IN REPLY
REFER TO   DLMSO

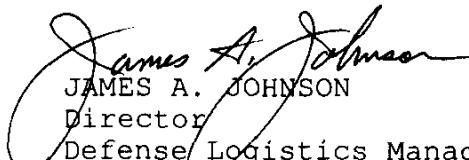OCT 2 0 1998

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Defense Logistics Management Standards (DLMS) Supply
            Process Review Committee (PRC) Meeting 98-3,
            October 13-14, 1998

    The attached minutes of the DLMS Supply PRC Meeting 98-2 are
forwarded for your information and appropriate action.

    The 98-4 Supply PRC meeting is tentatively scheduled for
January 25-27, 1999.

    The Defense Logistics Management Standards Office points
of contact are Supply PRC Co-Chairs: Ms. Ellen Hilert, at
(703)275-5271, DSN 235-5271 or e-mail: ellen_hilert@hq.dla.mil;
and Ms. Mary Jane Johnson, (703)275-5266, DSN 235-5266, or
e-mail: maryjane_johnson@hq.dla.mil.

                            JAMES A. JOHNSON
                            Director
                            Defense Logistics Management
                            Standards Office

Attachment

DISTRIBUTION:
ADUSD(L)MDM
Supply PRC Representatives and Attendees

DLMSO

MEMORANDUM

FOR RECORD

SUBJECT: Defense Logistics Management Standards (DLMS) Supply
           Process Review Committee (PRC) Meeting 98-3,
           October 13-14, 1998

        Purpose: The Defense Logistics Management Standards Office
(DLMSO) hosted the Supply PRC meeting 98-3 on October 13-14,
1998, at the Headquarters Complex, Ft. Belvoir, VA. Specific
discussion topics are noted below. A list of attendees is shown
at Enclosure 1.

        Brief Summary of Discussion: Ms. Ellen Hilert and Ms. Mary
Jane Johnson, Supply PRC Co-Chairs, and Ms. Vermella Savage,
MILSTRIP Administrator, provided opening remarks and facilitated
discussion of agenda items below.

        Review of Meeting Topics:

        a. **Report on DLMS Implementation Convention (IC) Status**.
 DLMSO reported that all of the DLMS supply ICs have been fully
approved under ANSI version 4010. Copies of the approved ICs are
available from the DLMSO web site at **www.dlmso.hq.dla.mil**. [The
approved version of three MILSTRAP ICs reported as unavailable at
the time of the meeting have subsequently been posted.] Status of
all the DLMS ICs is available from the IC status report on the web
site.

        b. **IC Public Comment.** During the public comment phase
of IC evaluation the Air Force recommended that numerous ICs be
modified to include point of contact information and to expand
beginning segment code values with codes to be used in the event
of partial transmission. No action was taken on these
recommendations although the Air Force personnel involved were
advised that their comments would be discussed with the Supply
PRC for future consideration. DLMSO explained that both
recommendations could have a negative impact and finalization of
the 4010 ICs was not delayed for a full evaluation.

**Action: The Air Force will consider submission of DLMS change
proposals.**

c. **Review of Federal IC 824, Application Advice.**
Unlike the other ICs reviewed and approved by the PRC, the 824
did not originate under the DLMS. It is a federal IC which is
currently out for Electronic Data Interchange Standards
Management Committee (EDISMC) ballot. DLMS functionality must be
incorporated within the IC so that it can be used to pass
application advice, e.g., reject status, to DLMS users. The PRC
reviewed the IC in detail noting shortfalls and potential
implementation problems. The IC must be used to support
rejection of MILSTRAP transactions which are not otherwise
accommodated under the DLMS. However, full DLMS to DLSS
conversion is not possible due to lack of perpetuated data from
the original transaction. Additionally, the federal IC supports
functionality not currently addressed under the DLMS, such as
acceptance with error or acceptance with data change. The IC
also duplicates the functionally of the DLMS status transactions.
 DLMSO will consider possible enhancement of DLMS to take
advantage of the IC format.

