



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

May 10, 2013

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Joint Defense Logistics Management System (DLMS) Supply Process Review
Committee (PRC) and Joint Physical Inventory Working Group (JPIWG) Meeting 13-01,
April 18, 2013

The attached minutes of the Joint DLMS Supply PRC and JPIWG Meeting (13-01) are
forwarded for your information and action as appropriate.

The DLA Logistics Management Standards points of contact are Ms. Ellen Hilert,
(703) 767-0676, DSN 427-0676; or email ellen.hilert@dla.mil. Ms. Mary Jane Johnson,
(703) 767-0677; or email mary.jane.johnson@dla.mil, Ms. Heidi Daverede, (703) 767-5111 or
email heidi.daverede@dla.mil, Mr. Luis Madrigal, (703) 703.767.2011 or email
luis.madrigal@dla.mil.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

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Attendees



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May 10, 2013

MEMORANDUM FOR RECORD

SUBJECT: Joint Defense Logistics Management System (DLMS) Joint Supply Process Review Committee (PRC) and Joint Physical Inventory Work Group (JPIWG) Meeting 13-01, April 18, 2013

Purpose: The DLA Logistics Management Standards Office hosted the subject meeting at DLA Headquarters and via Defense Connect On-Line (DCO) for remote participants. This was a focused meeting to address maintaining supply accountability during organic depot maintenance (Depot Maintenance Inter-Service Support Agreement (DMISA) and intra-Component). A list of attendees, the meeting agenda, and briefing materials are available on the Supply PRC Webpage: www.dla.mil/j-6/dlmso/Programs/Committees/Supply/supplyPRC.asp and the JPIWG Webpage: www.dla.mil/j-6/dlmso/Programs/Committees/JPIWG/JPIWG.asp. Meeting related materiel is hyperlinked to each of the topics in the meeting agenda file.

Brief Summary of Discussion: Ms. Mary Jane Johnson (DOD MILSTRAP Administrator), Ms. Ellen Hilert (Supply PRC Co-Chair/DOD MILSTRIP Administrator), Ms. Heidi Daverede (Supply PRC Co-Chair/DOD MILSTRIP Alternate), and Mr. Luis Madrigal (JPIWG Chair), facilitated discussion. Action items are to be worked within **30 days** of this memorandum unless otherwise noted.

Review of Meeting Topics:

a. JPIWG Action Item Status. Mr. Luis Madrigal briefly addressed an action item relating to Proposed DLMS Change (PDC) 449. The action item for Army sought to address accountability and visibility problems brought about by the use of Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) Document Identifier Code (DIC) DAC, Inventory Adjustment – Dual (Condition Transfer), to move materiel between a storage activity and an organic maintenance depot. In response to the action item, Army reported they implemented a system change specific to their Logistics Modernization Program (LMP). While this action item targeted a specific system issue, it brought to light the wider issue that some distribution depots are having with visibility of items due to improper use of a Supply Condition Code (SCC) M – Suspended (In Work). A later discussion item addressed a modification to the definition of SCC M related to PDC 449.

Attachment, Page 2

b. PDC 449, Revised Procedures for Logistics Accountability During Maintenance – Disallows Use of Inventory Adjustment – Dual (Condition Transfer) for Physical Movement of Materiel. Ms. Mary Jane Johnson led a discussion of the key areas of the PDC and the Component responses. The stated goal was to reach consensus on approval of that portion of the PDC which eliminates use of the 947I/DAC Inventory Adjustment – Dual (Condition Transfer) transaction (hereafter referred to as “DAC”) as a means to “physically move” assets between a storage activity and a maintenance activity; and to understand which Service(s) this change impacts (i.e., who uses the DAC for this purpose), so that an implementation timeline can be addressed in the ADC.

