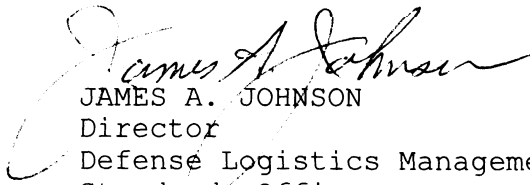IN REPLY
REFER TO DLMSO

JUN 0 8 1999

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Defense Logistics Management Standards (DLMS) Supply
Process Review Committee (PRC) Meeting 99-2,
May 18-19, 1999

The attached minutes of the DLMS Supply PRC Meeting 99-2 are forwarded for your information and appropriate action.

The 99-3 Supply PRC meeting is tentatively scheduled for September 14-15, 1999.

The Defense Logistics Management Standards Office points of contact are Supply PRC Co-Chairs: Ms. Ellen Hilert, at (703)767-0676, DSN 427-0676 or e-mail: ellen_hilert@hq.dla.mil; and Ms. Mary Jane Johnson, (703)767-0677, DSN 427-0677, 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

IN REPLY
  REFER TO

DLMSO

JUN 0 3 1999

MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Standards (DLMS) Supply
         Process Review Committee (PRC) Meeting 99-2,
         May 18-19, 1999

Purpose: The Defense Logistics Management Standards Office
(DLMSO) hosted the subject meeting 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, facilitated discussion.

Review of Meeting Topics:

a. **Electronic Data Interchange (EDI) Integrated
Product Team (IPT) Status.** Ms. Hilert provided an overview on
the IPT's efforts in support of Defense Reform Initiative (DRID)
#48, Adoption of Commercial EDI Standards for DoD Logistics
Business Transactions. The draft policy document was formally
presented to the Logistics Information Board on May 4, 1999.
Comments resulting from Component staffing are due June 4, 1999.
Five logistics program projects implementing DRID 48 objectives
were selected to receive approximately $1.5M in additional funds.
The implementation plan draft has been distributed among the IPT
members for comments. At this time, the plan input provided by
Component-led action groups is being edited to produce a
polished, coherent document ready for formal staffing. This
product should be ready for review in mid-June. The goal is to
obtain OSD approval by October 1, 1999. For detailed information
refer to the IPT web page at <u>www.log.edi.migration.hq.dla.mil</u>.

b. **Defense Program for Redistribution of Assets
(DEPRA) Policy Changes.** During the 99-1 meeting, the Air Force
informed the PRC of their decision to discontinue reporting of
excess through DEPRA for selected AF-managed consumable assets.
The Air Force will instruct DAASC to drop AF DoDAACs from DEPRA
logic when that DoDAAC is a full participant in JTAV. The Navy
has also announced its intention to withdraw from DEPRA. DLMSO

questioned whether incremental withdrawal should be addressed in the MILSTRIP DEPRA Supplement. The Components agreed that no action was necessary at this time.

      c. **Clarification of Required Delivery Date (RDD) Guidance.** The PRC discussed and agreed to recommend revisions to DoD 4140.1-R, DoD Material Management Regulation, to correct inaccurate and imprecise wording of RDD guidance. The proposed changes will bring the MMR in alignment with MILSTRIP.

Action: Revisions were forwarded to DUSD(L)MDM. For details see revised PRC handout at Enclosure 2.

      d. **DLMS Quarterly Supply Status Review.** The re-instituted quarterly report was distributed on May 7, 1999. The Committee reviewed the report to determine where further action could be taken. As a result, a Request for Implementation Date (RFID) for Proposed DLMS Change (PDC) 21 (Pseudo Closure) will be issued incorporating a DLA-recommended revision. Extensions were granted for Component responses to PDC 27 (OSD/CJCS Invalid/Expired Project Codes) and PDC 29 (Priority Designator Validation). Approval will be issued for Revised RFID 29 (Mass Cancellations); RRFID 6 (Material Returns Reporting Timeframes); and RRFID 7&22 (Cooperative Logistics Supply Support).