**Action: DLMSO will document recommended changes to the IC and
forward to the EDISMC. Enhancement of the DLMS will be deferred
for a later version.**

d. **Implementation Status of Approved DLSS/DLMS Change
9A w/Addendum, Validation of F/AD I Activities.** This change
established an automated process to validate F/AD I requisitions
using a table of authorized activity DoDAACs maintained at the
Defense Automatic Addressing System Center (DAASC). Beginning on
September 1, 1998, requisitions reflecting unauthorized use of
the associated priority designators were captured for output to a
report. DAASC provided sample report data for the PRC noting
that counts may be slightly inflated due to the inclusion of
rejected transactions. Rejected transactions will be used in
future reports. The actual reports are expected to be available
on the DAASC web site within a week. DLMSO requested Component
points of contact (POC) for publication in MILSTRIP. [POC names
were later provided by LTC Covas.] LTC Covas reported progress
in scrubbing the list of valid activities and noted that numerous
unit DoDAACs (e.g. Special Operations Forces) must still be added
to the list. Components must also ensure procedures for rapid
notification to support deploying National Guard units authorized
use of FAD I. LTC Covas briefly discussed the current phase of
DoD=s continuing efforts to ensure equity among organizations
competing for reparable resources. Refer to Enclosure 2 for
additional information.

Action: DAASC will add DI Code APR, Material Obligation

Validation Reinstatement Request, to the list of requisition transaction validated under change 9A. DLMSO will incorporate the additional code when preparing the MILSTRIP Interim Change. Components will be advised when reports are available for review. Evaluation/continuation of the test phase (surveillance via reports vice automatic downgrading) will be discussed at the 98-4 PRC meeting.

   e. **Air Force Project Code Validation Initiatives.** Ms. Pat Cronin, HQ USAF/ILSP, explained recently enhanced DAASC validation of Air Force requisitions to preclude use of invalid/expired CJCS Project Codes. The Air Force also directed DAASC to perform additional edits to further ensure appropriate use of issue priority group 01/02. Although aware of a potentially negative impact on logistics response time, the Air Force pursued this action independently to ensure Air Force compliance with DoD material management policy. Monthly reports spotlight noncompliance and training deficiencies. A dramatic reduction in the number of rejects has demonstrated the success of the program. The Air Force recommended the DAASC validation be expanded DoD-wide. Briefing charts are provided at Enclosure 3.

Action: The Air Force PRC representative was asked to document the procedures and submit a DLMS change proposal.

   f. **Weapons System Coding.** In February 1998, the Air Force requested use of the Standard Reporting Designator (SRD) with a one-digit Service code (SRD+) and the essentiality code to identify weapons systems within the Federal Logistics Information System (FLIS). DLA (Margaret Gandy, DLSC), AFMC systems design and DLIS personnel are working jointly to develop the requirements. Due to a conflict in schedule, a requested briefing was not available.

Action: Air Force/DLA/DLIS will report status at the 98-4 meeting. Additionally, DLA will report results of the DLA study conducted by the Data Networks Corporation Team (Task Order >Assessing the Feasibility for Providing Integrated Data Access to Weapon System Data=).

   g. **Outstanding DLSS/DLMS Changes**: A review of current change proposals and requests for (revised) implementation dates (RFID/RRFIDs) revealed that numerous Component responses are still outstanding. The DLMSO web site provides a quick reference for those changes discussed. Specific action items associated with individual changes are noted below.

   (1) **AMCL 154 (MILSTRIP), FMS Requisitioning Procedures.** DLMSO will issue a RRFID. Per PRC request at the

98-2 meeting, the requirement has been coordinated with the MILSBILLS Administrator prior to restaffing for a new implementation date.

(2) **AMCLs 12 (MILSTRAP) and 43 (MILSTRIP), Maintaining Accountability During Maintenance Actions.** The PRC reviewed draft revisions to the approved change during the 98-2 meeting. DLMSO is currently preparing the RRFID.

(3) **AMCL 5 (MILSTRAP) and 13 (MILSTRIP), Date Packed/Expiration Date for Subsistence Items, and MILSTRAP AMCL 27D, Subsistence Exclusion.** DLA will verify validity of this requirement. The PRC agreed in March to table discussion pending additional research.

(4) **Proposed DLMS Change 23 (MILSTRAP), New Supply Condition Code (SCC) X, Unserviceable (Waste, Military Munitions).** DLMSO will prepare an RFID. To prevent implementation delays due to a conflict with the Air Force=s unauthorized use of code X, the code value V will be substituted in the RFID.

(5) **AMCL 41 (MILSTRIP), DAASC Reject of Requisitions With Invalid Ship-to and Mail-to Addresses in the MAPAD.** Mr. Brown, representative for DAASC, suggested the Components consider use of a DAASC-initiated narrative reject message as an interim measure. This would allow an earlier implementation date since Components could implement the change procedurally without delaying for associated programming changes.

