



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

SUBJECT: Approved Defense Logistics Management Standards Change 1474, Security Assistance Customers Supply Discrepancy Report Stock Screening Reply Codes

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

Addressees may direct questions to Ben Breen, e-mail: DEDSO.SDR@dla.mil. Others must contact their designated PRC representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

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

Attachment:
As stated

cc:
OUSD(C)
DLA J6DS

Approved Defense Logistics Management Standards Change 1474 Security Assistance Customers Supply Discrepancy Report Stock Screening Reply Codes

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** William Wenzel, United States Air Force, AF/A4LR, email: William.Wenzel.1@us.af.mil.

b. **Functional POC:** Ben Breen, Defense Enterprise Data Standards Office (DEDSO), Deficiency Report Administrator, email: Benjamin.Breen@dla.mil.

2. **REASON FOR CHANGE:** Significant changes after staffing the proposed change are highlighted in green shading.

a. **Bottom Line Up-Front:** This change will add two new Supply Discrepancy Report (SDR) Reply Codes for action activities to report whether stock screenings for Security Assistance (SA) quality related deficiencies SDRs were initiated or not. This is applicable only for SA SDRs reporting a Product Quality Deficiency Report (PQDR) using approved SA Discrepancy Codes Q1-Q8. This change is applicable to SA customers identified by Military Assistance Program Address Code (MAPAC) with a document number starting with B, D, K, P or T. Systems requiring update are in paragraph 5.b.

b. This change also includes an administrative update to add the Cause Code list to Defense Logistics Manual (DLM) 4000.25 Volume 2, Appendix 7.28, Supply Discrepancy Reporting Relevant Data Elements as shown in Enclosure 1. After conducting research, Action Activities use Cause codes to identify the cause of a reported discrepancy.

c. Approved Defense Logistics Management Standards Change (ADC) 1446 (reference 10.c) mandates PQDR report submission using a Defense Logistics Management Standards (DLMS) 842P transaction instead of an SDR DLMS 842A/W transaction. While this capability is being developed, this ADC (1474) will act as an interim solution. Furthermore, once ADC 1446 is implemented this ADC (1474) will be obsolete and will be rescinded or modified to align with ADC 1446.

d. **Background:** Currently, the SDR Reply Codes used to provide disposition to SA customers on Quality Discrepancy Coded SDRs only state whether the item is to be returned, disposed of, or credit authorized. SA customers have no way of knowing if an action activity conducted a stock screening that would assure that the part can be reordered with confidence. There have been cases where SA customers continually receive discrepant parts and submit SDRs repeatedly on the same stock number. There are other instances where they have received the exact same defective part back on a new order.

This was highlighted as one of the top four issues which SA customers have requested action on in conjunction with the International Customers User Group (ICUG) – Supply Discrepancy Reporting Working Group. Currently, the working group is led by Wing Commander Chris

Lewis (Australia), Foreign Liaison Office and Timothy Hecht, Air Force Security Assistance & Cooperation.

3. CHANGE IN DETAIL:

a. **Technical Details:** Update DLM 4000.25, Volume 2, Appendix 7.28 as shown in Enclosure 1 with the addition of Reply Codes 209 and 210, and the Cause Code list. Also, update DLM 4000.25, Volume 2, Chapter 17 as shown in Enclosure 2.

b. **Revised Transaction Flow:** Action activities must provide Reply Code 209 or 210 when responding to SA SDRs reporting quality related deficiencies.

4. IMPLEMENTATION TARGET: Upon approval.

5. TECHNICAL IMPACT:

a. **Additions or Changes to Data Elements:** None.

b. **Automated Information Systems (AIS):** At a minimum the following SDR systems must make updates:

Navy: Product Deficiency Reporting and Evaluation Program.

General Service Administration: Vision.

Defense Logistics Agency: Enterprise Business System, Distribution Standard System, and Warehouse Management System.

Army: Logistics Modernization Program.

Air Force: Air Force Security Assistance and Cooperation, Stock Control System (Wholesale D035K), and Integrated Logistics System Supply.

c. **Defense Automatic Addressing System (DAAS):** See section 3.a. for details.

6. PUBLICATION/POLICY IMPACT:

a. **Defense Logistics Manual (DLM) 4000.25:** Update DLM 4000.25, Volume 2, Chapter 17 and Appendix 7.28 as shown in Enclosures 1 and 2.

b. **Non-DLM 4000.25 Publications:** Components will update their publications as needed.

7. ASSUMPTIONS: Action activities may request a stock screening to segregate potentially defective materiel, however if Materiel Release Orders (MRO) have already been transmitted these MROs may be processed prior to the stock screening being completed. This may result in the same materiel reported on the quality related SDR to still be shipped to a customer.

