



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
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FORT BELVOIR, VIRGINIA 22060-6221

July 2, 2015

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Withdrawal of Approved MILSTRAP Change Letter (AMCL) 3, Supply Condition Code (SCC) W for Unserviceable Warranted Assets (Supply/MILSTRAP)

This memorandum announces the formal withdrawal of Approved MILSTRAP Change Letter (AMCL) 3 in its entirety. The purpose of the change was to provide a means of identifying, segregating, and controlling unserviceable warranted assets. However, while AMCL 3 was initially published as an approved change in March 1990, for implementation November 1993, the change was not implemented at that time as resources were shifted to support the Corporate Information Management single standard system effort. With the demise of that effort, an AMCL 3 implementation date was never established. This withdrawal action was prompted because the AMCL was never implemented, and after 25 years, the requirement should be revisited.

The withdrawal of AMCL 3 was discussed at Supply PRC Meeting 15-1, April 29-30, 2015. If DOD and the Components deem an SCC is the appropriate method to identify Warranty items, a new PDC can be submitted, to include the DOD-level procedures for use of the SCC and how warranty materiel is identified for assignment of the SCC. MILSTRAP will reserve SCC W for Warranty until December 31, 2015, while the Components determine if a new PDC will be submitted. If no PDC is received by December 31, 2015, MILSTRAP will reserve SCC W for future DOD assignment. The MILSTRAP footnote for SCC W, to be published in MILSTRAP Formal Change 6, will read as follows:

“SCC W is reserved for Warranty until December 31, 2015, pending receipt of a PDC. If no PDC is received by that date, SCC W will be reserved for future DoD assignment.”

Addressees may direct questions to the Defense Logistics Management Standards Office point of contact Ms. Mary Jane Johnson, e-mail: [Mary.Jane.Johnson@dla.mil](mailto:Mary.Jane.Johnson@dla.mil).

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment  
AMCL 3

cc:  
ODASD (SCI)

**Attachment: AMCL 3**

DLMSO

November 28, 1997

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Request for a Revised Implementation Date for  
Approved MILSTRAP Change Letter (AMCL) 3, Supply  
Condition Code(SCC) W for Unserviceable Warranted  
Assets

As discussed at the September 3-12, 1997, DoD Supply Process Review Committee (PRC) meeting, the attached change to DoD 4000.25-2-M, MILSTRAP, is forwarded for your evaluation and submission of a single coordinated Service/Agency implementation date. This change is one of approximately 26 MILSTRIP and MILSTRAP approved changes, with implementation dates of 1993 through 1995, which the Components were unable to implement on schedule as resources were shifted to support the Corporate Information Management (CIM) single standard system effort.

With the demise of that effort, the Defense Logistics Management Standards Office (DLMSO), in conjunction with the DoD Supply PRC, has agreed to establish revised implementation dates for these AMCLs.

AMCL 3 was initially published as an approved change on March 16, 1990, for implementation November 1, 1993. We will use the dates provided in response to this request to establish a mutually satisfactory revised implementation date.

Procedures associated with this approved change have been incorporated in the DoD 4000.25-M, DLMS, Volume 2.

Please provide your reply to DLMSO no later than 45 days from the date of this memorandum. Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson at 703-767-6123 (DSN 427-6123).

----- Signed-----  
JAMES A. JOHNSON  
Director  
Defense Logistics Management  
Standards Office

Attachment

DISTRIBUTION:  
SUPPLY PRC MEMBERS:

USA AMCLG-SM  
USN NAVSUP 4113A  
USAF AFMC/LGIM  
CMC LPS-1/LPP-2  
USCG G-SL  
NIMA ST D 101  
DLA MMLSC  
GSA FSS FCSI  
DAASC DSDC SSL  
DSWA FCPNM  
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DLA-MM (ATTN: IMMC Chair)  
ADUSD(L)MDM (ATTN: NIP Chair)  
LMI