(6) **AMCL 49A (MILSTRAP), Reconciliation and Follow-up Procedures for Dues-In After Logistics Reassignment (LR).** It was agreed at the 98-2 meeting that this change should be restaffed for a new implementation date although partial implementation has already occurred. Ms. Day, DLA, suggested that DLA should investigate cancellation since the consumable item transfer (CIT) program, which this change was designed to facilitate, has been effectively completed. Potential future uses of the procedures might not justify the programming expense.
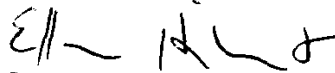
(7) **Withdrawal of AMCL 21, (MILSTRIP), Requisitioning from Reclamation.** Withdrawal of this change was recommended by the PRC during previous IC review. Ms. Day requested that the formal withdrawal memorandum, prepared by DLMSO, be withheld pending DLA review of possible impact on distribution depot procedures.

h. **Defense Reform Initiative Directive (DRID).** DLMSO provided members with an updated copy of the draft DRID supporting adoption of ANSI X12 commercial standards in DoD Business Systems. The Logistics Information Board (LIB) approved of draft at their October 2, 1998 meeting. Subsequent to the meeting, the DRID was released for formal staffing on October 19, 1998 with comments due October 30, 1998. (Enclosure 4)

i. **Paperless Logistics Data Call.** DLMSO shared information concerning continuing efforts to develop metrics for measuring progress toward achieving a paperless logistics environment. Refer to Enclosure 5 for additional information.

j. **Semiannual Status Report.** Components were reminded to submit semiannual status reports on implementation of approved DLSS/DLMS changes by **November 30, 1998**.

k. **Next Meeting.** The 98-4 Supply PRC meeting is tentatively scheduled for January 25-27, 1999.

ELLEN HILERT
Supply PRC Co-Chair

MARY JANE JOHNSON
Supply PRC Co-Chair

APPROVE:
JAMES A. JOHNSON
Director, DLMSO

Enclosures

THE JOINT STAFF
WASHINGTON, DC

Reply ZIP Code:
20318-4000

J-4A 01251-98
10 Sep 1998

MEMORANDUM FOR: Deputy of Staff for Logistics, US Army
Deputy Chief of Naval Operations, Logistics N4
Deputy Chief of Staff for Installations and Logistics
Headquarters, US Air Force
Deputy Chief of Staff for Installations and Logistics
Headquarters, US Marine Corps
Director, Defense Logistics Agency

Subject: Inter-Service Requisitioning Equity

1. In an effort to ensure equity among organizations competing for reparable resources, changes have been incorporated in the Department of Defense regulation governing requisition priority. The successful application of current department guidance depends on the effective use of an implementing policy when validating and assigning Force Activity Designators (FADs). In all cases, the lowest activity designator should be assigned when defining the relative importance of the unit to accomplishing the objectives of the DOD. The implementation must result in an "optimum" priority profile, either the distribution of designators across all priorities or higher numbers of requisitions at progressively lower priorities.

2. We have developed a mechanism to enforce the rules relative to the assignment and use of the various FADs. Most importantly, it will help achieve DOD readiness by further introducing equity within our systems. Our mechanism consists of six phases.

 a. Phase I, which is currently in progress, entails the validation of FAD I US forces, requisitioning activities and programs. The Joint Materiel Priorities and Allocation Board (JMPAB), in carrying out the DOD FAD I validation responsibility, will bring FAD assignments which are inconsistent with the new definitions to the attention of the appropriate Services' Chiefs.

 Simultaneously, the Defense Automatic Addressing System has developed the capability to screen incoming requisitions reflecting FAD I priorities. During routine processing, these requisitions will be edited against the authorized activity table for appropriate FAD assignment. Comparison to the requisition will be based upon activities identified in both the document

number and supplemental address fields. Suspected abuses will be reported to the DOD Components for corrective action.

b. Phase II. The second part of this effort entails the Joint Staff review of each organization's implementing policy on the assignment of FADs II through V, under the "old structure". The intent is to develop the strawman that the Services in conjunction with the Joint Staff will use when mutually developing joint implementing policy. **Implementing policies for the "old structure" must be forwarded to the JMPAB Secretariat by 1 October 1998.**

c. Phase III (January-July 1999). Chiefs of Services refine their "new structure", implementing policies and regulations to conform to Joint Policy. During this phase the DOD Assistant Inspector General for Auditing will assess "new structure" implementation.

d. Phase IV (August 1999-January 2000). Chiefs of the Services and Directors of Defense Agencies review of all FADs assigned to their respective activities or agencies. The review will be forwarded to the Joint Staff and USD (A&T) for use in determining comparability in the assignment of FADs. A distribution profile, graphical representation of the assignments distributed across the five force activity designators, must be included.

