. Commingling of serviceable components with limited remaining life before failure with components in other materiel conditions invites risk to end item reliability and operational readiness.

#### b. **Background:**

(1) Condition-Based Maintenance (CBM+) is a program defined in DoDI 4151.22 as: “The application and integration of appropriate processes, technologies, and knowledge-based capabilities to improve the reliability and maintenance effectiveness of DoD systems and components. At its core, CBM+ is maintenance performed based on evidence of need. CBM+ is built upon reliability-centered maintenance and condition-based maintenance to enhance safety, increase maintenance efficiency, improve availability, and ensure environmental integrity. CBM+ diminishes life-cycle costs by reducing unscheduled maintenance and enabling predictive maintenance. CBM+ turns rich data into information about component, weapon

system, and fleet conditions to more accurately forecast maintenance requirements and future weapon system readiness to drive process cost efficiencies and enterprise activity outcomes.”

(2) CBM+ provides maintenance operations with enablers such as predictive maintenance alerts generated using algorithms, statistical analysis, historical performance data, sensor-based algorithms or other processes used to predict the remaining life of a component. These predictive maintenance alerts enable advanced diagnostic, prognostic, and proactive maintenance actions by maintainers.

(3) The adoption of CBM+ practices began in 2002. One of the byproducts of predictive maintenance is the introduction of serviceable repairable parts that have a “limited remaining life before failure.” After components are predictively removed (prior to failure), they are inducted into the repair cycle. These assets have demonstrated characteristics that indicate they are nearing the end of their projected useful life. These components, once removed, will not be issued for use prior to going through engineering analysis, the appropriate component level inspection, and applicable repair procedures. Under extenuating circumstances, units may request the issue of SCC U components with approval of engineering and operational command elements.

(4) Components with limited remaining life before failure do not align with any of the current Supply Condition Codes in the Defense Logistics Manual (DLM) 4000.25. The inability to properly document the materiel condition of limited remaining life before failure components introduces potential risks to safety, availability, or reliability and maintainability thresholds necessary in meeting operational requirements.

(5) Components subject to predictive maintenance procedures could see differences in repair and overhaul procedures when compared to components in SCC F. Some repairable components in SCC F will initially go through component testing procedures. Should the component “retest ok” (RTOK) there is a risk that the repair activity could inadvertently turn-in that component from the repair cycle and send it to the appropriate inventory control point in a serviceable condition. Components removed with limited remaining life before failure may appear serviceable when tested and thus require different procedures to accurately test, diagnose, and restore the component to the users desired level of performance.

(6) Utilization of a SCC for serviceable limited remaining life before failure supports the development and analysis of repair cycle metrics and procedures. Components inducted into the repair cycle that have not yet failed may exhibit characteristics that result in different repair processes than those components that have failed. Evaluation of these components as they are inducted into repair cycle can inform modified repair processes, evaluation of changes to repair cycle time, repair cost, and other associated metrics and processes.

(7) Presently, the Military Services are using different SCCs for components deemed serviceable limited remaining life before failure.

(a) The Air Force is using SCC G (Unserviceable (Incomplete)), which combines true SCC G components with limited remaining life before failure. The intent behind using SCC G as a workaround was to prevent RTOK events from occurring in the repair cycle and prevent a limited remaining life before failure component from being returned to supply without accurate test and diagnostic procedures required and appropriate repair to restore the component to the users desired level of performance.

(b) The Navy uses SCC F (Unserviceable (Reparable)). Inconsistent use of condition codes across the Services will create unnecessary risk to repair cycle procedures. It also impacts the auditability of the repair cycle processes.

(c) The DoD position is that not classifying limited remaining life before failure components as SCC U poses potential challenges in the Primary Inventory Control Activity (PICA) and Secondary Inventory Control Activity (SICA) relations with reparable components as they move between Services.

(8) Military Standard 129, "Military Marking for Shipment and Storage" has been updated to incorporate DD Form 3051 (Limited Remaining Useful Life Component Removed Prior to Failure Tag-Materiel). This form was approved by the Army forms management officer (FMO) and published by the DoD FMO on 28 December 2022.

### **3. CHANGE IN DETAIL:**

#### **a. Technical Details:**

(1) Designate SCC U as "Serviceable - Limited Remaining Life Before Failure" in DLM 4000.25, Volume 2, Appendix 2.5 Supply Condition Codes. This SCC will provide the capability to classify reparable components that have not failed but have been removed from an end item based upon predictive maintenance alerts. The designation of this SCC for limited remaining life before failure components will provide a fundamental level of support to ensure the Military Services jointly sustain integrated predictive maintenance approaches as prescribed in DoDI 4151.22.

(2) Materiel under SCC U stored at DLA storage activities will be exempt from quality assurance inspections. However, the storage activity is still responsible for routinely perform physical inventory counts and report any discrepancies to the appropriate materiel owner as stated under reference b, chapter 6 Physical Inventory Control.

#### **b. Revised Transaction Flow:**

(1) Predictive maintenance need/action identified.

(2) Maintenance requirements are distributed to appropriate maintenance decision makers and removal/replacement actions are scheduled.

(3) Component is removed from end item with limited remaining useful life and is classified as Supply Condition Code U.

(4) The maintenance activity will follow the standard receipt process, and transmit a Defense Logistics Management Standards (DLMS) 527R Receipt. The materiel owner then transmits a DLMS 940R Materiel Release Order so the item can be shipped to storage.

(5) The maintenance activity will process the release order and ship the item to the appropriate storage activity until it can be inducted back into maintenance for further engineering analysis. The DoD Component will transmit a DLMS 856S Shipment Status to the storage activity and a DLMS 527D Preposition Materiel Receipt (PMR) to establish a due-in. The lack of shipment status and/or PMR may cause improper receipt of the materiel and loss of item visibility.