**ATTACHMENT TO REQUEST FOR REVISED IMPLEMENTATION DATE (RFRID)  
FOR MILSTRAP AMCL 3  
SUPPLY CONDITION CODE W FOR UNSERVICEABLE WARRANTED ASSETS**

**1. Concept/Rationale:**

**a. Concept.** Provides a means of identifying, segregating, and controlling unserviceable warranted assets.

**b. Rationale.** The Defense Acquisition Circular 86-1, August 18, 1986, paragraph 46.703, states that the use of warranties in the procurement of weapon systems is mandatory, unless a waiver is authorized. Programs are being established in DoD for repair of warranted assets by contractors or by DoD depots with subsequent billing to the contractor for the repair costs. Although current materiel receipt procedures require the identification and classification of unserviceable (reparable) returns, no method is in place to segregate unserviceable warranty returns from other unserviceable returns for a single national stock number (NSN). If the assets under warranty are collocated with assets which are not under warranty, expeditious induction of warranted items for maintenance cannot be accomplished.

**2. Interface/Impact:**

**a. Interface:**

(1) Requires interface between the wholesale owner/manager activity=s quality assurance, inventory accountability, and financial functions and processes to establish positive intransit controls for returns of unserviceable warranted assets.

(2) Requires advance or concurrent publication of the Enclosures 1 and 2 policy, provided by the DoD Integrated Materiel Management Committee and the Nonconsumable Item Program Committee, in DoD 4140.26-M and AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22C, respectively.

**b. Impact:**

(1) Requires revision of Service/Agency wholesale and retail implementing procedures to require:

(a) Users and receiving wholesale storage activities to classify unserviceable items and components remaining under warranty to the new Supply Condition Code (SCC) W.

(b) Wholesale owner/manager to control SCC W materiel being returned from users, to include establishing supply due-in and appropriate financial control records and providing pre-positioned materiel receipts to the wholesale storage activity.

**Attachment**

(2) Requires the Services/Agencies to develop procedures for users and wholesale storage activities to determine if unserviceable returns are still under warranty and to assign SCC W to such materiel.

(3) Requires modification of Service/Agency wholesale and retail processing systems to recognize the new supply condition code.

(4) Requires training of user and wholesale storage activity personnel in the use of the new code.

(5) Requires revision of DoD 4140.26-M and AMC-R 700-99 et.al.

**3. Procedures.** Revise DoD 4000.25-2-M (MILSTRAP) as indicated in Enclosure 3.

**ENCLOSURE 3 TO REQUEST FOR REVISED IMPLEMENTATION DATE (RFRID)  
FOR MILSTRAP AMCL 3  
SUPPLY CONDITION CODE W FOR UNSERVICEABLE WARRANTED ASSETS**

Revise DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) as follows (changes are identified by ***bold italics***):

**1.ACRONYMS AND ABBREVIATIONS.** Add new acronym ***SCC*** with definition ***Supply Condition Code***.

**2.Chapter 4, Section E.** Renumber the current paragraph 2 as paragraph 3 and add a new paragraph 2 as follows:

***2. Storage activities will follow Service/Agency guidance for identifying and classifying as SCC W those unserviceable returns which remain under contract warranty.***

**3.Chapter 4, Section I.** Revise subparagraph 2.e(1) as follows:

(1) **Condition of Materiel.** Storage activities will report the actual discrepant quantity as a SCC L receipt ***or, if the item is a reparable under warranty, as a SCC W receipt.*** Report the nondiscrepant quantity in the actual condition received and do not cite a discrepant receipt ***management code*** in the transaction.