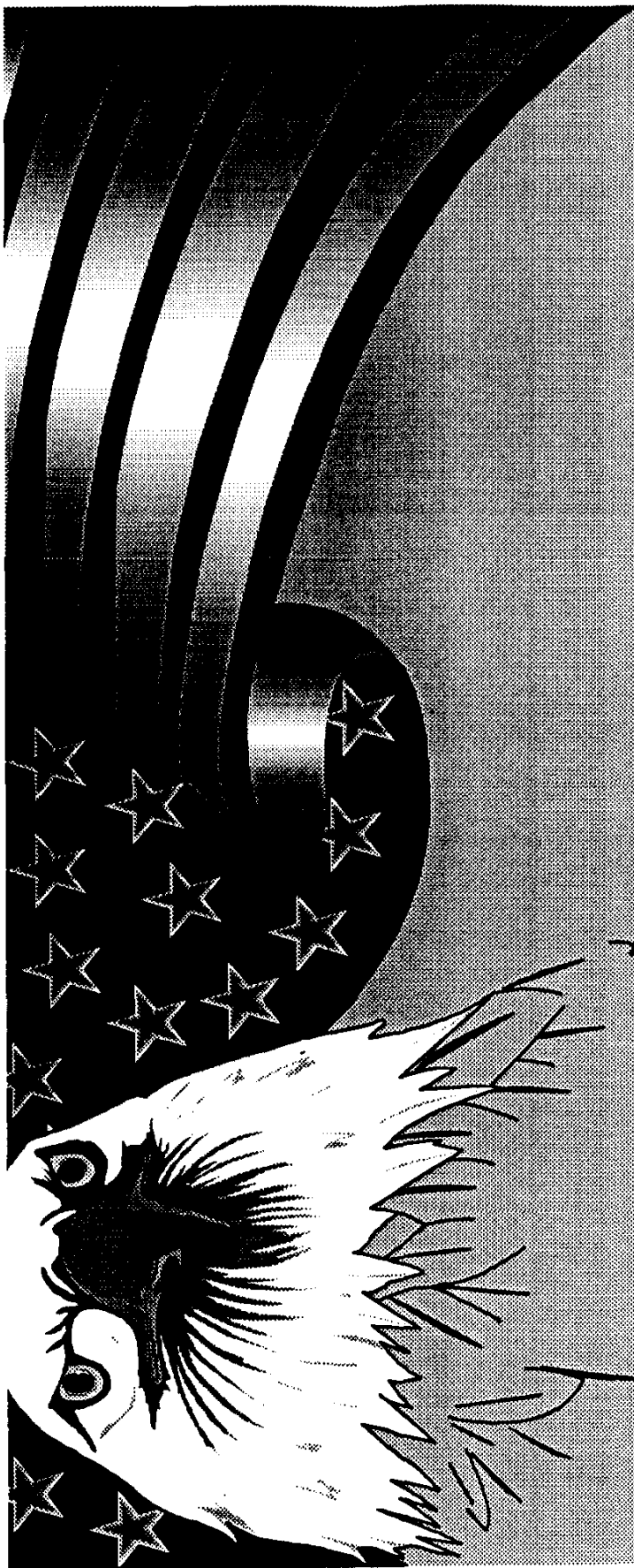e. Phase V (February-July 2000). Update supply system priority tables.

f. Phase VI (September-November 2000). Evaluation of Inter-Service Requisitioning Equity. The Inspector General for Auditing will conduct an evaluation to assess whether changes to the DOD Regulation 4140.1-R, DOD Materiel Management Regulation, May 1998, were implemented by the Military Departments and whether the changes promote equity among the organizations competing for reparable items of supply.

3. We trust that the rewrite of FAD definitions, their implementation and enforcing mechanisms will help organizations discriminate more effectively between units and programs. Success in achieving requisitioning equity across Component lines opens the road for greater Redistribution of Retail Reparable Materiel participation among the Services. Should you need additional information or assistance, please call Lt Col Lourdes A. Covas, JMPAB Secretariat at DSN 227-6849, (703) 697-6849, e-mail covasla@js.pentagon.mil or FAX DSN 223-2584 or commercial (703) 693-2584.