(6) The storage activity will complete the receipt process and transmit a DLMS 527R Receipt to the materiel owner. Any supply discrepancies discovered at time of receipt will follow the standard Supply Discrepancy Reporting process in accordance with reference DLM 4000.25, Volume 2, Chapter 17. Materiel under supply condition code U stored at Defense Logistics Agency (DLA) storage activities will not be subject to quality assurance inspections.

(7) The materiel owner will record the item in their appropriate accountable system of record in accordance with the DoDI 5000.64 and DoDM 4140.01.

(8) The maintenance activity will transmit a DLMS 511R Requisition to induct a repairable into maintenance (refer to Approved DLMS Change 224, Revised Procedures for Logistics Accountability During Maintenance). The materiel owner will transmit a DLMS 940R Materiel Release Order to the storage activity with custody of the item. In addition, the materiel owner must provide a 527D PMR to the maintenance activity to establish a due-in.

(9) The storage activity will process the release order, allocate the quantity and transmit a DLMS 867I Issue transaction to the materiel owner. Once the item is picked, packed, and ready for shipment, the storage activity will transmit a DLMS 945A Materiel Release Confirmation to the materiel owner.

(10) The materiel owner will then decrement the on-hand balance by the quantity in the release order and establish the in-transit balance.

(11) Upon arrival, the maintenance activity will process a receipt and transmit a DLMS 527R Receipt transaction to the materiel owner. The owner will then close the in-transit and establish the in-repair balance.

(12) Upon induction of the item into the repair cycle, the condition code will change to the appropriate condition code based on repair activity (field, intermediate, or depot). The activity will receive and inspect the asset to determine and document the necessary maintenance actions. Following assessment, the activity overhauls, reconditions, repairs, and reclassifies the component as technical data and processes deem necessary.

(13) Once maintenance actions are completed, the maintenance activity will determine the appropriate condition of the item (serviceable or unserviceable) and reclassify the

materiel accordingly. The materiel owner will transmit a release order to the maintenance activity to remove the item out of maintenance.

(a) When the materiel is serviceable, the materiel owner may issue it to a customer or send it back to storage.

(b) When the materiel is unserviceable, the item cannot be returned to storage and must be either identified as reclamation or dispose. Prior to disposal, the item must be reclassified to SCC H, Unserviceable (Condemned), The materiel owner may dispose of the item locally or via DLA Disposition Services as necessary. When utilizing DLA Disposition for disposal, materiel must be reclassify as SCC Q.

#### 4. IMPLEMENTATION TARGET:

a. Availability of SCC U is needed as soon as possible. Service implementations may be staggered. However, until all Services have implemented SCC U in their systems and processes, components in SCC U cannot be transferred outside of the owning Service in SCC U. Request Services provide an implementation timeline within 45 days of approval of this DLMS change.

**b. DAAS WebSDR will implement new SCC U upon approval.**

#### 5. TECHNICAL IMPACT:

a. Additions or Changes to Data Elements: None.

b. Automated Information Systems (AIS):

(1) DLA Distribution Standard System (DSS)/Warehouse Management System (WMS) and Enterprise Business System (EBS) must support the use of SCC U for materiel receipt, shipment, and storage. Service maintenance systems, supply systems, inventory control points, and storage systems will adopt the use of SCC U as described above.

#### (2) Department of Navy (DON) LOG IT Systems Impact:

System	Legacy vs Future IT	Command	Name	E-Mail	Phone Number
Electronic Retrograde Management System (eRMS 2.0)	Legacy	NAVSUP	Jon Holsinger	jonathan.c.holsinger.civ@us.navy.mil	717-605-2521
Commercial Asset Visibility II (CAVII)	Legacy	NAVSUP	Jon Holsinger	jonathan.c.holsinger.civ@us.navy.mil	717-605-2521
Commercial Asset Visibility – Organic Repair Module (CAV-ORM)	Legacy	NAVSUP	Jon Holsinger	jonathan.c.holsinger.civ@us.navy.mil	717-605-2521
Integrated Technical Item Management Procurement (ITIMP)	Legacy	NAVSUP	Mike Pawlush	michael.g.pawlush.civ@us.navy.mil	717 605-1512
NAVSUP Supply Support Portal (NSSP)	Legacy	NAVSUP	Edward Brudowsky	edward.j.brudowsky.civ@us.navy.mil	
One Touch Support (OTS)	Legacy	NAVSUP	Barry Clay	barry.a.clay.civ@us.navy.mil	717-605-6285
SLDP	Legacy	NAVSUP	Steven Perzia	steven.j.perzia.civ@us.navy.mil	717-605-1950
Ordnance Information System (OIS)	Legacy	NAVSUP	Philip Lloyd	philip.p.lloyd.civ@us.navy.mil	717-605-5399
Navy Enterprise Resource Planning (ERP)	Legacy	NAVWAR	Austin McCreary	austin.w.mccrerey.civ@us.navy.mil	804-512-0037

Naval Tactical Command Support System (NTCSS) (RSupply, NALCOMIS, OIMA, OOMA) and Interface Partners	Legacy	PEO-MLB	CDR Lara A. Takanen	lara.a.takanen.mil@us.navy.mil	808-473-7929
Navy Maintenance Repair and Overhaul (NMRO)	Future	Fleet Forces Command	Jeffery Baur	jeffery.a.bauer.civ@us.navy.mil	757-836-3743
Navy Operational Supply System (NOSS)	Future	Fleet Forces Command	Steve Reed	steve.w.reed.civ@us.navy.mil	757-836-6851
Navy Enterprise Resource Planning Plus (ERP+)	Future	NAVWAR	Austin McCreary	austin.w.mcrcrerey.civ@us.navy.mil	804-512-0037

**c. Defense Automatic Addressing System (DAAS):** Incorporate the new supply condition code U into transaction mappings. No changes to implementation conventions. The new supply condition code must be defined and enabled in WEBVLIPS and WebSDR.

