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ACQUISITION AND
 TECHNOLOGY

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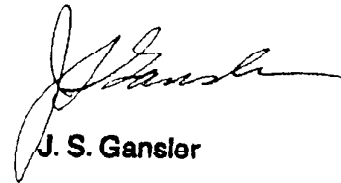
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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SUBJECT: Policy Guidance for Department of Defense (DoD) Use of Electronic Data Interchange (EDI) Standards in Logistics Applications

The purpose of this memorandum is to establish DoD-wide policy for the integration of EDI standards into logistics business systems. The December 9, 1998, DoD Reform Initiative Directive #48 – *Adoption of Commercial EDI Standards for DoD Logistics Business Transactions* directed the issuance of this policy. The attached *Policy and Guidance for DoD Logistics Use of Electronic Data Interchange Standards* requires the use of approved EDI standards for logistics business transactional data exchange as authorized by the Federal Information Processing Standards (FIPS) 161-2.

The adoption of this standard supports the Department’s process improvement reengineering goals, which in-turn embrace commercial practices. As directed in the policy guidance, DoD Components will employ FIPS 161-2 for transactional data exchange formats in all planned and new logistics information systems. The policy does not direct the replacement and modification of transactional data formats in logistics legacy systems. However, in the future when making major modifications to legacy systems, Components will transition to FIPS 161-2 EDI standards. This policy shifts, from individual programs to the Defense-wide enterprise, the responsibilities for data mapping and other services that support logistics data exchanges and data conversion between military and commercial standards.

This policy is effective immediately.


 J. S. Gansler

Attachment



**Policy and Guidance for DoD Logistics
Use of Electronic Data Interchange (EDI) Standards**

1. PURPOSE

This policy guidance:

1.1. Implements Defense Reform Initiative Directive (DRID) #48 - Adoption of Commercial EDI standards for DoD Logistics Business Transactions. Requires DoD Components to incrementally implement the Defense Logistics Management System (DLMS) as a by-product of ongoing and planned business process modernization programs. DLMS is a process improvement enabler, which supports the Department's reengineering goals to adopt commercial practices and increase reliance on the private sector for logistics support.

1.2. Effects the use of approved EDI standards for DoD logistics business transactional data exchange as authorized by the Federal Information Processing Standard (FIPS) 161-2, Electronic Data Interchange.

1.3. Assigns responsibilities for the direction, management, coordination, and control of the process to replace DoD-unique logistics data exchange standards with FIPS 161-2 EDI standards.

2. APPLICABILITY

This policy guidance applies to the Office of the Secretary of Defense (OSD), Department of Defense Inspector General, Military Departments, Joint Staff, Combatant Commands, Defense Agencies, and DoD Field Activities (hereafter referred to collectively as "DoD Components").

3. SCOPE

This policy acknowledges the existence of other EDI standards and non-transactional data interchange methods. However, the primary focus is on implementing American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 (hereafter referred to as "ASC X12") standards for DoD logistics business transaction interchange, as a stepping-stone to open international transaction standards. As such, this policy does

not preclude the use of other data interchange and data sharing techniques. However, when transactional exchange is the chosen method of data interchange, the transactions will be formatted in accordance with ASC X12 standards.

4. DEFINITIONS: (See attachment).

5. POLICY

It is the policy of the DoD to:

5.1. Replace DoD-unique logistics data exchange standards with ASC X12 standards as a stepping-stone to move transactional-based logistics business processes towards the use of international open system standards.

5.2. Use only FIPS 161-2 EDI standards for electronic business transaction exchanges in new and planned logistics business processes to include major modifications to existing legacy systems.

5.3. Use the DLMS as a process improvement enabler in new, replacement, and legacy logistics business systems as a part of their ongoing and planned modernization programs. Internal communications among DoD systems will use FIPS 161-2 EDI standards and Federally approved implementation conventions (ICs). External communications between DoD systems and the private sector, other Federal agencies, or foreign governments will use FIPS 161-2 EDI standards (or other appropriate standards) and Federally approved ICs appropriate for the agencies, industries, or governments involved.

5.4. Propose the adoption of commercial ICs when it is in the best interest of the Department.

5.5. Modify legacy logistics business systems to employ new functionality, where cost beneficial, in order to meet the total requirements of the Department's migration to approved EDI standards.