(1) Eliminating authorization to use an Inventory Adjustment (Dual - Condition Transfer) Transaction as a means to move materiel from a storage activity into a maintenance facility (i.e., DAC to SCC "M"), and back again, in favor of using accountable issue and receipt transactions for moving assets to and from maintenance. This is the main focus of PDC 449. DOD 4140.1-R policy dictates that the storage activity is “accountable for the accuracy of that portion of the total item property record showing the quantitative balance in their custody.” (See agenda item for “Background DOD Policy”.) Use of the DAC transaction, to “move” assets between the storage activity and the maintenance depot, violates DOD policy because it does not relieve the storage activity of accountability for assets which are not in their custody. Elimination of the DAC transaction as a mechanism to record physical movement of assets supports policy and the integrity of the accountable record. The DAC remains a valid transaction for changing SCCs within an activity, such as while materiel is in the maintenance depot or while materiel is in the storage activity; this change only eliminates use of the DAC as the mechanism to record the physical movement of assets between activities. Specific responses from the Components during the meeting regarding use of the DAC are as follows:

(a) Air Force – All three Air Logistics Centers do not use the DAC to move materiel in/out of maintenance at the wholesale level; subsequent to the meeting, Air Force confirmed that DACs are not used to move assets at the retail level using the Integrated Logistics System-Supply. Mr. Tony Scherm (Air Force) is drafting updated Air Force processes to clarify procedures and transaction flow applicable to AF maintenance depots. He noted that the D035K system executes the transactional exchanges with DLA Distribution Standard System (DSS), on behalf of the maintenance depot. This was acceptable to DLA (DSS) and DLA Logistics Management Standards Office, as long as standard DLMS procedures/transactions are used appropriately and DOD 4140.1-R accountability policy is not violated. At this point, further review of the AF procedures and transaction flow is required.

(b) Army – Mr. Oliver Pryor (Army Supply PRC representative) and Mr. Kurt Phoel (Army contractor support) stated that national level supply maintenance actions do not use the DAC for physical movement of materiel. Mr. Gary Ziegler (DLA JPIWG Representative) noted that some Army activities provide paperwork to move materiel to maintenance and ask the distribution depot, prior to materiel movement, to record the asset in SCC M (Suspended – In Work) showing that it is in Maintenance and then change the asset back to SCC A (Serviceable – Issuable without Qualification) after it returns. Ms. Hilert noted the current Army process is non-compliant, since the Army is asking the distribution depot to change the SCC on the DSS accountable records to SCC M, even though the materiel is not in the physical custody of the maintenance depot. Army was going to verify their processing and

provide an update as needed. Ms. Hilert led a discussion for an interim post-post procedure that would enable the distribution depot to get the materiel off their record, until such time as the standard DLMS/MILSTRIP/MILSTRAP procedures are implemented. The storage depot could create a post-post requisition and materiel release confirmation (to move materiel in SCC F) and maintenance would change the SCC to M using the DAC. This process is not optimal; the preferred method is to follow standard DLMS/MILSTRIP/ MILSTRAP procedures, so that there is a clear audit trail in the key systems as to the status of a particular asset.

(c) **Navy** – The Navy had no objection to elimination of the DAC as a mechanism to record the physical movement of materiel.

PDC 449 Summary: The Components agreed with eliminating use of the 947I/DAC as a mechanism to “move” assets. Ms. Johnson will draft an Approved DLMS Change (ADC) for PDC 449, and submit the draft ADC to the Supply PRC and JPIWG for a final two week review.

- **ACTIONS:**

- Services, except Air Force, to confirm they are not using the DAC to move materiel in and out of maintenance. If they are using the DAC for that purpose, provide an implementation date to discontinue the use so that the ADC can address an implementation plan to eliminate the process.
- In addition to the elimination of the unacceptable use of the DAC to move materiel, Services that are using other variations of standard procedures (e.g. pseudo Routing Identifiers Codes (RICs), hard copy forms to issue materiel while in SCC M, and other deviations noted in the discussion of the flow diagrams at paragraph c.) must provide a timeline for transition to standard MILSTRIP/MILSTRAP transactional exchange and their associated procedures.
- **ACTION:** DLA Logistics Management Standards Office will draft the ADC for PDC 449 to eliminate the use of the 947I/DAC for movement of materiel in/out of maintenance. The draft ADC will be forwarded to the Supply PRC and JPIWG members for final review prior to official release.

(2) **Management Code V (Materiel intended for immediate transfer to maintenance, by ICP directed release or maintenance induction, in accordance with agreed procedures).** PDC 449 proposed deletion of Management Code V. Ms. Johnson noted that subsequent to staffing PDC 449, a question was raised whether it would be beneficial to reserve Management Code V for an issue from the receiving process. Management Code V could be useful to DLA when materiel is received by the co-located storage activity from a non co-located storage activity and a “pass through” (issue from receiving) to the maintenance (Agent) is desired rather than receipt, stow and then issuing to maintenance. This concept could also be expanded beyond the maintenance requirement, for use in filling backorders from receiving. A query of the Services and DLA noted that none have implemented Management Code V.