## 6. PUBLICATION/POLICY IMPACT:

### a. Defense Logistics Manual (DLM) 4000.25:

- (1) Update DLM 4000.25, Volume 2, Appendix 2.5, shown in Enclosure 1.
- (2) Update DLM 4000.25, Volume 2, C4.2.20.1. to include Supply Condition Code U as depicted in Enclosure 2.A.
- (3) Update DLM 4000.25, Volume 2, Chapter 17, Supply Discrepancy Reporting as shown in enclosure 2.B.

### b. Non-DLM 4000.25 Publications:

- (1) DOD 7000.14-R, Department of Defense Financial Management Regulation, Volume 4, Chapter 4. As suggested in Enclosure 3.
- (2) DOD 7000.14-R, Department of Defense Financial Management Regulation, Volume 4, Chapter 4. Incorporate SCC U into the U.S. Standard General Ledger Accounts 151100 for "OM&S Held for Use" and U.S. Standard General Ledger Account 152100 for "Inventory Purchased for Resale" as a limited remaining life before failure component. The removed component will undergo repair or overhaul processes necessary to restore the component to the users desired level of performance before being placed back in the inventory in a serviceable condition.

(3) DODM 4160.21, Volume 1-4 Defense Materiel Disposition, Glossary, Part II Definitions, Reclamation. Incorporate into definition of "reclamation" SCC U as follow: reclamation. A cost avoidance or savings measure to recover useful (serviceable) end items, repair parts, components, or assemblies from one or more principal end items of equipment or assemblies (usually SCCs listed in DLM 4000.25-2 (Reference (XX)) as SCC H for unserviceable (condemned) materiel, SCC P for unserviceable (reclamation) materiel, and SCC R for suspended (reclaimed items, awaiting condition determination) materiel), for the purpose of restoration to use through replacement or repair of one or more unserviceable, but repairable principal end item of equipment or assemblies (listed in Reference (XX)) as SCC E for unserviceable (limited restoration) materiel, SCC F for unserviceable (reparable) materiel, and

SCC G for unserviceable (incomplete) materiel), SCC U for serviceable (limited remaining life before failure). Reclamation action is preferable prior to disposition (e.g., DLA Disposition Services site turn-in), but end items or assemblies may be withdrawn from DLA Disposition Services site for reclamation purposes

(4) DLM 4000.25 Volume 2: Supply Standards and Procedures

(5) SECNAVINST 5200.43A: Government Furnished Property, Accountability, and Management

(6) OPNAVINST 4440.26B: Operating Materials and Supplies, Accountability Management and Government Furnished Property, Accountability Management

(7) NAVSUP P-485 Vol II: Operational Forces Supply Procedures

(8) NAVSUP P-723: Navy Inventory Integrity Procedures

(9) There may be additional local policy and instructions that require updates once business rules around how to manage Limited Remaining Useful Life (LRUL) materiel in support of CBM+ are defined.

## 7. ASSUMPTIONS:

c. The measurable cost avoidance of improved reliability from classification of components as limited remaining life before failure cannot be determined at this time.

d. SCC U will afford components with a materiel condition of serviceable limited remaining life before failure to be properly distinguished.

e. Components labelled as SCC U provide repair activities additional information for repair cycle management procedures.

f. Labelling components as SCC U provides intra- and inter-Service repair activities with a universal understanding of component condition and maintenance repair requirements.

g. Proper materiel condition classification creates an auditable and defensible repair cycle process.

## 8. FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION:

a. **Notices of Findings and Recommendations (NFR):** None.

b. **Corrective Action Plan (CAP) References:** None.

c. **Other FIAR, Material Weakness, and Audit-Related Information:** This change has a FIAR implication because it must be included in the controls testing and design, and needs

to be mapped to the correct general ledger accounts for the DoD Components. As the new condition code is utilized, there may be additional steps needed to ensure the code is used appropriately and the resulting accounting/reporting is accurate..

**9. END-TO-END TESTING REQUIREMENTS:** Not applicable.

**10. REFERENCES:**

h. DoDI 4151.22, Condition Based Maintenance Plus for Materiel Maintenance, August 14, 2020

i. DLM 4000.25, Defense Logistics Management Standards (DLMS), current version

j. DOD 7000.14-R, Department of Defense Financial Management Regulation, Volume 4, Chapter 4.

**11. PROPOSED DLMS CHANGE (PDC) 1434 RESPONSE/COMMENT RESOLUTION:**

	Component	Response/Comment	Disposition
1.	DLA	Concur with Comments.	As noted. All comments addressed in the change. Please see Enclosure 6. All comments were accepted and incorporated into the change.
2.	Navy	Concur with Comment. Comments: 1.) SCC D and SCC U have similar definitions. Require clarification on the difference between Supply Condition Code D (Serviceable material, which requires test, alteration, modification, technical data marking, conversion or disassembly) and Supply Condition Code U (Limited Remaining Useful Life).	DEDSO Response:  1. Agreed that these SCC's are similar, but they are also quite different. SCC F, G, and X were also considered during deliberations. CBM+ SCC U assets will have a different maintenance strategy. CBM+ provides maintenance operations with enablers such as predictive maintenance alerts generated using algorithms, statistical analysis, historical performance data, sensor-based algorithms or other processes used to predict the remaining life of a component. SCC B does not require this level scrutiny. Also, this will not distinguish CBM+ assets from non CBM+ assets. Lack of a supply