Action: DLMSO will prepare necessary documentation. The status report will be posted to the DLMSO web site at www.dlmso.hq.dla.mil and updated as new information is submitted. Components will verify entries showing approved changes as unimplemented by individual Components as these may be based upon outdated information. (Note, AF requested delay in releasing RFID for PDC 27 to resolve AF concerns.)

      e. **Issues Relevant to Approved DLSS/DLMS Change 9A w/Addendum, Validation of F/AD I Activities.** This change implemented validation of F/AD I requisitions using a table of authorized activity DoDAACs maintained at the DAASC. Beginning on September 1, 1998, requisitions reflecting unauthorized use of the associated priority designators were output to a report. Components were to evaluate the process and consider moving to automatic downgrading four months after implementation. The evaluation was delayed to allow the Services to adjust the list of authorized activities in accordance with newly defined F/AD criteria and the annual review directed by J4. This effort is now complete and the discussion of the Component evaluation will be scheduled for the 99-3 meeting. DLMSO request followup information from the General Services Administration (GSA) which was previously asked to look into improper transactions submitted by civil agencies (e.g. USPS, CIA, and FAA). This type of abuse

might offer an additional opportunity to implement automatic downgrading.

Action: GSA will report status of research into civil agency abuse. DAASC will fine-tune report output to allow printing by Component. DAASC will advise when table updates based upon J4 annual review are in place. Components will research output reports to assess factors contributing to apparent abuse in preparation of planned 99-3 evaluation.

     f. **Defense Priorities and Allocations System (DPAS).** Mr. Paul Halpern, OUSD(A&T), presented a DPAS information briefing which explained how contacts supporting key defense programs receive ratings which indicate urgent national or military priority.

     g. **Project Code Discussion.** The 99-1 discussion on Project Code 3AB indicated there were problems deciphering which defined use of the code was applicable since the code has two distinct uses. Based upon Component preference, the Committee agreed to limit the existing code to repair and return and establish a new code for repair. After some discussion, the exact wording for the 3AB and new code 3BB definitions were finalized. Also discussed was the meaning of the similarly worded project code 3AD. It was agreed to modify the definition associated with 3AD to clarify its purpose. Additionally, there was some uncertainty about the DAASC processing of 3AD requisitions which will require further research.

Action: Subsequent to the meeting, DLMSO issued MILSTRIP Interim Change 99-9 to publish the project code definitions as agreed. There must be further research and discussion to assess the validity of code 3AD and determine whether DAASC should use special routing instructions for these requisitions. A DLMS change proposal may be necessary.

     h. **Weapons System Coding**. Ms. Margaret Gandy and MSgt Liz Comacho-Hart, DLSC-CSS, provided an information briefing on the DLA Weapons Systems Support Program (WSSP). Unfortunately, the communications link for the planned real-time system demonstration failed to function properly. No resolution was reached on standardizing a single weapons systems code, however, Ms. Gandy pointed out the WSSP can accommodate a Component-assigned "alias" code to be associated with the Weapons Systems Designator Code which DLA uses. Further, the Components are free to request specific unassigned codes to be used as the WSDC which may make it possible to use the same code across Component lines. Ms. Gandy shared information on current efforts to add a weapons data segment to the FLIS. More in-depth discussion of assignment,

application, and possible alternatives will be addressed at subsequent PRC meetings.

      i. **DoD EMALL Discussion.** Mr. Osterhus, representing the EMALL program office, discussed continuing efforts to meet the needs of their customers. The following specific areas were addressed.

      (1) **Unmatched Disbursements**. There was a brief discussion about the potential for unmatched disbursements at DFAS due to the customer's failure to update standard systems with EMALL requisitions. Since EMALL requisitions can be identified by the "E" in the final position of the document number, it should be possible to verify the extent of the problem.

Action: Mr. Thomas, DLMSO Finance PRC Chair, will research the situation and report back to the PRC.

      (2) **Proposed DLMS Change (PDC) 26, DoD EMALL In-The-Clear Addressing for MILSTRIP-Based Requisitions.** PDC 26 requested that authorization for in-the-clear ship-to addressing be granted for DoD EMALL requisitioning regardless of method of payment. However, due to Component nonconcurrence, this capability will be extended to IMPAC card users only and will not apply to requisitions using interfund billing for payment. The Army and DLA (and subsequently the Navy) asserted strong opposition to the broad application originally proposed stating that interfund billing coupled with in-the-clear ship-to addressing would expose the DoD supply inventories to an unacceptable risk to fraudulent requisitioning.

Action: Based upon Component comments, DLMSO issued Approved DLMS Change 17 on June 1, 1999.