- **ACTION:** In the approved change for PDC 449, DLA Logistics Management Standards Office will document the retention of Management Code V as a

placeholder “RESERVED for Materiel intended for immediate transfer to maintenance, by ICP directed release or maintenance induction, in accordance with agreed procedures”; with footnote stating that:

- Management Code V is not implemented and implementation is on hold subject to future development of a standard DLMS solution for procedures for issue from receiving.
 - When a PDC is developed for a standard solution for issue from receiving, consideration should be given to expanding the management code for broader ‘issue from receiving’ use, not limited to maintenance, if it is deemed appropriate.
 - An “end date” will be identified for reserving code V for this purpose. If no PDC is under development by December 31, 2014, for a DLMS Issue from Receiving process, Management Code V will be marked as “Reserved for future DOD assignment”.
- **ACTION:** Establish a team led by DLA Distribution to draft a PDC to develop a DLMS solution for an issue from receiving process, to include requirements for use of Management Code V, and a broader definition for Code V as deemed appropriate.

(3) Procurement Instrument Source Transactions, MILSTRAP DICs D4G, D4H, D4L, and D4N. PDC 449 proposed deletion of MILSTRAP DICs D4G (Materiel Receipt - Procurement Instrument Source (Destructive Test/Evaluation)), D4H (Materiel Receipt - Procurement Instrument Source (Furnished Materiel for Consumption)), D4L (Materiel Receipt - Procurement Instrument Source (Assembly/Disassembly/Reclamation/Conversion/Modification)) and D4N (Materiel Receipt - Procurement Instrument Source (Loan)). During the PDC 449 Staffing, DLA (Distribution Depots) and Army (LMP) reported that these DICs are not being used. After the PDC 449 staffing process was completed, a question was raised whether these four DICs should be retained and used as the appropriate transactions when Government Furnished Materiel (GFM) is involved.

At this time, DLA Logistics Management Standards Office believes that all DICs employed for organic maintenance should have an equivalent DIC for commercial maintenance to ensure proper monitoring and accounting of GFM. Pending further research, it is believed that it might be more appropriate to receipt this materiel under the controlling contract number than to use the corresponding non-procurement source receipt transactions. A possible alternative under the DLMS would be to use same DIC for organic and commercial maintenance returns, but to require the inclusion of the contract number as a secondary reference when GFM is applicable. Due to their current lack of use, it is possible that the correct DIC may not be used in all receipts of GFM returned from the government. Components were asked to review current procedures and confirm that GFM returns are identified to the appropriate contract number. Further research of the documented policy is required to determine if any of these DICs are obsolete due to policy.

It is understood that the use of D4H conflicts with guidance for the use of Plant Clearance Automated Reutilization Screening System (PCARSS), however it might be appropriate to retain the DIC for use by exception should the need arise.

During the discussion, it was noted that DLA storage depots are using a D6_ (Materiel Receipt from other than Procurement Instrument Source) for Government Furnished Property (GFP)/GFM, but will use the D4M for the return of an item previously issued to a commercial activity for repair. Ms. Hilert noted we have lost visibility of the contract number by using the MILSTRAP legacy non-procurement source (DIC D6_) transactions, which only identify the controlling document number. USAF stated that they use the D6_ to process receipts of GFP/GFM returns; it was unclear if the property records were updated to reflect a return against the contract number that initially authorized issuance of the GFP/GFM. USAF will submit remarks on their process and verify its compliance with emerging GFP policies arising from the OSD DPAP GFP Working Group, of which they have been a prominent participant.

Summary: Retain the four D4_ DICs for now due to the GFP concerns and questions raised during this discussion. The DLA Logistics Management Standards Office will coordinate with OSD Defense Procurement and Acquisition Policy (DPAP) to document the process before validating the subject DICs can be removed.

- **ACTION:** DLA Logistics Management Standards Office will research the policy for use of these D4_ DICs and will consult with OSD Supply Chain Integration and DPAP regarding whether the subject DICs should be removed or retained for use with GFM. If determined that the procurement source DICs should be employed, DLA Logistics Management Standards Office will provide clarification to the Components. If determined that the procurement source DICs are obsolete and should be removed, the DLA Logistics Management Standards Office will provide an administrative ADC.
- **ACTION:** Air Force (Ms. Gloria Torres) noted they will document their process as it pertains to GFM receipts and provide to DLA Logistics Management Standards Office. Ms. Torres will discuss this GFP issue with Mr. "Quitty" Lawrence (Air Force) and determine whether parts of their process need to be documented in a DLMS change.