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

9. END-TO-END TESTING REQUIREMENTS: None.

10. REFERENCES:

- a. DLM 4000.25, Volume 2, Chapter 17, Supply Discrepancy Reporting.
- b. DLM 4000.25, Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data
- c. ADC 1446, Security Assistance Supply Discrepancy Reporting and Product Quality Deficiency Report.

11. PROPOSED FUNDING REQUIREMENTS:

	Component	Response/Comment
1.	DLA	No Comment Provided.
2.	US Air Force	No Comment Provided.
3.	US Army	No Comment Provided.
4.	USMC	No Comment Provided.
5.	US Navy	No Comment Provided.
6.	DAAS	No Comment Provided.
7.	USTRANSCOM	No Comment Provided.

12. IMPLEMENTATION TIMELINE AND ESTIMATED COMPLETION DATE:

	Component	Response/Comment
1.	DLA	No Comment Provided.
2.	US Air Force	No Comment Provided.
3.	US Army	No Comment Provided.
4.	USMC	No Comment Provided.
5.	US Navy	No Comment Provided.
6.	DAAS	No Comment Provided.
7.	USTRANSCOM	No Comment Provided.

Enclosure 1

Update DLMS 4000.25 Volume 2, Appendix 7.28, Supply Discrepancy Reporting Relevant Data Elements as shown below. Additions are shown in **red bold italics**. Deletions are shown by double strikethrough text.

Preceding text is not shown

AP7.28.4. DISCREPANCY STATUS OR DISPOSITION (REPLY) CODES.

Action activities use the Discrepancy Status or Disposition (Reply) Codes to codify a response to an SDR. This data element may be referred to as an SDR Reply Code. It is a three-position numeric code. Up to three reply codes may be used on a single report to provide complete financial and materiel disposition instructions and provide additional information as needed. Codes may be used to replace or supplement preprinted information on the reverse side of the SF 364. System design should accommodate clear text for ease of use and interpretation.

Intervening text not shown

The 200-series codes provide additional information relevant to Security Assistance SDRs:

- 201 Incorrect information provided by U.S. Government contract.
- 202 MAPAD information not current by U.S. Government error.
- 203 Materi~~e~~l erroneously returned to U.S. Government stock.
- 204 Overage of Repair and Replace materi~~e~~l.
- 205 Shortage of Repair and Replace materi~~e~~l.
- 206 Administrative write-off recommended.
- 207 No financial adjustment required. Excess Defense Articles (EDA). Overage not billed.
- 208 Repaired in-country by contractor or U.S. Government personnel.
- 209 *Stock Screening was initiated by Action Activity.***
- 210 *Stock Screening was not initiated by Action Activity, see long text for justification.***

AP7.28.5. Cause Codes.

Action activities use the Cause Codes in the SDR response to signify the specific cause code in a response to an SDR. This data element may be referred to as an SDR Cause Code. It is a two-position numeric code.

Cause Codes

- CA *Catalog incompatibility***
- CE *Contracting error***
- CN *Contractor noncompliance (prime contractor)***

CP	<i>Contractor noncompliance (packaging contractor)</i>
CR	<i>Carrier responsibility</i>
CS	<i>Contractor noncompliance (subcontractor)</i>
DE	<i>Contract administration services error</i>
EE	<i>Engineering error</i>
EL	<i>Expired life service</i>
FD	<i>FDA inspection error</i>
ID	<i>Inadequate contract technical data</i>
IE	<i>Item/equipment incompatibility</i>
IS	<i>Inadequate specifications</i>
MA	<i>Misapplication by customer</i>
ME	<i>Maintenance error</i>
MM	<i>Misidentified materiel</i>
OA	<i>Transshipment of packaging facility error</i>
OT	<i>Other/does not apply</i>
QA	<i>Inadequate contractual quality assurance provisions/special inspection requirements</i>
RE	<i>Requisitioner error</i>
SA	<i>Screening activity error</i>
SE	<i>Engineering support activity/specifications preparing activity/service user error</i>
SI	<i>Special inspection</i>
SL	<i>Expired shelf-life</i>
SR	<i>Shipper responsibility</i>
SU	<i>Supply operations error</i>
TR	<i>Transshipper activity/other responsibility</i>
UA	<i>Unapproved source</i>
US	<i>Unapproved substitute</i>
WE	<i>Storage Site error</i>

AP7.28.56 DISCREPANCY REPORT DOCUMENT TYPE CODES

AP7.28.56.1. The following codes are used to identify report categories for appropriate automated processing. Discrepancy Report Document Type Codes and DLA Disposition Services SDR Type Codes are one position alphanumeric codes.

