



DEPARTMENT OF THE NAVY

NAVAL SPECIAL WARFARE COMMAND  
2000 TRIDENT WAY  
SAN DIEGO, CALIFORNIA 92155-5599

*MM*

IN REPLY REFER TO:  
8000  
Ser N43/0398  
23 MAR 95

From: Commander, Naval Special Warfare Command  
To: Commander, Naval Ordnance Center (N831)

Subj: ASSIGNMENT OF OWNERSHIP CODE FOR MUNITIONS

Ref: (a) PHONCON NAVSPECWARCOM (N4311) Ms. S. Lowdermilk/  
NAVORDCEN (N831) Mr. S. Bennett of 16 Mar 95

Encl: (1) Point Paper - NSW Request for Assignment of a SOF  
Munitions Ownership Code  
(2) COMNAVSPECWARCOM ltr 8000 Ser N43/1406 of 23 Sep 94

1. In response to reference (a), enclosure (1) is forwarded to highlight to the Joint Ordnance Commander Group (JOCG) Executive Committee our desire to obtain assignment of a Special Operations Force (SOF) Ownership Code and a Naval Special Warfare (NSW) Routing Identifier Code. These proposals are supported by Army, Navy and our resource sponsor, the U.S. Special Operations Command.
2. Enclosure (2) provides a background on the establishment of the U.S. Special Operations Command in 1987, with Naval Special Warfare Command (NSWC) designated as its maritime component. It also details the creation of DoD Major Force Program 11 (MFP-11) as the vehicle for programming and budgeting for SOF requirements, the establishment of an organizational structure to facilitate NSW munitions major claimancy, and it outlines the need for separate munitions accountability/visibility within existing Navy and Army munitions inventory systems. The transition of NSW munitions has been very smooth in view of the number of management and logistic processes involved and the inherent complexity of these systems. A recurring problem, however, has been achieving accurate receipt reporting of munitions new production deliveries, Navy versus NSW. The assignment of a SOF Ownership Code, either "9" or "0", and a Routing Identifier Code have been identified by both the Navy and Army as the solution to this problem and the means to achieve improvements in life cycle asset segregation.
3. The accurate accountability and visibility of NSW munitions assets at the wholesale/retail level directly relates to material readiness and NSWC's ability to rapidly respond to emergent mission taskings. Therefore, a favorable endorsement of enclosure (2) is requested. It is requested that enclosures (1) and (2) be forwarded to the JOCG Executive Committee as advance information prior to our briefing to them on 29 March 1995.

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4. My point of contact is CDR D. L. Frederick (N43) at  
DSN 577-0922 or (619) 437-0922.

*T. J. Schreiber*  
T. J. SCHREIBER  
Assistant Chief of Staff  
for Logistics

Copy to:

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23 Mar 95

**POINT PAPER**

**SUBJ: NSW REQUEST FOR ASSIGNMENT OF A SOF MUNITIONS OWNERSHIP CODE**

**ISSUE:** Favorable endorsement by the Naval Ordnance Center, Naval Supply Systems Command, and Defense Logistics Agency for the Naval Special Warfare Command (NSWC) request for assignment of a Special Operations Force (SOF) Ownership Code for munitions and an NSWC Routing Identifier Code (RIC). The requirements for a "NSW" unique Routing Identifier Code (RIC) recently surfaced as essential to Army inventory tracking systems to ensure proper material receipt processing within Army activities.

**BACKGROUND:** Public Law 99-433 (Goldwater-Nichols DoD Reorganization Act of 1986) amended Title 10 of the U.S. Code and directed the establishment of a Unified Combatant Command for Special Operating Forces. It additionally created Major Force Program (MFP)-11 within the DoD FYDP for programming and budgeting for SOF requirements. Subsequently, a Plan of Actions and Milestones was developed and coordinated with the Navy and Army for assumption of Munitions Major Claimancy responsibility by NSWC. These responsibilities include determining war reserve and training requirements, and procuring and allocating munitions to NSW forces to satisfy those requirements. Existing Navy munitions were split on a fairshare requirements basis and a Navy Munitions FY 92 FYDP procurement funding crosswalk from MFP-5 to MFP-11 was accomplished. Except for a minor Army system change, existing logistic systems and processes were to be utilized. This approach was determined to be the most cost-effective and least disruptive during the transition.