JOHN M. McDUFFIE
Lieutenant General, USA
Director for Logistics, J4

Copy to:
   Director of Logistics, Engineering
      and Security Assistance, US
      Pacific Command
   Director for Logistics, USACOM
   Director for Logistics and
      Security Assistance,
      USCENTCOM
   Director of Logistics and Security
      Assistance, USEUCOM
   Director for Logistics,
      USSOUTHCOM
   Director for Logistics, USSOCOM
   Director, Operations and
      Logistics, USTRANSCOM
   Director for Operations and
      Logistics, USSTRATCOM
   Director for Logistics, US Special
      Operations Command
   Director for Logistics, US Coast
      Guard
   Director, Mission Support,
      National Imagery and
      Mapping Agency

DAAS REQUISITIONING EDITS

AIR FORCE PERSPECTIVE

Briefer: Mrs Patricia Cronin

Orgn: HQ USAF/ILSP

Date: 14 Oct 1998

JCS PROJECT CODES
DAAS EDIT

- **DoD 4140.1-R directs that customers determine and communicate relative precedence of materiel requirements by application of:**

  Priority Designators

  Required Delivery Dates

  Approved OSD/CJCS Project Codes

JCS PROJECT CODES DAAS EDITS(Continued)

- DoD 4000.25-1-M specifies criteria, responsibilities, controls, and methodology for determining assignment and use of CJCS project codes

JCS PROJECT CODES
DAAS EDITS (Continued)

- In May 98, the Air Force directed DAAS to edit all Air Force "A0x", "AMx", "ATx" and reject those with invalid/expires CJCS project codes.

- Rationale - AF compliance and training problem that needed to be addressed by the MAJCOMs. Monthly reports are provided.

JCS PROJECT CODES
DAAS EDITS (Continued)

- Recommendation: Have DAAS edit all DoD requisitions for invalid/expired CJCS project codes based on J4 message:

  - Reject to the requisitioner

    OR

  - Blank and then forward

OTHER DAAS EDITS DIRECTED BY THE AIR FORCE

- Rejecting all Air Force IPG 01 and 02 Readiness Spares Package requisitions

- Rejecting all IPG 01 and 02 Air Force requisitions with a UJC in supplementary address that doesn't agree with assigned priority

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Reform Initiative Directive #XX - Adoption of ANSI X12 Commercial Standards in DoD Business Systems

A Joint Service/Agency Committee was established in response to Management Reform Memorandum #11 to address issues and concerns relating to the conversion of DoD business systems to use of commercial identifiers. The Joint Service/Agency Committee recently recommended that the scope of the commercial identifiers be expanded to include the full range of commercial standards that have been documented and approved by the American National Standards Institute (ANSI) X12 Standards Committee. The rationale for this recommendation is that the existing DoD-unique transaction formats are impediments to business process changes required to support the war-fighting mission. Adoption of commercial standards is a prerequisite condition for process re-engineering, incorporating many commercial practices and a greater reliance on the commercial sector for required products and services. Replacing DoD's proprietary formats with the X12 standards will also serve as a necessary stepping-stone to moving our automated systems towards international open systems standards.

To ensure that the Department exploits available commercial standards through an integrated approach to its business system upgrades, I am directing that the Joint Electronic Commerce Program Office (JECPO) form an Integrated Product Team (IPT) to develop a comprehensive implementation plan in conjunction with the Military Services and Defense Agencies. The plan shall identify a phased implementation approach to migrate to commercial standards to simplify DoD interfaces with the private and federal civilian sectors, and to enable the required changes to the Department's logistics business processes.

Services and Agencies will support the JECPO in the development of the phased implementation plan. IPT points of contact shall be identified to the JECPO within thirty

days. Services and Agencies will execute and fund implementation through process improvements and business system upgrades.

The Under Secretary of Defense for Acquisition and Technology, in coordination with the DoD Chief Information Officer, shall provide policy and procedures to effect use of ANSI X12 standards for all new and planned business systems within ninety days.

The JECPO shall provide monthly progress reports on these efforts to the DoD Deputy Chief Information Officer, and Director, Defense Reform Initiative. This Directive supersedes Management Reform Memorandum #11.

John J. Hamre
.