	Component	Response/Comment	Disposition
		<p>2.) Implementation of SCC U requires a level of effort to update and integrate LOGIT systems; however, there are additional business rules required to further enable the desired outcome for CBM+.</p> <p>a.Maintenance decision on when to remove a component with Limited Remaining Useful Life (LRUL)</p> <p>b.LRUL Retrograde Management Strategy, which may require a new Beyond Capable Maintenance (BCM) code</p> <p>c.Definition of LRUL Inventory Valuation</p> <p>i.How will SCC U be valued and by which valuation type?</p> <p>d.Enterprise Supply Planning and Execution</p> <p>e.Depot level Repair Procedures Informing Maintenance Required for LRUL Material</p> <p>i.Contracting strategy to incorporate new repair procedures.</p> <p>ii.Current contracts are not written and scoped to include repairing an SCC U level of repair.</p> <p>iii.Contracts would require modification to include test, check, and complete overhaul.</p> <p>iv.SCC U assets could be considered a minor or medium repair under an existing CLIN, but contract design may require a modification to prevent the component from being</p>	<p>condition code to segregate components removed prior to failure as part of a CBM+ / Predictive Maintenance Strategy was identified as a deficiency and a recommendation to the DASD(MR) as part of a DODIG Audit, DODIG-2022-103.</p> <p>2) Since SCC U will apply to all DoD services, each service will determine their applicable IT business rules and required upgrades.</p>

	Component	Response/Comment	Disposition
		<p>deemed an A-799 (No Fault Found) and returned to wholesale.</p> <p>f.Business Rules around Order Fulfillment</p> <p>i.Alignment by all Services on when it is acceptable to issue SCC U component to a Fleet Customer.</p> <p>ii.Alignment by all Services on what the Fleet is charged for SCC U material.</p> <p>* Additional LOGIT changes will be required to support these business rules changes.</p> <p>3.)Components removed based on a Health Monitoring System (HMS) alert with LRUL will generally be treated as “unserviceable” (i.e. Not Ready for Issue). PDC 1434 classifies LRUL material as “serviceable”, presenting the following risks to operational and enterprise supply:</p> <p>a.Navy Materiel Management Review (MMR) Risk:</p> <p>i.Unable to execute the repair of Ready for Issue (RFI) assets in Navy ERP. Assets would not stratify into repair for the Navy MMR.</p> <p>ii.Overinflating RFI values for the MMR and Supply System Inventory Report (SSIR).</p> <p>b.Current instance of Navy ERP would require significant customization to incorporate SCC U into a buy/repair model if it remains designated as serviceable.</p> <p>i.Result of not customizing is underestimating buy / repair recommendations.</p> <p>c.No Carcass Recovery Rate (CRR) would be collected on RFI assets returned.</p>	<p>3.Financial business rules for Supply Condition Code U (SCC) should be the same as SCC A. Reference PDC 1434 paragraph 7b. SCC U will afford components with a materiel condition of serviceable limited remaining life before failure to be properly distinguished. However, these assets should not be considered RFI. SCC U assets WILL NOT be used to fill ANY requirement prior to the asset being evaluated. Reference 2b(3) of PDC. These components, once removed, will not be issued for use prior to going through engineering analysis, the appropriate component level inspection, and applicable repair procedures. Under extenuating circumstances, units may request the issue of SCC U components with approval of engineering and operational command elements.</p> <p>- And PDC 1434 6b(2). DOD 7000.14-R, Department of Defense Financial Management Regulation, Volume 4, Chapter 4. Incorporate SCC U into the U.S. Standard General Ledger Accounts 151100 for “OM&amp;S Held for Use” and U.S. Standard General Ledger Account</p>

	Component	Response/Comment	Disposition
		<p>d.Retrograde Management: As written, the Fleet would require utilization of RFI turn-in business processes in lieu of the traditional Beyond Capable Maintenance (BCM) process used by Navy Fleet Customers.</p> <p>i.Current Legacy Operational Supply Systems in the Naval Tactical Command Support System (NTCSS) portfolio cannot support supply condition changes. NTCSS can only designate NRFI and RFI.</p> <p>ii.If LRUL remains RFI (i.e. serviceable), it cannot be turned in when BCM; inability to BCM the component breaks the existing carcass credit business process between NAVSUP and Fleet Customers.</p> <p>4.)Intermediate Level (I Level) Repair: NTCSS applications cannot support supply condition changes and would not be able to utilize SCC U for components with I- level capability without significant IT changes.</p> <p>a.Navy Operational Supply System (NOSS) will have the ability to execute SCC changes and will be DLMS compliant upon implementation.</p> <p>5.)LOGIT challenges with either updating Legacy systems with limited resources or incorporating</p>	<p>152100 for “Inventory Purchased for Resale” as a limited remaining life before failure component. The removed component will undergo repair or overhaul processes necessary to restore the component to the users desired level of performance before being placed back in the inventory in a serviceable condition. - See PDC Enclosure 3 for Standard General Ledger Account explanation.</p> <p>- Since SCC U will apply to all DoD services, each service will determine their applicable IT business rules and required upgrades.</p> <p>Additional Note: The maintenance strategy of a particular asset may not always neatly coincide with how the asset is carried on the General Ledger. SCC U assets are technically serviceable and should be carried on the financial records as such. This is not to say that they are RFI without any prior actions (maintenance strategy) being taken (think current SCC B and D assets).</p> <p>4.Since SCC U will apply to all DoD services, each service will determine their applicable IT business rules.</p> <p>5.Since SCC U will apply to all DoD services, each service will determine their applicable IT business rules and required upgrades.</p>

	Component	Response/Comment	Disposition
		<p>SCC U requirements into future DON Enterprise systems.</p> <p>a. Timelines cannot be established until the requirement is adjudicated with PEO-MLB via existing LOGIT Governance structure.</p> <p>b. Assumption is all DON Enterprise IT solutions to include NMRO, NOSS, and Navy ERP+ will be DLMS compliant and incorporate all necessary ADC requirements.</p> <p>c. Considering the complexity and resources required to update Legacy operational and enterprise supply systems, it may be faster and more economic to include SCC U as an integration requirement and deliver the capability with the DON Enterprise solutions.</p> <p>d. Interim COA to segregate LRUL and traditional retrograde is to leverage the dedicated MIL-STD-129 label for LRUL.</p> <p>i. Interim solution may be acceptable considering the limited number of components currently leveraging CBM+ and the timeline to scale the capability.</p> <p>ii. Requires further discussion with the DON CBM+ Working Group.</p> <p>6.) Though implementation of Serial Number Tracking across the DON LOGIT portfolio and business processes is not required to implement to SCC U, it is a key enabler for CBM+ implementation.</p>	6. As noted.
3.	Air Force	Concur with Comments.	As noted. Please see Enclosure 5. No changes made to the document.
4.	US Army	Concur with comment. Comment:	As noted.