(4) Revised definition for SCC M (Suspended (In Work)). Ms. Johnson noted that the definition for SCC M requires revision for consistency with DOD policy and removal of the 947I/DAC as a means to move assets into maintenance. DLA Logistics Management Standards Office proposed a revised definition be included in the ADC for PDC 449, as follows:

Current Definition for SCC M (Suspended (In Work)): Materiel identified on inventory control record but which has been turned over to a maintenance facility or contractor for processing.

Proposed Definition for SCC M (Suspended (In Work)) presented at meeting: Materiel ~~identified on inventory control record but which has been turned over to~~ *in work at an organic or contractor maintenance facility or contractor for processing.*

SUBSEQUENT TO THE MEETING, Ms. Johnson identified the following proposed definition as more consistent with the current definition, which states that materiel is at the maintenance facility "for processing". Ms. Johnson will include this definition in the draft ADC:

SCC M (Suspended (In Work)) - Materiel ~~identified on inventory control record but which has been turned over to~~ **at an organic or contractor** maintenance facility ~~or contractor~~ for processing.

- **ACTION:** DLA Logistics Management Standards Office will incorporate a revised definition for SCC M in the draft ADC being developed for PDC 449.
- **ACTION:** Components review the revised definition in the Draft ADC.

c. DLMS Process for Maintaining Accountability During Organic Depot Maintenance (DMISA and Intra-Service). This topic reviewed the flow diagrams that depict the DLMS process as documented in the DLMS, MILSTRIP, and MILSTRAP manuals using the appropriate transactions to physically move materiel. Before the discussion of the flow diagrams began, the DLA Logistics Management Standards Office made a general comment about the recent new requirement, documented by ADC 1030, for the DLMS 856S Shipment Status to include the UII when available. A proposed change is also being developed to include the UII (when available) in the DLMS 856R Materiel Returns Shipment Status transaction. Discussion below is identified by chart number from the DLMS Process Flowcharts linked to the agenda at Topic 2:

(1) Chart 3, Into Maintenance – Co-Located Storage Activity. The Air Force noted several areas where their process differed. Their D035K application controls issues to maintenance. D035K uses a pseudo RIC to segregate DMISA Depot Level Repairables (DLR) by Service. The Air Force provided an overview of their process that uses Ownership/Purpose (O/P) codes and use of D6_ (Receipt) and D7_ (Issue) transaction. Unfortunately, during the software development in support of DLA assuming responsibility for Service-owned depots, the D6_ became associated with an issue business event, while the D7_ became associated to a receipt business event. Air Force expects DSS to create a D6_ Receipt identifying an issue event in response to an A5_ from D035K, to “wash” the asset from the owner account to the Air Force account. Air Force then uses pseudo RICs in D035K and DSS to segregate storage for repairables by principal account. Mr. Gary Ziegler (DLA) noted that DSS does not use ownership or purpose code and does not store materiel by O/P code. Mr. Phoel (Army/LMP) noted that LMP recognizes and stores by the O/P Code. Mr. Ziegler noted that much of the Air Force transactions movement is happening within the D035K application and not DSS. Ms. Hilert noted that the transaction process used by the Air Force seems to blur owner visibility of the item because the owner is not getting an actual transaction that the item has physically moved; it is put into the AF account, but remains at the DLA storage activity. Additionally, the owner appears to be getting a DAC to change from SCC F to M before receipt by the maintenance depot. From the discussion, Ms. Hilert indicated that it seems that the actual receipt from the maintenance depot is missing. The maintenance depot should provide a D6_ Receipt in SCC F before the SCC change to M. The Air Force participants agreed to provide flow charts and descriptions of their current process for a closer review.

(2) Chart 4 – Into Maintenance, Non Co-Located Storage Activity. The Air Force noted that it generally takes DSS a couple of days to store the item and then turn around and issue the item to the maintenance depot. (Ms. Hilert and Ms. Johnson noted this was a scenario where Management Code V could work, but it is not part of existing DSS or Service procedures.)