**DISCUSSION:** The action to divide the existing inventories between the Navy and NSW created a requirement for an inventory ownership tracking mechanism. The Navy assigned Purpose Code "Q" (in lieu of an Ownership Code) to accommodate NSW munitions inventorying, requisitioning and transaction reporting within Navy inventory management systems. Ownership Code "9", and Project Code "841" were designated for use in Army systems. The Army was requested to implement a minor change to the Army Commodity Command Standard System/Standard Depot System (CCDS/SDS) accounting system to automate the transfer of inventory transactions to the Navy Conventional Ammunition Inventory Management System. Although completion of this action, scheduled for April 1995, will eliminate manual off-line processing of transactions as is now done, it will not remedy all munitions inventory accountability issues. Of greater significance is the frequent incorrect processing during receipt of new production deliveries of NSW munitions, and inventory management system failures to assure life cycle segregation of these munitions.

Encl (1)

As you may be aware, MIL-STD-129-1 prescribes the policy for bar code labeling of munitions. The policy requires that all munitions be labeled with National Item Identification Number (NIIN), Ownership

Code, and Condition Code at time of receipt into DoD ownership. Without a "SOF" Ownership Code, NSW new production deliveries are automatically assigned Navy Ownership Code "5", as well as a Navy Routing Identifier Code (RIC) "NCB", by system default and frequently receipted into Navy accounts. This has resulted in inaccuracies in Navy and NSW munitions accountability that must be identified and reversed through human intervention.

In documenting new production receipt/accountability problems and reinforcing the need for a SOF ownership code, the Navy analyzed MIPR MILSTRIP receipt documents processed by SMCA storage activities. The analysis covered FY 92 and earlier MIPR receipts processed during the period 1 October 1992 through 31 July 1994. It revealed the magnitude of problems resulting from the system Ownership Code default as well as those resulting from inaccurate use of Transaction Codes. The analysis addressed a total of 359 Navy and NSW MILSTRIP documents. Of the 159 NSW new production MILSTRIP documents, 97 were assigned Ownership Code 5 and receipted into the Navy account. Receipt problems were compounded by misuse of Receipt Transaction Codes for new production deliveries. Of the receipts processed under the new IMSD Unit Identification Code (UIC), 52 of 104 NSW receipts and 44 of 97 Navy receipts were posted with the "D6, Other Receipt" Transaction Code rather than the "D4, New Production Receipt" code. Although this analysis was conducted to address Navy new production delivery receipt and posting problems in general, Navy requested that NAVORDCEN assistance in resolving the problems. Furthermore, Navy requested NAVORDCEN issue guidance to reiterate the IMSD assignment of UIC N49065 and specific document number sequencing for all future procurement MIPRs for each Navy customer, including NSW.

**CONCLUSION:** The Navy analysis reinforces the need for a DoD "SOF" Ownership Code to improve overall inventory accuracy and accountability and ensure new procurement receipts are posted to the actual procuring activity account. NAVORDCEN endorsement of our request coupled with issuance of reiterative guidance/policy regarding new production receipting should dramatically improve the overall accuracy of DoD munitions inventory data.

**RECOMMENDATION:** NAVORDCEN favorably endorse the NSW request for assignment of a SOF Ownership Code for munitions. This code would also provide the means for segregated accountability of SOF Army and Air Force munitions should the need arise in the future. Moreover, this action will resolve accountability problems between Navy and NSW accounts. Assignment of an NSW RIC will enable the Army CCDS/SDS to more efficiently process NSW transactions.