	Component	Response/Comment	Disposition
		Waiting on DEDSO to provide signed ADC 1434.	
5.	USMC	Concur without Comments.	As noted.
6.	DAAS	Concur with Comment. <u>Comment:</u> Does WebSDR need to add the condition code mentioned in this PDC? We currently do not have it in our listing. U - Serviceable - Limited Remaining Life Before Failure (Supply)	As noted. Added WebSDR under section 5.c.
7.	USTRANSCOM	No Comment.	As noted.
8.	GSA	No Comment.	As noted.
9.	OUSD (C)	Concur.	As noted.

## Enclosure 1

Change to DLM 4000.25, DLMS, Volume 2, Appendix 2.5, Supply Condition Codes

Changes are identified by ***bold red italics*** and strike-through text. Intervening text between updated paragraphs is not shown. Paragraphs will be renumbered as appropriate due to identified revisions.

# **SUPPLY CONDITION CODES**

NUMBER OF CHARACTERS: One

TYPE OF CODE: Alphabetic

EXPLANATION: Classify materiel in terms of readiness for issue and use or to identify action underway to change the status of materiel. When materiel is determined to be in excess of approved stock levels and/or no longer serviceable, Supply Condition Codes (SCC) A through H, Q, and S will be utilized to reflect materiel condition prior to turn-in to the DLA Disposition Services Field Office.

LEGACY RECORD POSITION: 71

DLMS SEGMENT/QUALIFIER: LQ Segment, LQ01 Data Element ID 1270 Qualifier "83 – Supply Condition Code"

*Intervening text not shown*

<u>CODE</u>	<u>TITLE</u>	<u>EXPLANATION</u>
		<i>(Preceding codes not shown)</i>
F	UNSERVICEABLE (REPARABLE)	Economically reparable materiel which requires repair, overhaul, or reconditioning; includes reparable items which are radioactively contaminated.
		<i>(Preceding codes not shown)</i>

U

~~NOT ASSIGNED~~  
**SERVICEABLE  
(LIMITED REMAINING  
LIFE BEFORE FAILURE)**

~~Reserved for future DoD assignment~~  
**Components determined by predictive maintenance alerts or other component health monitoring capabilities to have a limited remaining life span before failure that may appear or test as serviceable. Components await engineering analysis, reliability determination, repair, or overhaul, reconditioning or reclassification.**

## Enclosure 2

Change to DLM 4000.25, DLMS, Volume 2, Chapter 4, Requisitioning and Chapter 17, Supply Discrepancy Reporting as shown below.

Changes are identified by ***bold red italics*** and strike-through text. Intervening text between updated paragraphs is not shown. Paragraphs will be renumbered as appropriate due to identified revisions.

### A.

C4.2.20.1. When scheduling a reparable item for organic maintenance under a Depot Maintenance Inter-Service Agreement (DMISA) or comparable inter-Service support agreement, based on the repair schedule, the maintenance activity will requisition the reparable item from the Principal (materiel) owner using a DLMS 511R Requisition. All requisitions will cite Advice Code 2J (fill or kill), and the appropriate supply condition code. Requisitions will cite Project Code 3AB (repair and return under maintenance agreement) or 3BB (repair under maintenance agreement). When requesting specific assets, maintenance activities may cite the supply condition code (SCC) applicable to the reparable item requested. Authorized SCCs include D, F, G, ~~and Q~~, ***and U***. Requisitions for induction of a Product Quality Deficiency Report (PQDR) exhibit for warrantied maintenance will cite SCC Q.

### B.

C17.3.18.1.2.18. WebSDR will reject with Reply Code 928 any transaction with invalid or missing SCC on an SDR. SDR must be populated with values equal to: A, B, C, D, E, F, G, H, J, K, L, M, N, P, Q, R, S, T, ***U***, V, W, or X. WebSDR will insert remarks/narrative comments stating the following: "Original SDR doesn't contain a valid Supply Condition Code, resubmit your SDR, do not submit a cancellation of this SDR as it will be rejected as well"

Enclosure 3

**Approved Change to DOD 7000.14-R, Department of  
Defense Financial Management Regulation, Volume 4,  
Chapter 4**

Table 4-3. Relationship of Logistic Supply Categories

Changes are identified by *bold red italics* and strike-through text. Intervening text between updated paragraphs is not shown. Paragraphs will be renumbered as appropriate due to identified revisions.

U.S. Standard General Ledger Account	Supply Condition Codes
151100 OM&S Held for Use, and 151400 OM&S Held for Repair (Remanufacturing)	A Serviceable Issuable Without Qualification B Serviceable With Qualification C Serviceable Priority Issue D Serviceable Test/Modification T Serviceable Ammunition Suitable for Training Use Only <b><i>U Serviceable - Limited Remaining Life Before Failure</i></b>  Use this account to record amounts for OM&S with condition codes A-D, T and <b><i>U</i></b> . <b>[Excludes Excess, Economic Retention and                      Contingency Retention OM&amp;S]</b>

Table 4-4. General Ledger Inventory Accounts vs Supply Condition Codes

U.S. Standard General Ledger Account	Supply Condition Codes
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152100 Inventory Purchased For Resale, 152200 Inventory Held in Reserve for Future Sale, and 152300 Inventory Held for Repair (Remanufacturing).