Army LMP noted a problem with the 511R (to requisition item for maintenance) being routed back to LMP and not to the intended recipient. The Army started using an A3_ (passing order) to induct the asset. Ms. Ellen Hilert asked whether there were any additional factors that caused the change to the A3_ because the 511R should be passed (vice routed) based upon the inclusion of Project Code 3BB. Mr. Phoel Army/LMP indicated he would research this and provide additional detail of this procedure. A DLMS change to update the DLMS documentation for this process may be needed.

(3) Chart 5, Condition Code Changes while in Maintenance. No issues or comments from meeting participants.

(4) Chart 6, Out of Maintenance – Serviceable. DLA Logistics Management Standards Office asked if the Services sometimes ship assets directly from a maintenance depot to a customer. The Army noted that they do ship some materiel directly to the customer from maintenance. The Navy indicated this is not normally done, and the Air Force indicated this is not done. DLA Logistics Management Standards Office requested Army verify if LMP is transmitting a DLMS 856S (Shipment Status) when they ship direct to a customer.

(5) Chart 7, Out of Maintenance – Condemned. Navy and Air Force use the co-located storage activity to transship materiel in SCC H (Unserviceable (Condemned)) to DLA Disposition Services. The Army was not certain if they send condemned material to DLA Disposition Services directly from the maintenance depot or if it goes through the co-located storage activity. DLA was fairly certain that any materiel processed by a co-located DSS storage activity, for shipment to DLA Disposition Services on behalf of the maintenance depot, is processed as a crossdock/transship (i.e. not stored by DLA). The process shown in this slide will be updated to depict routing through a co-located storage Activity. A general comment was made about following demilitarization procedures before shipping material to DLA Disposition Services when using DSS as the trans-shipment point. It was also noted that in lieu of using an A5J to release the materiel from the maintenance depot for shipment to DLA Disposition Services, some Components use a DAC to SCC H with Management Code M “(Materiel condemned. Quantity indicated shipped direct to the DLA Disposition Services Field Office or other authorized/required disposal action has been taken.)”.

(6) Chart 9, FTA Automatic Returns. The Army noted a difference after Step 1B (FTA forwarded from SICA to PICA); there is a 940R Materiel Release SCC F from the SICA back to the reporting activity, then a 945A Materiel Release Confirmation that the asset was shipped (from reporting activity to the SICA). This relates to the Army single stock fund using the Non Consumable Item Materiel Support Code (NIMSC) 5 process. The SICA has visibility of assets; when the tactical unit turns materiel in to the single stock fund site materiel flagged as a NIMSC 5, the reporting activity sends a 527R Receipt in SCC F to the SICA. Upon receipt of the 527R by the SICA, the SICA (in lieu of the reporting activity) automatically generates the FTA based on the reporting activity’s 527R SCC F receipt. Army may need to submit a PDC to document this variation of the process, but in principle there was no disagreement with the actual process.

- **ACTION:** Air Force will send charts and flow descriptions (including the existing pseudo RIC scenario) to DLA Logistics Management Standards Office for review.

- **ACTION:** Army (LMP/Mr. Kurt Phoel) provide additional process details regarding the issue resulting in use of the A3_ (Passing Order) versus the 511R (Requisition) to trigger induction into maintenance.
- **ACTION:** Army (LMP/Mr. Oliver Pryor) provide additional information on the process used by LMP to ship materiel directly to the customer from maintenance and whether maintenance generates an 856S Shipment Status to the customer.
- **ACTION:** Navy (Shannon Winters) to advise if they are using the distribution depot as a transshipper to move condemned materiel from maintenance to DLA Disposition Services.
- **ACTION:** DLA Logistics Management Standards Office update the flowchart (and narrative file) for chart 7, Out of Maintenance – Condemned, and repost the updated file linked to the meeting Agenda **by May 24, 2013**. The chart will be updated to depict routing through a co-located storage activity. Additional update will add an alternative flow in lieu of the A5J from the owner; for the Maintenance Depot telling the owner that the item is being condemned (DAC to SCC H), with Management Code M.
- **ACTION:** Navy to validate if the PICA is doing a PMR to the maintenance depot for automatic returns.

d. Additional DLA Logistics Management Standards Office Questions: Four background questions were addressed to the Components in advance of this meeting. The questions and responses received to date are shown below:

(1) Shipment Status: Are any of the Services maintenance activities generating shipment status (DLMS 856S/DIC AS_) out of maintenance? The maintenance activity is required to provide either the DLMS shipment status or a Wide Area Workflow 856 under DLMS procedures?