5.6. Program for, fund, and execute implementation of the DLMS through process improvements and business system upgrades.

5.7. Implement the EB/EC program policy guidance contained in DoD Directive 8190.X, The DoD Electronic Business/Electronic Commerce (EB/EC) Program, when migrating DoD logistics business processes to use of FIPS 161-2 EDI standards.

5.8. Develop and apply corporate services and processes to minimize duplication and ensure interoperability.

6. RESPONSIBILITIES

6.1. The Deputy Under Secretary of Defense (DUSD) for Logistics (L) shall:

6.1.1. Serve as the Department's Principal Staff Assistant (PSA) responsible for the management and implementation of approved EDI standards for DoD logistics business processes.

6.1.2. Issue logistics data exchange policies and directives, and ensure that those policies are coordinated with external trading partners (e.g., finance, acquisition, etc.) when appropriate.

6.1.3. Advocate DoD Component initiatives that will migrate logistics business processes to the use of approved EB/EC methods.

6.1.4. Ensure DoD Component logistics business modernization efforts comply with the policies and guidance contained herein.

6.1.5. Promote logistics business process improvement by issuing logistics guidance that is complementary to this policy.

6.2. The DoD Chief Information Officer (CIO) shall ensure that the Joint Electronic Commerce Program:

6.2.1. Provides for the development of a DoD EC architecture that accommodates DLMS implementation in coordination with DISA.

6.2.2. Advocates the improvement of DoD logistics business processes so that electronic business practices and information technology can be exploited successfully.

6.2.3. Forms an integrated product team (IPT), under Joint Electronic Commerce Program Office (JECPO) leadership, to develop, with DoD Component assistance, a comprehensive implementation plan to support migrating DoD logistics business systems to FIPS 161-2 EDI standards.

6.2.4. Reports on progress toward implementation of approved EDI standards into DoD logistics business processes to the Deputy CIO; the Director, Defense Reform Initiative; and the Defense Logistics Information Board.

6.3. The DoD Components shall:

6.3.1. Promote and promulgate the application of ASC X12 principles and practices within their respective logistics business processes through implementation of the DLMS standards. Identify additional logistics business areas (e.g., maintenance, munitions, etc.) that do not currently have DLMS processes in place. Immediately, DLMS is the standard for new, replacement, and major modifications to logistics business processes. Legacy logistics business systems will not be replaced or modified solely for the purpose of implementing commercial standards. DoD automated information systems will be replaced or modified based on sound functional requirements and supporting economic justification.

6.3.2. Establish single focal points, in coordination with their respective EB/EC focal points, to serve as members of the IPT chartered to develop and publish a plan that will guide DoD in the implementation of FIPS 161-2 adopted EDI standards throughout the Department's logistics processes.

6.3.3. Provide all plans for implementing new, replacement, or major modifications to systems that will use DLMS. Submit DoD Component plans in accordance with the milestone schedule in the approved DRID #48 Implementation Plan.

6.3.4. Estimate corporate service resource requirements to support plans called for in paragraph 6.3.3. above. Submit these requirements in accordance with the milestone schedule in the approved DRID #48 Implementation Plan.

6.3.5. Designate a single organization, in coordination with their respective EB/EC focal points, to oversee the migration of logistics business processes to the DLMS.

6.3.6. Consider the migration from the Defense Logistics Standard Systems (DLSS) to DLMS each time a legacy system is modified to identify targets of opportunity.

6.3.7. Support the Under Secretary of Defense for Acquisition and Technology (USD(A&T)) and the DoD CIO in the development of policies and procedures to effect use of approved EDI standards in lieu of DoD-unique logistics data exchange standards.

6.3.8. Report on major milestones semiannually (Reference DLMSO Reports Control Symbol (RCS): DD-A&T(Q&SA) 1419) to the JECPO/Defense Logistics Management Standards Office (DLMSO) on the progress in migrating logistics business processes to the DLMS.

6.4. The Defense Logistics Management Standards Office (DLMSO), as the Department's executive agent for logistics data interchange, shall:

6.4.1. Support legacy system interoperability with new and emerging systems subject to this policy.

6.4.2. Describe and justify the requirements for technology and process to support the Department's transition to DLMS EDI standards and the continuous improvement of logistics processes through efficient adoption of logistics data interchange business rules.