      (3) **Material Receipt Acknowledgement (MRA) for EMALL-Generated Requisitions.** There was a discussion concerning the applicability of the MRA requirement for EMALL customers, particularly those receiving direct vendor delivery (DVD). It was clarified that the closed-loop system of monitoring receipts of wholesale stock shipments is applicable to either depot or DVD shipments where DLA makes payment to the vendor. However, EMALL transactions are generally processed outside the standard base supply system of the customer and there is currently no EMALL-supported method of creating the MRA. EMALL representatives expressed the opinion that some consideration might be given to waiving the MRA requirement for IMPAC card customers where alternative measures to assure receipt are already in place. While this might be true, the MRA provides vital information used to determine logistics response time (LRT).

4

Action: Subsequent to the meeting, DLMSO drafted a fact sheet documenting the key issues and suggesting a temporary waiver for EMALL IMPAC card customers. Initial reaction from DUSD(L) was strongly opposed to this course of action. The LRT measurement is currently the subject of considerable attention from the Logistics Reform Senior Steering Group (LRSSG) which intends to establish customer wait time as a measure of the logistics system's capability to satisfy its customers. Fundamental to this concept is the idea of expanding the current LRT performance measure (which concentrates on requisitions processed through the wholesale system) to a broader measure which includes retail issues, issues from bench stock or pre-expended bin items, Government Purchase Card transactions, and EMALL transactions. Without the MRA, DoD's ability to implement the LRSSG's objective would be severely curtailed. As long-term exemption from MRA requirements appears unlikely, DLMSO will pursue developing a plan to capture MRA data using the EMALL and forwarding this information to the ICP in standard transaction format. A meeting will be scheduled to discuss options.

       j. **Intransit to Disposal**. Current MILSTRIP prohibits items designated pilferable or sensitive from being placed in batch lots, regardless of dollar value. The Defense Reutilization and Marketing Service (DRMS) requested a waiver to allow DRMOs to review such property based upon stated criteria to determine whether it is a candidate for a batch lot as it is received. The waiver would streamline workload where low dollar value material is subjected to costly processing. Discussion of intransit control issues which have been addressed in a recent GAO report resulted in alternative suggestions to modify current MILSTRIP procedures. The DLSC representatives also informed the PRC of a GSA-initiated change to the Disposal Condition Codes effective June 1, 1999.

Action: The waiver request is currently under review at DUSD(L). DLSC will research potential processing changes to the intransit control system to correct situations that foster the misconception that property has been stolen or is otherwise missing. These might include DAASC rejection of improper shipment status transactions (e.g. for materials such as drugs which are not authorized for shipment to disposal) and forced closure of open aged records for which followup has been unsuccessful.

       k. **Prepositioned Material Receipts (PMRs) for Retail Co-located Stocks**. DLA raised the issue of the need for procedures for PMR use with retail assets stored at distribution depots. MILSTRAP/DLMS currently provides procedures for PMR use

from the wholesale perspective only. Discussions revealed that lack of standard procedures for PMR use with retail assets is causing problems/confusion for both DLA and the Services.

Action: DLMSO will develop a draft change proposal for review by the PRC. The proposal will provide procedures for PMR use to accommodate the existing business practice of storing retail assets at distribution depots.

l. **RFID for Approved MILSTRAP Change (AMC) 15, New Ownership Code O for Special Operations Forces**. AMC 15 establishes a new ownership code to identify materiel owned by Special Operations Forces. The Special Operations Command (SOCOM) has identified AMC 15 to ADUSD(L)MDM as critical to their mission and questioned the status of DoD implementation efforts. In response, DLMSO followed up with the Components and requested they provide implementation dates by May 3, 1999 for discussion at the meeting. However, Navy, Air Force, and DLA had not replied. Marine Corps indicated their implementation would coincide with Air Force implementation.