AP7.28.56.2. The Discrepancy Report Document Type Code (DLMS Qualifier D) is used on SDRs to identify the type of discrepancy report and type of shipment involved. In the context of SDR processing, this data element may be referred to as an SDR Document Type; however, there are many other code values assigned that are not applicable to SDRs. This data element is mandatory on SDR transactions.

AP7.28.5~~6~~.3. The DLA Disposition Services SDR Type Code (DLMS Qualifier ST) is used as a sub-type code in conjunction with the SDR Document Type to further clarify the shipment scenario. This data element may be referred to as an SDR Sub-Type Code. This data element is conditional; it is used when applicable.

Enclosure 2

Update DLM 4000.25, Volume 2, Chapter 17 as shown below. Changes are identified in **red bold italics**. Deletions are shown by double strikethrough text. Renumbering may be required.

Preceding text not shown

C17.5.14.2. The DoD ICP/IMM, ~~shipping depot~~, or GSA will:

Preceding text not shown

C17.5.14.2.2. Furnish properly completed SDRs to the ILCO for further processing to the Security Assistance customer. The action activity will cite the appropriate reply code (Appendix 7.28). ***See paragraph C17.5.14.2.6 for the appropriate reply codes to cite on SDRs reporting a quality related discrepancy.***

- *Preceding text not shown*

C17.5.14.2.6 The action activity must cite either reply code 209 or 210 when responding to the ILCO on SDRs reporting a quality related discrepancy. Action Activities will cite Reply Code 209 when a stock screening was initiated and Reply Code 210 when a stock screening was not initiated and to see the long text for justification as to why it was not. Two additional reply codes may be provided in order to furnish a properly completed SDR to the ILCO for further processing to the Security Assistance customer

C17.5.14.3. The DoD shipping depot will:

C17.5.14.3.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.5.14.3.2. Furnish properly completed SDRs to the ILCO for further processing to the Security Assistance customer. The action activity will cite the appropriate reply code (Appendix 7.28).

C17.5.14.3.3. Provide signed evidence of shipment to the ILCO when non-receipt of materiel is involved. If this documentation cannot be provided, recommend credit as required to the source of supply.

C17.5.14.3.4. Provide documentation that is matched to the quantity shipped for concealed shortages. Examples of such documentation are those that contain 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 difference is required.

Enclosure 3

PDC 1474 Consolidated Comment Matrix:

Component Input			Action Officer Response		
ORG	COMMENT	RECOMMENDED CHANGE	COMMENTOR	Accept or Reject	DEDSO Response
DLA	Concur with Comments				
	<p>Page 1, Para 2b Substantive. This PDC states the Cause Code listing is being moved to DLMS. Is the use of cause codes a DLMS requirement for processing iSDRs. Is there an expectation to use them and are they to be transmitted on an outbound transaction?</p>	Clarify the use of cause codes in the PDC verbiage (i.e. systemic or internal use)	DLA Distribution, Barry Shaffer	Reject	DLMS Vol. 2, Chapter 17, section C17.3.12.1.2.5.already provides clarification on the use of cause codes.
	<p>Page 1, Para 2. Substantive This PDC concerns FMS customers submitting SDRs in lieu of PQDRs. DEDSO just staffed and approved ADC 1446 which mandates submission by ILCOs the PQDR report (842P) instead of SDRs (842A/W). While this capability will have to be developed, it will mean that this PDC will be obsolete and need to either be rescinded or modified to align with ADC 1446. This means that PDC 1474 is interim in nature. By being interim in nature, components may not want to implement programing which will later have to be removed. I think most of this change could be implement as a process change vice a systemic solution.</p>	In the BLUF section as 2.c., explain that this change is interim and that ADC 1446 will eventually eliminate this process.	Troy Brown, DLA HQ J345	Accept	Updated ADC to state: Approved Defense Logistics Management Standards Change (ADC) 1446 (reference 10.c) mandates submission by ILCOs the PQDR report (842P) instead of SDRs (842A/W). While this capability will have to be developed, it will mean that this ADC (1474) is interim in solution. Furthermore, once ADC 1446 is implemented this ADC (1474) will be obsolete and will be rescinded or modified to align with ADC 1446.
	<p>Page 1, 2a. Substantive Provide clarification on what is deemed "quality related deficiencies" listed in paragraph 2.a.</p>	2.a. Bottom Line Up-Front: This change will add two new Supply Discrepancy Report (SDR) Reply Codes for action	Troy Brown, DLA HQ J345	Accept	ADC updated to include clarification.