(a) **Army:** LMP does generate the shipment status out of maintenance.

(b) **Navy:** Only for internal organic reports, not in support of DMISA. At this time there does not appear to be any transactional link between any Service Organic Depot and its DMISA supported customers. In fact, NAVSUP Weapon System Support (WSS) Philadelphia is currently working an initiative to establish WebCAV (Contractor Asset Visibility) reporting at Tobyhanna Army Depot (TYAD) for NAVSUP WSS Philadelphia Depot Repaired components supported via DMISA at TYAD to overcome this deficiency.

(c) **USMC** will check.

(d) **Air Force** will check.

(e) **DLA Logistics Management Standards Office Response:** Transactional notification of shipment is a current DLMS requirement and must be addressed by non-compliant systems. This becomes even more critical as the DoD implements Item Unique Identification

(IUID). IUID data content will be carried in the DLMS 856S/WAWF 856 to show movement of these items.

(2) Navy question relating to MILSTRIP C2.22. Requisitioning Repairables for Induction to Maintenance, MILSTRIP C2.22.2.2. "Navy: For Navy principals (RIC To N**), use Signal Code B in rp 51 and Fund Code 26 in rp 52-53. If RIC To is N32, use N00383 in rp 45-50; if RIC To is N35, use N00104 in rp 45-50. Question: How do we update this sentence for RIC To NRP?

(a) **Navy:** This is a major topic - we have spent a long time working with Tobyhanna on how to requisition carcasses. Navy needs to gather broader SME input. Typically, the Fleet Repair Centers (FRC) use Signal Code M and Fund Code 26, and a Navy unit identification code (UIC) in the document number. This did not work for Tobyhanna (W UIC). Not wild about using N00383/N00104/N00391, because this is initiated by the depot, not by WSS. As far as N32/N35/NRP, obviously the RIC-To should be NRP, although this does not differentiate if it's Mechanicsburg or Philadelphia. In that respect, N00391 is ok ... but still prefer the depot's DoDAAC (or we could establish new Navy DoDAACs for the depots for this purpose, like DLA did for BRAC SS&D/IMSP).

(b) **DLA Logistics Management Standards Office:** Request Navy submit a DLMS change to update MILSTRIP C2.22 to reflect appropriate data entries in the requisition to induct repairables into maintenance.

(3) Prepositioned Materiel Receipt (PMR) Timing Question. Reference Chart 4, Into Maintenance - Non Co-Located Storage Activity. PMRs (DLMS 527D/DIC DW_) can be sent well in advance of when the materiel will be received. Would the owner/ICP wait for the 527R/DIC D6K Receipt transaction from the co-located storage activity to send the PMR to the maintenance depot, or would they send it simultaneous with the PMR they send to the co-located storage activity since they know that the materiel will then be sent to maintenance?

(a) **Army:** **ACTION** item to provide input on whether they have any Army owned items being repaired by other service depots.

(b) **Navy:** Navy does not send the PMR to the maintenance activity until the materiel is received at the storage depot. Navy wants to make sure the materiel is in their custody prior to sending advanced notification of shipment to the maintenance activity for materiel that has the potential of not even making it to the depot.

(4) Automatic Returns (MRP) FTA Process for Interservice Organic Depot Maintenance. Component verification is needed for this interpretation of the Automatic Returns (FTA) process for inter-service unserviceable items. Assumption: After the materiel is received by the co-located storage activity, the transaction processes depicted in the initial (Into Maintenance, Co-Located Storage Activity) chart applies.

(a) **Navy:** Yes, once the MRP materiel is received at the storage depot, normal supply processes apply. It should NOT be assumed that the retrograde immediately goes into repair, nor even that the repair activity is an organic depot.

e. Air Force Point Paper on Maintaining Accountability during Organic Depot Maintenance. The [Air Force Point Paper](#) contains a summary of their process discussed in detail during the DAC and process flow discussions. One of the Air Force participants (Mr. Tony Scherm) noted additional input would be provided to clarify the current process and address questions raised during the meeting

- **ACTION:** Air Force provide additional background and input to questions raised before and during the meeting.

f. DLA Point Paper – Mr. Gary Ziegler (DLA) provided additional comments beyond what was included in their input ([DLA Input](#)) on use of the DAC at co-located maintenance sites in lieu of the A5/D6.