Action: In light of DUSD(L)MDM and SOCOM interest in this item as critical to the SOCOM mission, DLMSO asked Navy, Air Force, and DLA to expedite this item and provide implementation dates for AMC 15. Request responses be provided no later than June 18, 1999.

m. **PDC 19, Storage Activity On-Hand Asset Balance Data Sharing**. PDC 19 designates the storage activity on-hand balance as the authoritative source value under the data-sharing concept. This change supports DoD policy and intent to implement a single item inventory record. A followup for responses to PDC 19 asked for replies by April 30, 1999. No responses to the proposal were received except for a Navy reply indicating concurrence with the concept, but alluding to unspecified questions/concerns. Components recently expressed enthusiastic interest in data sharing as an alternative to transactional data interchange at the IPT for implementation of commercial standards. In light of the keen interest in data sharing, and because this is a new area for DoD logistics, the committee was asked again to evaluate the change and provide comments by July 30, 1999. The comments will be addressed at the next PRC meeting. Regarding a Navy comment requesting DLMSO meet with the Navy central design activity to discuss this change, we request that Navy provide more specific comments/concerns/issues. DLMSO and the PRC would then address these comments, along with any others received, at the next PRC meeting. As with all PRC topics, representatives are welcome and encouraged to bring subject matter experts to the meeting as needed.

Action: Committee requested to provide responses/comments to PDC 19 by July 30, 1999. Comments received will be discussed at the next PRC meeting.

   n. **RFID for Approved DLMS Change (ADC) 14, New Supply Condition Code (SCC) V, Unserviceable (Waste, Military Munitions)**. Air Force had revised their September 1999 implementation date for ADC 14 to Nov/Dec 2000. Navy had originally provided a July 1999 implementation date but in the absence of any guidance to implement, that date requires reevaluation by Navy and will likely change. Army, Marine Corps, and DLA had not replied. DLA requested Army notify them whether SCC V assets would be stored in DLA depots as this will impact DLA's implementation date.

Action:

  a. **Army to advise DLA and DLMSO whether SCC V assets are intended to be stored in DLA depots.**

  b. **Army, Navy, Marine Corps, and DLA to provide responses to the RFID for ADC 14 to DLMSO by June 18, 1999.**

   o. **DLMS Status Code**. The Committee discussed a potential enhancement to the DLMS to expand the size of the status code field to allow breakout of existing and new multipurpose codes. The proposed definition for Status Code BK with a new BK1 or BK2 breakout was used to illustrate the point. The change would make it possible to maintain a grouping under the established (familiar) two-position status code and would ease the transition between DLMS and DLSS, since the code would remain essentially the same, only the third position would clarify the exact purpose for DLMS users. Although there was some concern expressed for Security Assistance customers who may not be able to transition to the DLMS, the Committee agreed that the associated groupings would be better than creating new unrelated codes or perpetuating/increasing the number of multi-purpose codes.

Action: DLMSO will prepare a proposed DLMS Change.

   p. **Procedures for DLMS Enhanced Data**. DLMSO provided PRC members with an information copy of the DLMS Enhancements

briefing prepared for the EDI IPT. Members were encouraged to review the enhancements to determine what supporting procedures must be included in the DLMS manual. It was suggested that the original proponent for the enhancement should draft a change proposal to document procedural changes. A summary report on the original MODELS enhancements is available on the DLMSO web site under the Documents heading.
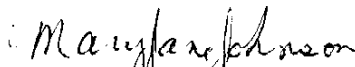
        q. **DAASC Mailings**. Mr. Dave Brown, representing DAASC, informed the Committee that the DAASC has been directed to stop mailing any MILS Documentation by July 2000. They are conducting a study with the recipients of these mailings with a hope for alternate delivery media. Mr. Brown has advised DAASC that they should not unilaterally stop this process as it is MILS directed and there may not be a viable alternative in many instances (such as the Naval afloat units receiving their MOV's by tape cartridges and FMS countries or their designated representatives).

Action: GSA and Components should review their requirements for discussion at a future PRC meeting. Continuing requirements may be identified to both DAASC and DLMSO.

        r. **Next Meeting**. The 99-3, Supply PRC meeting is tentatively scheduled for September 14-15, 1999. The agenda will include an EDI IPT report, E-Mall topics to include MRA process, weapons systems coding under DLMS, F/AD I validation evaluation, and change proposal resolution as needed.
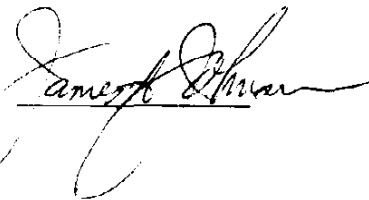

ELLEN HILERT
Supply PRC Co-Chair

MARY JANE JOHNSON
Supply PRC Co-Chair

APPROVE:
JAMES A. JOHNSON
Director, DLMSO

Enclosures

8