WHAT: Paperless Logistics Data Call Meeting 2

WHEN: 23 September 1998, 0900-1215

WHERE: Defense Logistics Management Standards Office (DLMSO)
Jefferson Building; McLean, VA

WHO: See attached list of attendees

MEETING SUMMARY:

Dennis Thomas, who chaired the meeting for DLMSO, opened the session by recapping actions associated with the data call to date. The original requirement for the data call is derived from National Performance Review (NPR) Goal #7, which directs a 50% reduction in paper transactions through electronic commerce and electronic data interchange initiatives. Management Reform Memorandum (MRM) #2, 21 May 97, directed the DoD acquisition community to prepare a plan for migrating to a totally paper-free environment in contract writing, administration, finance, and auditing. A 29 Jul 97 addendum to MRM #2 added logistics to the paperless effort. The original data call to Service and Defense Agency logistics chiefs, issued 30 Jun 98, requested historical and projected transaction counts within the DoD logistics environment. In their responses to the data call (Aug and Sep 98), the Services indicated they were unable to comply with the data call as written and proposed alternative data counts. Thus, the primary purpose of this meeting was to reach consensus among Service and DLA representatives as to specific logistics data they would track and report as indicators of progress toward a paperless DoD logistics environment. A secondary purpose also emerged: soliciting success stories to assist the Logistics Reinvention Office of the Deputy Under Secretary of Defense, Logistics (DUSD (L) LR) in characterizing progress toward reengineering DoD logistics.

Lively and productive discussion ensued on a number of topics, including:
- the ultimate goal of the data call
- NPR Goal #7
- general strategies to satisfy NPR Goal #7 and MRM #2 requirements
- specific candidate logistics data to track/report as indicators of progress toward a paperless environment, including: materiel issues/receipts, discrepancy reports, national stock number application process, logistics system reports, government bills of lading, etc.
- internal workings of logistics systems unique to each Service
- logistics reengineering success stories requested by DUSD (L)

REVISED DATA CALL:

DLMSO agrees to gather paperless MILS transaction data processed through the Defense Automatic Addressing System. The Services and DLA are relieved of this requirement of the original data call. Service-unique, non-MILS transaction data submissions, though still required, need not be as extensive as required by the original data call. **Request the Services and DLA identify (and report on in their quarterly reports) a representative sample of their Service-unique, non-MILS transactions which, when aggregated, help afford a more comprehensive view of DoD progress toward a paperless logistics environment.**

1. Agreed upon paperless logistics metric:

After lengthy discussion, the Service/Agency representatives remaining in attendance agreed on one logistics data element they felt comfortable tracking/reporting as a DoD-wide indicator of progress toward a paperless environment: logistics reports. Based on the agreement reached, request data in this area be reported by each Service and DLA according to the following format:

LOGISTICS REPORTS

Service/Agency: **Quarter Ending:**   **POC:**

1. # of logistics systems (Note 1)	
2. total # of reports produced (Note 2)	
3. # of total reports which are digital capable (system level)	
4. # of total reports required to be produced in paper format (Note 3)	

Note 1: Include only those logistics systems which produce reports for Line 2.
Note 2: Include only system standard, recurring, or automatic reports. That is, do not include ad hoc or inquiry reports.
Note 3: Due to statutory or other requirements, not because of personal preference for printed reports.

As defined in the original data call, respondents are reminded that, for the purposes of this reporting effort, data is to be reported from "logistics systems" in the following logistics process areas: requirements determination, supply management, transportation, maintenance, reutilization and marketing, and other logistics processes. **Request the first quarterly report be submitted to DLMSO not later than 29 Jan 99 covering the quarter ending 31 Dec 98.** Subsequent reports will be due the last duty day of Jan, Apr, Jul, and Oct, each covering the preceding quarter. E-mail submissions are acceptable and will be considered official.

2. Other proposed paperless logistics metric(s):

We consider the logistics reports metric agreed to above as a first step in this data call effort. We believe additional DoD-wide metrics would provide a more comprehensive snapshot of progress toward a paperless environment in DoD logistics. The Services and DLA are encouraged to consider other candidate metrics they would feel comfortable tracking/reporting as indicators of progress toward a paperless environment. **Service and DLA representatives should be prepared to propose and discuss candidate metrics at our next meeting, scheduled for 17 Nov 98.**

3. Logistics reengineering success stories:
Request the Services and DLA each provide accounts of logistics processes successfully reengineered. The submissions can describe progress toward a paperless logistics environment or successful reengineering of a logistics process in general. Consider completed success stories as well as those currently in progress or anticipated in the future. The Navy is currently working with DUSD (L) LR to develop a website where these logistics reengineering success stories can be posted. Either the Navy (Steve DeWeese, OPNAV N4T) or the reinvention folks at DUSD (L) will advise all concerned when the website is ready to accept success story inputs..