- All services have the same type of interface issues – DLA then has to accommodate the Services and ends up in a non-Audit ready position.
- At Corpus Christi – cited as a Navy problem not being able to interface (see DLA Input)
- The DAC process causes problems when done to document the materiel movement, also causes situations where DLA holds assets on their books and never get the materiel returned and will have to take to loss eventually. No audit trail.

During this discussion Mr. Kurt Phoel (Army) noted that Tobyhanna is building the DAC transactions from data on the hard copy of a local form (1549). Mr. Phoel will look at Tobyhanna to see if there is a site specific issue, as three of the four depots appear to be doing it correctly. Mr. Ziegler noted that the feedback DLA received was directly from the accountable officer at the sites, and reiterated that the current off-line process cannot continue forever. Ms. Hilert added a comment on this issue related to Tobyhanna and noted the Marine Corps would receive a post-post requisition and release confirmation transactions to drop the item from inventory. Not a perfect process since the USMC should be doing the release order. The process using SMOK (DSS screen name) does follow the general intent that the materiel move on a release order


- **ACTION:** DLA review their systemic process (believe to be a DLMS 511R /DIC CO_Post-Post Requisition followed by a DLMS 945A Materiel Release Confirmation). Ms. Denise Kurtz (DLA Distribution) acknowledged the requirement to confirm the process.
- **ACTION:** Army (Kurt Phoel) to research why a local form 1549 is being used at Tobyhanna in lieu of standard transaction processing.

g. Joint Stock Readiness Instruction - Depot Receipt of Repairable Returns under Army Directed Stock Readiness Procedures. Ms. Hilert expressed concern for the Army-requested procedure (identified during the November 2012 Stock Readiness meeting) for the receiving depot to automatically reclassify used repairable items to SCC F (unserviceable/repairable) and ignore the SCC on the shipping document. Automatic reclassification on receipt to SCC F may overstate unserviceable assets pending technician's review and reclassification. The current requirement under MILSTRAP is for the receiving depot to receipt the materiel in SCC K and submit a supply discrepancy report (SDR) to the owner. However, Mr. Pryor indicated that LMP

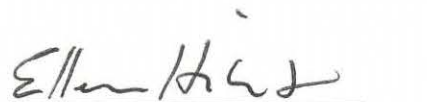
does not support use of the SCC K. The Army fully supports the requested use of SCC F and so should document their reasoning and the proposed changes to MILSTRAP and SDR procedures. If this is an appropriate process, saving time and resources, perhaps it should be considered by all Components. Because SCC K is intended for uniform implementation across the DOD Components, the Army will need to justify why LMP does not support its use. Mr. Terry Seibert (DLA Distribution) noted the reason DLA allowed the Army process to be included in the new stock readiness instruction was that it saved considerable time. Prior to this procedure, when materiel was received in SCC K and required repackaging, the depot would generate an SDR and 100 percent of the time the Army would provide disposition instruction to place the materiel in SCC F, pending review by a technician.

Ms. Hilert asked DLA Distribution about materiel they cannot identify which then results in SDRs. Terry Seibert noted that unidentified items are put in SCC F using the NSN on the documentation. Ms. Ellen Hilert noted the requirement for the receiving depot to conduct additional research on the unidentified items to identify the correct NSN prior to recording the receipt and creating the SDR.


- **ACTION:** Army would like to have an off-line meeting with DLA Logistics Management Standards Office and DLA Distribution to address this issue in greater detail. Oliver Pryor will set the meeting up. Scope of meeting is to clarify the most appropriate procedures and document the business rules for submission of an Army PDC.
- **ACTION:** Army to verify if they can accept SCC K for misidentified or unidentified materiel.
- **ACTION:** Army to verify the Stock Readiness procedure for depot SCC H determination for Army non-reparable customer returns where the item has been used and is not in its original pack.


MARY JANE JOHNSON
DOD MILSTRAP Administrator


LUIS MADRIGAL
JPIWG Chair


ELLEN HILERT
DOD MILSTRIP Administrator


HEIDI DAVEREDE
DoD MILSTRIP Alternate

Approved: 
DONALD C. PIPP
Director
DLA Logistics Management
Standards Office