- F Unserviceable Repairable
- G Unserviceable Incomplete
- M Suspended (In Work)
- R Suspended (Reclaimed Items, Awaiting Condition Determination)

***U Serviceable - Limited Remaining Life Before Failure***

Use this account to record amounts for all inventory with condition codes F, G, M, and R that is above the AAO and is retained for economic or contingency purposes.

**[Excludes Excess OM&S Inventory]**

**Enclosure 4:**

**U.S. Air Force PDC 1434 Review Comments and DEDSO Responses**

Comments:

TYPE	PAGE	PARA	LINE #	COMMENT	RATIONALE	DEDSO RESOLUTION
S	9	1	1	Condition code B - Serviceable but with limited/short service life sounds as though it's the same as the proposed condition code U.	Definition as written appears redundant.	Agreed that these SCC's are similar, but they are also quite different. By the way, SCC F, G, and X were also looked at during deliberations. CBM+ SCC U assets will have a different maintenance strategy. CBM+ provides maintenance operations with enablers such as predictive maintenance alerts generated using algorithms, statistical analysis, historical performance data, sensor-based algorithms or other processes used to predict the remaining life of a component. SCC B does not require this level scrutiny. Also, this will not distinguish CBM+ assets from non CBM+ assets. Lack of a supply condition code to segregate components removed prior to failure as part of a CBM+ / Predictive Maintenance Strategy was identified as a deficiency and a recommendation to the DASD(MR) as part of a DODIG Audit, DODIG-2022-103. This is also why we pushed for a separate condition tag (DD Form 3051; color is purple) for CBM+ assets.

A	6	8	Coordination Response Requirement	<p>DAFI 23-101, Materiel Management, is an AF publication impacted by the PDC. Questions raised by the PDC will include:</p> <p>1) 5.3.5.1.8. Organizational Refusals. Does an organization have a right to refuse serviceable material tagged with the limited life?</p> <p>2) Inclusion of the DD Form 3051 (Limited Remaining Useful Life Component Removed Prior to Failure Tag-Materiel) along with the two forms currently used for serviceable materiel (DD Form 1574, Serviceable Tag – Materiel and DD Form 1574-1, Serviceable Label – Materiel). While the DD Form 3051 form was approved by the Army forms management officer (FMO) and published by the DoD FMO on 28 December 2022, it has not yet been integrated into Air Force guidance.</p> <p>3) Can Supply Status Code "U" items ever be allowed to be counted as War Reserve Materiel?</p>	<p>DAFI 23-101, Materiel Management, is an AF publication impacted by the PDC.</p>	<p>SCC U assets have been removed from an end item and are pending maintenance. They should not be included in WRM stocks any more than a SCC F item. See PDC 1434, paragraph 3 for SCC U process flow. Specifically numbers 3 and 5. However, we want to retain some level of flexibility with these assets. Paragraph 2b of the PDC, last two sentences address this. “These components, once removed, will not be issued for use prior to going through engineering analysis, the appropriate component level inspection, and applicable repair procedures. Under extenuating circumstances, units may request the issue of SCC U components with approval of engineering and operational command elements. This was included because the assets are technically serviceable. No changes to the document.</p>
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A	6	8	<p>Coordination Response Requirement</p>	<p>DAFMAN 23-122, Materiel Management Policy, is an AF publication impacted by the PDC. Questions raised by the PDC will include:</p> <p>1) 2.3.3.3.3. Discusses rotating WRM items with like peacetime items to assure their continued serviceability. Should Supply Status Code "U" items be allowed to be counted as War Reserve Materiel? If so, are these items to be included in the rotation?</p> <p>2) Inventory is extremely important to the AF mission, so the AF stocks mission readiness spares packages (RSP). Since these are intended to satisfy 30 days of wartime requirements, should Supply Status Code "U" items be allowed to be included in RSPs?</p>	<p>DAFMAN 23-122, Materiel Management Policy, is an AF publication impacted by the PDC.</p>	<p>See comment in row 3. No changes to the document.</p>
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A	6	8	<p>Coordination Response Requirement</p>	<p>The Air Force's calculation of mission readiness spares packages (RSP) comes from WSMIS/REALM. Of its principal components, the RSP calculation considers aircraft availability for both a surge and sustainment direct support objectives. A life-limited serviceable item in stock would have a theoretical, if not actually measurable, impact on AA rates. This calculation also factors in the impact of components, an example of which would be SRUs on the availability of LRUs. EXPRESS is designed to best fit the depot repair process with the actual demand of repairables. With a service life limited item that is repairable, the normal timeframes of use to failure become skewed causing EXPRESS to misjudge the actual need for repaired items. A new computation will be needed in EXPRESS to best fit both the ordinary modes of failure and the time (mean time between failures) of items pulled off the aircraft during CBM+ directed preventative maintenance. AFI 21-101 requires checking life-limited components forecast for additional component changes, TCTOs, and so on.</p>	<p>Weapons Systems Information Management System (WSMIS) and its subsystems are AF systems impacted by the PDC. Specific subsystems include Requirements Execution Availability Logistics Module (REALM/D087H) and Execution and Prioritization of Repairs Support System (EXPRESS/D087W)</p>	<p>Noted. This pertains to changes internally to US Air Force. No changes to the document.</p>
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A	6	8	<p>Coordination Response Requirement</p>	<p>Enterprise Supply Chain Analysis, Planning, and Execution (ESCAPE) is the AF system used to forecast spare aircraft parts and manage the AF's supply chain enterprise. The availability or other impacts of life-limited items are not currently considered in calculations performed in any of its five major subcomponents: demand planning, inventory planning, supply planning, exception planning, and performance management. Additionally, the supply status code "U" is unused in the current documentation.</p>	<p>Enterprise Supply Chain Analysis, Planning, and Execution (ESCAPE) is an AF system impacted by the PDC.</p>	<p>You are correct! We still have work to do in these areas. I recall an conversation where 5 years of data would be ideal to accurately forecast. That is unacceptable. We are still working on how these assets are going to affect our requirements computations but I can't provide a definitive answer at this time. No changes to the document.</p>
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A	6	8	Coordination Response Requirement	<p>The Integrated Logistics System - Supply (ILS-S) does not currently accommodate the supply status code "U" and will need an update to process the Revised Transaction Flow described in 3.b. of the PDC. AF Handbook 23-123, Materiel Management Handbook Volume One, Materiel Management Reference Information, will also need to be updated to accommodate the supply status code "U" and process the Revised Transaction Flow described in 3.b. of the PDC. The action taken codes available do not appear to provide a satisfying way to handle serviceable, but life-limited items being returned to the system.</p>	<p>The Integrated Logistics System - Supply (ILS-S) and AF Handbook 23-123, Materiel Management Handbook Volume One, Materiel Management Reference Information, are impacted by the PDC.</p>	<p>This ties in with requirements computations. We're not there yet. We're in the process of requesting a new UJC to be added for CBM+. Initial thoughts are that we can modify an existing Action Taken Code to accommodate. Codes D, 1, and 8 are good candidates but this will need to be decided in a group setting. No changes to the document.</p>
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A	6	8	Coordination Response Requirement	<p>Integrated Maintenance Data Systems (IMDS) provides aircraft history, aircraft scheduling, air crew debriefing processes, and provides a common interactive interface for entering and retrieving base-level maintenance data for other logistics management systems. This data includes information on life-limited parts. The information about these life limited parts should be included in the G081 history file. Is the DD Form 3051 (Limited Remaining Useful Life Component Removed Prior to Failure Tag-Materiel) accommodated there?</p>	<p>Integrated Maintenance Data Systems (IMDS) and G081 are AF systems impacted by the PDC.</p>	<p>Noted. This pertains to changes internally to US Air Force. No changes to the document.</p>
A	6	8	Coordination Response Requirement	<p>Paragraph 7.12.3 deals with life limited components and automated processing, but does not cite the DD Form 3051 (Limited Remaining Useful Life Component Removed Prior to Failure Tag-Materiel). It does cite the forms DD Form 1577-2, Serviceable (Repairable) Tag Materiel, or DD Form 1574, Serviceable Tag - Materiel.</p>	<p>Technical Order 00-20-1, Air Force Technical Order System, is an AF publication impacted by the PDC.</p>	<p>Noted. This pertains to changes internally to US Air Force. No changes to the document.</p>