**4.Chapter 5, Section B.** Renumber current paragraphs 4, 5 and 6 as 5, 6 and 7 and add a new paragraph 4 as follows:

***4. Reclassification of SCC W Receipts:***

***a. Storage activities will report discrepant receipts in SCC W as prescribed by the chapter 4 receipt processing procedures. When directed by the owner/manager, storage activities will also transfer materiel to SCC W and report the action using a dual adjustment transaction following the section B., paragraph 1.a., procedures in this chapter.***

***b. When litigation action is initiated for SCC W materiel, the owner/manager will direct the storage activity to reclassify the assets to SCC L.***

***c. When directed by the owner/manager, storage activities will, within 3 calendar days from the receipt of the direction, reclassify SCC W materiel to SCC L. Report the completion of this action with a DI Code DAC, Inventory Adjustment-Dual, using the same document number originally used to report the materiel in SCC W, (i.e. the document number of the original receipt or adjustment transaction). Enter the new supply condition code in record position 66 and SCC W in record position 71 of the dual adjustment.***

***d. See section F. for reclassification of SCC W assets for repair.***

**5. Chapter 5, Section B.** Add new subparagraph c to renumbered paragraph 7, Monitoring assets Recorded in Suspended Supply Condition Codes, as follows:

*c. Although there is no prescribed timeframe for transferring materiel from SCC W, owner/manager will review all SCC W materiel at least monthly to assure warranty action is executed before the warranty expires.*

**6. Chapter 5, Section F.** Revise subparagraph 1.a as follows:

a. Induction of items into repair. The owning ICP will be provided with inventory adjustment transactions to indicate transfer of items from SCC F (Unserviceable (Reparable)) or ***SCC W (Unserviceable (Warranted Reparable))*** to SCC M (Suspended (In Work)). These inventory adjustment transactions will be identified by DI Code DAC prepared in the format of appendix C9, or DI Codes D8C and D9C, prepared in the format shown in appendix C4.

**7. Chapter 5, Section F.** Revise subparagraph 2.a as follows:

a. Reporting of Induction into repair will be accomplished by submission of inventory adjustment transactions transferring the items from SCC F (Unserviceable (Reparable)) **or *SCC W (Unserviceable (Warranted Reparable))*** to SCC M (Suspended (In Work)). These inventory adjustment transactions will be identified by DI Codes DAC or D8C and D9C, as appropriate.

**8. Chapter 5, Section H.** Revise paragraph 2 as follows:

2. When **serviceable or unserviceable** materiel is classified as SCC J, K, L, M, N, P, Q, R, or **W**, activities must initiate action to reclassify the materiel to an acceptable supply condition code (A through H or S) before preparing the turn-in documentation. Section B contains the materiel reclassification procedures.

**9. Chapter 11, Section D.** Revise subparagraph 1.a as follows:

a. The LIM procurement office will provide the GIM with contractual status on contracts either retained by the LIM or assigned to DCAS for contract administration. Contract status includes but is not limited to delivery status, acceleration of delivery, follow-up status requests, ***contract warranty provisions***, and executing appropriate modification to basic contracts.

10. **Appendix B6. Federal Condition Codes.** Revise the Supply Condition Code section as indicated below:

a. Revise the definition for SCC F to read:

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>DEFINITION</u></b>
F	UNSERVICEABLE (REPARABLE)	Economically repairable materiel which requires repair, overhaul, or reconditioning. Includes repairable items which are radioactively contaminated. <i>Excludes repairable assets which are covered under contract warranty.</i>

b. Include a new entry of SCC W, with footnote, as follows:

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>DEFINITION</u></b>
W	UNSERVICEABLE (WARRANTED REPARABLE)	<i>Materiel under contract warranty which requires repair, overhaul, reconditioning, or replacement. Includes repairable items which are radioactively contaminated.<sup>2/</sup></i>

c. Delete the present entry for codes T-Z and replace with the following:

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>DEFINITION</u></b>
T-V	NOT ASSIGNED.	Reserved for future DoD assignment.
X-Z	NOT ASSIGNED.	<i>Reserved for future DoD assignment.</i>

<sup>2</sup> Services/Agencies will provide using activities and wholesale storage activities the necessary guidance for determining which unserviceable, repairable assets are covered by a contract warranty.