6.4.3. Serve as the logistics configuration manager for the development of business rules and implementation conventions supporting process improvements.

6.4.4. Develop (in coordination with the Department's logistics stakeholders), publish, document, and maintain the logistics data interchange business rules and implementation conventions, supporting the Department's migration to and operation of a commercial EDI-based, optimized logistics process.

6.4.5. Coordinate representation on all industry logistics EDI standards groups with the DoD EDI Standards Management Committee for the purpose of ensuring a common face to industry and a coordinated Department position.

7. EFFECTIVE DATE

This Policy and Guidance for the DoD logistics use of EDI standards is effective immediately.

DEFINITIONS:

1. American National Standards Institute: A national coordinator of voluntary standards for the United States. ANSI approves a standard only when it has verified evidence presented by the standards developer that those materially affected by the standard have reached substantial agreement (consensus) on its provisions.

Source: ANSI Standing Document 2: Operations Manual

2. Accredited Standards Committee X12 (ASC X12): Accredited by ANSI in 1979, ASC X12, Electronic Data Interchange, is a voluntary standards group charged with developing American National Standards for electronic data interchange.

Source: ANSI Standing Document 2: Operations Manual

3. Defense Logistics Management System (DLMS): A broad base of business rules to include uniform policies, procedures, time standards, transactions, and data management designed to meet DoD's requirements for total logistics support. The DLMS is founded upon ANSI ASC X12 EDI and will be expanded to support emerging EB/EC capabilities such as: data sharing, automated identification technology, object-oriented user interfaces, electronic malls, web-based technology, and electronic funds transfer, as appropriate.

Source: Developed by IPT Support Group

4. Defense Logistics Standard Systems (DLSS): A broad base of logistics transactions and standards consisting of fixed-length DoD-unique standards designed to meet DoD's requirements for logistics support.

Source: Developed by IPT Support Group

5. Electronic Business (EB): The application of electronic commerce techniques and solutions to the business processes of the DoD to include the entire range of the DoD functional areas. For the purpose of this document, functions are those defined in Joint Pub 1-02 (i.e., appropriate or assigned duties, responsibilities, missions, tasks, functions, powers or duties of an individual office or organization. A functional area is comprised of one or more functional activities, each of which consists of one or more functional processes).

Source: DoD Directive 8190.X, The DoD Electronic Business/Electronic Commerce (EB/EC) Program

6. Electronic Commerce (EC): The interchange and processing of information using electronic techniques for accomplishing transactions based on the application of commercial standards and practices. Further, an integral part of implementing electronic commerce is the application of process improvements to enhance business processes, normally but not necessarily, prior to the incorporation of technologies facilitating the electronic exchange of business information.
Source: DoD Directive 8190.X, The DoD Electronic Business/Electronic Commerce (EB/EC) Program

7. Electronic Data Interchange (EDI): The computer-to-computer exchange of business data in a standardized format between trading partners.
Source: Appendix A of "Electronic Commerce for Buyers and Sellers" A Strategic Plan for Electronic Federal Purchasing and Payment, President's Management Council's Electronic Processing Initiatives Committee, March 1998

8. Federal Information Processing Standards Publications (FIPS PUBS): Issued by the National Institute of Standards and Technology (NIST) after approval by the Secretary of Commerce pursuant to Section 111(d) of the Federal Property and Administration Services Act of 1949, as amended by the Computer Security Act of 1987, Public Law 100-235. May be accessed on Web location: <http://www.itl.nist.gov/fipspubs/>. Source: NIST

9. Implementation Conventions (IC): Defines the structure and content of a transaction and maps application data requirements into a specific transaction set for implementation.
Source: DoD 4000.25-M (DLMS Manual)

10. Legacy Systems: Information systems currently performing a logistics function. These systems may be candidates for phase-out, upgrade, or replacement.
Source: Developed by IPT Support Group

11. Logistics Business Systems: Applies to planned, new, and legacy DoD logistics systems identified in the DoD Year 2000 (Y2K) database.
Source: Developed by IPT Support Group.