**Enclosure 5**

**Defense Logistics Agency (DLA) PDC 1434 Review Comments and DEDSO Responses**

Comments:

PAGE	LINE #	PARA	Critical or Substantive	COMMENT	RECOMMENDED CHANGE	DEDSO Resolution
4		13 (b)	Critical	when the SCC "U" material is deemed unserviceable, reclamation is a consideration SCC "P" before disposal ....the unserviceable material should be assigned SCC P for reclamation (item contains serviceable components), or SCC "Q" (product quality deficiency ) prior to turn-in to DLA Disposition Services c. In order to ensure that this material does not return to the supply system, it must be destroyed or mutilated to the point of scrap and cannot be returned or sold as an item of supply.	<b>(b) When the materiel is unserviceable, the item cannot be return to storage and will be identified for reclamation or disposal. The materiel owner may dispose of the item locally or via DLA Disposition Services as necessary. When utilizing DLA Disposition for disposal, material must be reclassify as SCC Q.</b>	Concur, incorporated into ADC 1434
5		5.b	substantive	missing Warehouse management System (WMS) and Enterprise Business Systems (EBS)	b. <u>Automated Information Systems (AIS)</u> : DLA DSS/WMS and EBS must support the use of SCC U for materiel receipt, shipment, and storage. Service maintenance systems, supply systems, Inventory Control Points (ICP) and storage systems will adopt the use of SCC U as described above.	Concur, incorporated into ADC 1434

5 & 6		6. b.	critical	missing non-DLM 4000.25, DODM 4160.21, Vol 1, Defense Materiel Disposition: Disposal Guidance and Procedures, Enclosure 5, Donations, Loans and Exchanges,	(3) DODM 4160.21, Vol 1, Defense Materiel Disposition: Disposal Guidance and Procedures, Enclosure 5, Donations, Loans and Exchanges, incorporate SCC U under 3. e. <u>Donation Restrictions</u> (n) Other HP and HM not otherwise identified in the categories in Paragraphs 3e(1)(a) through 3e(1)(m) that is not serviceable, for example, SCCs listed in Reference (r) as SCC E for unserviceable (limited restoration) materiel, SCC F for unserviceable (reparable) materiel, and SCC G for unserviceable (incomplete) materiel, SCC H for unserviceable (condemned) materiel, SCC P for unserviceable (reclamation) materiel, SCC U for (limited remaining life before failure).	Concur, incorporated into ADC 1434
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5 & 6		6. b.	substantive	<p>missing non-DLM 4000.25, DODM 4160.21, Vols 1-4 Defense Materiel Disposition, Glossary, Part II Definitions , <u>Reclamation</u></p>	<p>(3) DODM 4160.21, Vol 2, Defense Materiel Disposition, Glossary, Part II Definitions , incorporate into definition of "reclamation" SCC U. <u>reclamation</u>. A cost avoidance or savings measure to recover useful (serviceable) end items, repair parts, components, or assemblies from one or more principal end items of equipment or assemblies (usually SCCs listed in DLM 4000.25-2 (Reference (XX)) as SCC H for unserviceable (condemned) materiel, SCC P for unserviceable (reclamation) materiel, and SCC R for suspended (reclaimed items, awaiting condition determination) materiel), for the purpose of restoration to use through replacement or repair of one or more unserviceable, but repairable principal end item of equipment or assemblies (listed in Reference (XX) as SCC E for unserviceable (limited restoration) materiel, SCC F for unserviceable (reparable) materiel, and SCC G for unserviceable (incomplete) materiel), SCC U for serviceable (limited remaining life before failure). Reclamation action is preferable prior to disposition (e.g., DLA Disposition Services site turn-in), but end items or assemblies may be withdrawn from DLA Disposition Services site for reclamation purposes.</p>	<p>Concur, incorporated into ADC 1434</p>
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			Critical	Will items in this SCC be exempted from COSIS cyclic inspections? Based on the how the item is stored, there is a table in the Stock Readiness Joint Service Regulation that dictates how frequently Distribution personnel would inspect the item as it sits. If the AF is saying they have already determined that they will overhaul it, I see no point in distribution inspecting these items.	Since DLA is not in the business of evaluating serviceability or service life, it should be exempted from Distribution inspections.	Concur, incorporated into ADC 1434
4		13(b)	critical	Recommend reclassifying to SCC "Q". This action will ensure that property is not inadvertently put in cycling. This will systematically force a downgrade upon action in DSS	<b>When the materiel is unserviceable, the item cannot be returned to storage and must be disposed. Prior to disposal, the item must be reclassified to SCC "Q" (product quality deficiency). The materiel owner may dispose of the item locally or via DLA Disposition Services, as necessary.</b>	Concur, incorporated into ADC 1434
5		5.b	substantive	missing Warehouse management System (WMS) and Enterprise Business Systems (EBS)	b. <u>Automated Information Systems (AIS)</u> : DLA DSS/WMS and EBS must support the use of SCC U for materiel receipt, shipment, and storage. Service maintenance systems, supply systems, Inventory Control Points (ICP) and storage systems will adopt the use of SCC U as described above.	Concur, incorporated into ADC 1434