		activities to report whether stock screenings for Security Assistance (SA) quality related deficiencies SDRs were initiated or not. This is applicable only for FMS SDRs reporting a Product Quality (item) Deficiency (Security Assistance Only) using approved codes Q1-Q8.			
Page 1, 2a. Substantive Provide clarification that this is applicable only to FMS SDRs.	2.a. Bottom Line Up-Front: This change will add two new Supply Discrepancy Report (SDR) Reply Codes for action activities to report whether stock screenings for Security Assistance (SA) quality related deficiencies SDRs were initiated or not. This is applicable only for FMS SDRs reporting a Product Quality (item) Deficiency (Security Assistance Only) using approved codes Q1-Q8. Note: this change is applicable only to FMS SDRs identified by MAPAC with a document number starting with B, D,K,P or T.	Troy Brown, DLA HQ J345	Accept	ADC updated to include clarification.	
Enclosure 2, Page 1, C17.5.14.2.6. This is a new section of chapter 17. Current section ends C17.5.14.2. The way it current reads, an SDR could be rejected by a ICP/IMM if the shipping depot doesn't designate a 209 or 210 reply. This was a questions/concern from DLA MSCs. Under DLA, our ICP/IMM initiates stock screening and responds. Our shipping depots don't initiate Stock Screening. I	Add the following after Action activity To read: " C17.5.14.2.6 The action activity (DoD ICP/IMM, shipping depot, or GSA) must cite either reply code 209 or 210 when responding to the ILCO on SDRs reporting a quality related discrepancy. Action Activities will cite Reply Code 209 when a stock screening was initiated and Reply	Troy Brown, DLA HQ J345	Reject	The DoD shipping depot actions are addressed in C17.5.14.3.	

	would prefer to totally remove "shipping depot" but I'm not sure how other components initiate 842 C/I and 842 C/R. Also, chapter 17 doesn't discuss stock screening transactions but rather that policy is under chapter 21.	Code 210 when a stock screening was not initiated due to the full contract quantity being accounted for. Two additional reply codes may be provided in order to furnish a properly completed SDR to the ILCO for further processing to the Security Assistance customer."			
	Enclosure 2, Page 1. C17.5.14.2.3. Critical This section does not exist today under chapter 17. Current chapter ends with C17.5.14.2 and jumps to C17.5.15. It looks like the C17.5.14.3 section was moved up from C17.5.15.2. BUT the citation now reads "DoD shipping depot". This indicates that the shipping depots create DFAS adjustments/credit and contradicts the Interim reply section C17.3.12.1.2.7. and the 525 reply code. Without this change DLA cannot concur with the PDC since it will fundamentally change how shipping depots process SDRs.	Update the paragraph to read "C17.5.14.3. The " DoD ICP/IMM , shipping depot, or GSA " will:"	Troy Brown, DLA HQ J345	Reject	C17.5.14.3. only pertains to the DoD shipping depot. However, the section concerning DFAS adjustments/credit has been removed.
	Page 2, 3b Substantive The transaction flow states the action activity must provide reply code 209 and 210 when responding to SA quality related SDRs, but does not state any consequences of not doing it. There is no enforcement to use the codes.	There should be some sort of systemic logic like a rejection or reconsideration to ensure either reply code 209 or 210 is used in conjunction with the credit/no credit and destroy/return disposition.	DLA AVN TQ, Andrew Dinh	Reject	DLA can implement internal controls to ensure their end users comply with this requirement. Furthermore, if the Reply Code 209/210 is not provided, the customer can always send in a reconsideration requesting the clarification.
	Page 5 Substantive Reply code 210 states "Stock screening was not initiated by Action	Recommend changing the language to be more broad or state to place justification of no	DLA AVN TQ, Andrew Dinh	Accept	Updated long text or Reply Code 210 to read: Stock Screening was not initiated by Action Activity, see long text

	Activity since full contract quantity was accounted for", but it does not take in consideration the other reasons for stock screening not required. What if there was no contract number or no stock on hand at the depot? What if a PQDR was done on the specified contract number and it was determined to be invalid?	stock screening initiated in the long text. For the latter suggestion, I suggest keeping in mind the character limitations for SDRRODs.			for justification.
AFSAC	Concur with comment Page 8 C175.14 Is not covering wrong item issues	Add policy that will cover wrong item discrepancies	Mark Passage, AFSAC	Reject	Wrong item issues are not treated as a quality issue for SA customers. This change applies only to quality related issues being reported by the SA on an SDR.
Army	No response/concur				No response within 30 days represents concurrence.
Air Force	Concur without comment.		William Wensel, USAF AF/A4LR Chief, Supply Policy		As noted.
Marine Corps	No response/concur				No response within 30 days represents concurrence.
Navy	No response/concur				No response within 30 days represents concurrence.
DAAS	Concur without comment.		Diane Wood, DAAS		As noted.
USTRANSCOM	Concur without comment.		Daniel Eisenberg, USTRANSCOM J6- CDO		As noted.
Disposition Services	Concur without comment		Denisse Cunningham DLA Disposition Services Receipt and Warehousing Branch		As noted.