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IN REPLY REFER TO  
8000  
Ser N43/1406  
23 SEP 94

From: Commander, Naval Special Warfare Command  
To: Defense Logistics Management Standards Office  
Via: (1) Commander in Chief, U. S. Special Operations Command  
(2) Commander, Naval Supply Systems Command  
(3) Commander, Naval Ordnance Center

Subj: REQUEST FOR OWNERSHIP CODE

Ref: (a) Public Law 99-433 of 14 Nov 86

1. The purpose of this letter is to request assignment of Ownership Code "9" or "0" to the Special Operating Forces (SOF) for world-wide accountability and visibility of munitions. The Ownership Code is recognized by all DoD munitions inventory management systems and will ensure more accurate inventory data and enhance budgeting and accountability of Naval Special Warfare (NSW) munitions consistent with guidance contained in reference (a). In addition, segregated accountability of standard munitions for Army and Air Force SOF could be accomplished utilizing a SOF ownership code should this need arise.

2. Reference (a) directed the establishment of a "Unified Combatant Command for Special Operation Forces whose primary function is to prepare SOF to carry out assigned missions". Legislation included the creation of Major Force Program 11 (MFP-11) funding within the DoD FYDP for programming and budgeting for SOF requirements. As a result, NSW munitions procurement funding was transferred to MFP-11 from the Navy. Concurrently, coordinated efforts between the Fleet, CNO and NSW resulted in the development of an organizational structure supporting munitions major claimancy within COMNAVSPECWARCOM.

3. The majority of NSW munitions are stored at Navy and Army facilities. Division of the inventory between the Navy and NSW created a requirement for an inventory ownership tracking mechanism. Agreements were made to utilize existing inventory management systems to achieve the most cost effective and least disruptive transition. A methodology was developed that accommodated transaction reporting requirements of both Services, and existing Navy inventory systems (CAIMS/OMS/FOSAMS) and the Army's Commodity Command Standard System and Standard Depot System (CCSS/SDS), as well as the interface of all of the aforementioned user and storage reporting systems. Within the Navy, the consensus was to assign Purpose Code "Q", in lieu of a new ownership code, as the mechanism for identifying NSW munitions at Navy storage facilities. Navy inventory management systems were modified to recognize Activity Classification Code "Q" with Project Code "841" for afloat and overseas units.

Encl (2)

Subj: REQUEST FOR OWNERSHIP CODE

Purpose Code "Q" and Project Code "841" were designated for use by CONUS activities.

4. The Army determined that Navy SOF assets would be stratified by utilizing Ownership Code "9" in conjunction with Project Code "841". Commitments to modify Army inventory management system to recognize the Purpose Code were not completed due to limited resources and a moratorium on System Change Requests. As a result, all Navy SOF transactions are manually processed off-line within Headquarters, Army, Munitions Chemical Command (AMCCOM). This time consuming and cumbersome process frequently leads to inventory inaccuracies. Numerous manhours are spent verifying files to ensure accurate accountability of assets. The receipt of Navy SOF new production deliveries exacerbates this situation since MIL-STD-129 specifies bar code labels providing only the National Item Identification Number (NIIN), Ownership Code and Condition Code data. Without a "SOF" Ownership Code, NSW new production deliveries are assigned Navy Ownership Code "5", by system default, and deliveries are often receipted into the Navy account. Again, numerous manhours are expended identifying and correcting these inventory management errors.

5. There have been numerous meetings among Navy, Army, NSW and USSOCOM representatives to develop an agreeable solution to this munitions accountability problem. In addition, the problem has been discussed in exacting detail by both the Navy Quality Management Board and its Navy Process Action Teams. The general consensus of these deliberations is that assignment of an Ownership Code ("9" meaning other, or "0" currently not assigned) to SOF munitions would reduce instances of inaccurate data processing and the cost of identifying and correcting inventory management errors. I am convinced this change will be a cost effective measure and result in the least disruption to existing systems.

*fa* TA Holder  
R. C. SMITH, JR.

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