5		6. b.	critical	missing non-DLM 4000.25, DODM 4160.21, Vol 1, Defense Materiel Disposition: Disposal Guidance and Procedures, Enclosure 5, Donations, Loans and Exchanges,	(3) DODM 4160.21, Vol 1, Defense Materiel Disposition: Disposal Guidance and Procedures, Enclosure 5, Donations, Loans and Exchanges, incorporate SCC U under 3. e. <u>Donation Restrictions</u> (n) Other HP and HM not otherwise identified in the categories in Paragraphs 3e(1)(a) through 3e(1)(m) that is not serviceable, for example, SCCs listed in Reference (r) as SCC E for unserviceable (limited restoration) materiel, SCC F for unserviceable (reparable) materiel, and SCC G for unserviceable (incomplete) materiel, SCC H for unserviceable (condemned) materiel, SCC P for unserviceable (reclamation) materiel, SCC U for (limited remaining life before failure).	Concur, incorporated into ADC 1434
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5 & 6		6. b.	substantive	<p>missing non-DLM 4000.25, DODM 4160.21, Vols 1-4 Defense Materiel Disposition, Glossary, Part II Definitions , <u>Reclamation</u></p>	<p>(3) DODM 4160.21, Vol 2, Defense Materiel Disposition, Glossary, Part II Definitions , incorporate into definition of "reclamation" SCC U. <u>reclamation</u>. A cost avoidance or savings measure to recover useful (serviceable) end items, repair parts, components, or assemblies from one or more principal end items of equipment or assemblies (usually SCCs listed in DLM 4000.25-2 (Reference (XX)) as SCC H for unserviceable (condemned) materiel, SCC P for unserviceable (reclamation) materiel, and SCC R for suspended (reclaimed items, awaiting condition determination) materiel), for the purpose of restoration to use through replacement or repair of one or more unserviceable, but repairable principal end item of equipment or assemblies (listed in Reference (XX) as SCC E for unserviceable (limited restoration) materiel, SCC F for unserviceable (reparable) materiel, and SCC G for unserviceable (incomplete) materiel), SCC U for serviceable (limited remaining life before failure). Reclamation action is preferable prior to disposition (e.g., DLA Disposition Services site turn-in), but end items or assemblies may be withdrawn from DLA Disposition Services site for reclamation purposes.</p>	<p>Concur, incorporated into ADC 1434</p>
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Enclosure 3, PDC 1434, Page 1	Table 4-3.		Substantive	The table did not reflect each of the accounts that might relate to SCC "U" materiel.	The Supply Condition Code (SCC) "U" should be added to DoD FMR Volume 4, Chapter 4, Table 4-3. Relationship of Logistic Supply Categories for U.S. Standard General Ledger (USSGL) accounts 151100 OM&S Held for Use, 151200 OM&S Held in Reserve for Future Use, and 151400 OM&S Held for Repair (Remanufacturing).	Concur, incorporated into ADC 1434
Enclosure 3, PDC 1434, Page 1	Table 4-4.		Substantive	The table did not reflect each of the accounts that might relate to SCC "U" materiel.	The SCC "U" should be added to DoD FMR Volume 4, Chapter 4, Table 4-4. General Ledger Inventory Accounts vs Supply Condition Codes for USSGL accounts 152100 Inventory Purchased For Resale, 152200 Inventory Held in Reserve for Future Sale, and 152300 Inventory Held for Repair (Remanufacturing).	Concur, incorporated into ADC 1434

				<p>Requires the below to be added to WEBVLIPS to enable Supply Condition Code U to be defined for the WEBVLIPS user. I will write the WO when the ADC is released. No changes to the PDC.</p> <p><b>Supply Condition Code U SERVICEABLE (LIMITED REMAINING LIFE BEFORE FAILURE):</b></p> <p>Components determined by predictive maintenance alerts or other component health monitoring capabilities to have a limited remaining life span before failure that may appear or test as serviceable. Components await engineering analysis, reliability determination, repair, or overhaul, reconditioning or reclassification.</p>		<p>Concur, incorporated into ADC 1434</p>
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