



**DEFENSE LOGISTICS AGENCY**  
**HEADQUARTERS**  
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**FORT BELVOIR, VIRGINIA 22060-6221**

July 24, 2014

**MEMORANDUM FOR SUPPLY AND SUPPLY DISCREPANCY REPORT (SDR) PROCESS REVIEW COMMITTEE (PRC) MEMBERS**

**SUBJECT: Proposed Addendum to Approved Defense Logistics Management Standards (DLMS) Change 1022 (Staffed as PDC 1022A), Procedures for Processing Depot Returns - Revised Exclusions from Automatic Disposal Procedures**

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management System, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) for evaluation and submission of a single coordinated DOD Component position. It is the responsibility of the Component Supply PRC representatives to ensure full coordination of the proposal within their Component.

Request you review the attached proposed change and provide your comments/concurrence to Defense Logistics Management Standards Office not later than **20 days** from the date of this memorandum. If non-concurrence is provided, please provide an alternate method to meet the requirement being addressed.

Addressees may direct questions to Ms. Ellen Hilert, DOD SDR System Administrator, 703-767-0676 or DSN 427-0676, e-mail: [ellen.hilert@dla.mil](mailto:ellen.hilert@dla.mil); others must contact their Component designated Supply PRC representative or SDR Subcommittee representative available at: [www.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp](http://www.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp).

  
DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment  
As stated

cc:  
ODASD (SCI)

# **Attachment to PDC 1022A**

## **Procedures for Processing Depot Returns - Revised Exclusions from Automatic Disposal Procedures**

### **1. ORIGINATOR:**

- a. Service/Agency: Defense Logistics Agency (DLA) and United States Air Force (USAF)
- b. Originator: DLA J33, 703-767-2527 (DSN 427)
- c. Originator: USAF, HAF/A4LR, 240-612-4312 (DSN 612)

### **2. FUNCTIONAL AREA:** Supply (Receiving and Reclassification)

### **3. REFERENCES:**

- a. Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System (DLMS), available at [www.dla.mil/j-6/dlms/olibrary/manuals/dlm/dlm\\_pubs.asp](http://www.dla.mil/j-6/dlms/olibrary/manuals/dlm/dlm_pubs.asp)
- b. DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures ([MILSTRAP](#))
- c. PDC 403, Revised Procedures for Processing Depot Returns (including Receipt and SDR), dated January 31, 2011
- d. [ADC 1022](#), Procedures for Processing Depot Returns (Including Receipt, SDR, and Revision to Time Standard for Reclassification of Supply Condition Code J and K Assets), dated October 19, 2012

### **4. REQUESTED CHANGE: Substantive changes to establish additional exclusions to ADC 1022 procedures are highlighted. All other elements of the original ADC 1022 are retained as approved.**

**a. Overview of Change:** This PDC amends procedures as originally approved under ADC 1022 (Reference 3.g.). This change revises MILSTRAP procedures to support DLA Distribution Center processing and automatic disposal of materiel categorized as Supply Condition Code (SCC) H, Unserviceable (Condemned),<sup>1</sup> with specific exceptions identified including exclusion of materiel from an FMS customer or owned by the Air Force.

#### **b. Background:**

(1) Refer to ADC 1022 (Reference 3.g.) for background information associated with the original change.

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<sup>1</sup> SCC H, Unserviceable (Condemned). Materiel that has been determined to be unserviceable and does not meet repair criteria; includes condemned items that are radioactivity contaminated, Type I shelf life material that has passed the expiration date, and Type II shelf life material that has passed the expiration date and cannot be extended.

(2) During implementation of ADC 1022 automatic disposal procedures, DLA Distribution questioned whether it would be appropriate to include FMS returns. After further considerations by DLA, an exclusion was proposed for this materiel.

(3) During development of the original DLMS change the Air Force had recommended an exclusion for Air Force materiel. This exclusion was later eliminated by the Air Force during staffing and was not contained in the approved change. After further consideration by the Air Force, the original exclusion was determined to be appropriate and the Air Force requested that it be re-instated under this addendum.

**c. Detailed Procedures – SCC H and Automatic Disposal:**

(1) SCC H materiel received and identified by catalog data **with** the DEMIL Codes, Controlled Inventory Item Code (CIIC), or Water Type Cargo Code per list below **will not** be disposed of automatically. The materiel will be receipted in SCC H (the SCC will not be changed during receipt pending disposition instructions), stored in a depot storage location, and an SDR submitted to the owner requesting disposition. The following code values are applicable:

- DEMIL Codes: B, C, D, E, F, G or P,
- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9,
- Water Type Cargo Codes: A and 4 (indicating radioactive

substance).

(2) SCC H materiel received without the codes listed above and with a dollar value of less than **\$500** per item will be processed for automatic disposal using management code of J, M, or T.

**(3) Exceptions:**

(a) GSA managed materiel and Non-Army Managed Items (NAMI) (Routing Identifier Code AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will still be subject to all other screening criteria.

(b) U.S. Army Aviation and Missile Command (AMCOM) (Routing Identifier Code=B17) materiel and materiel identified by a local stock number (SIC Z) will not be eligible for automatic disposal regardless of DEMIL Code, CIIC, or Water Type Cargo Code. This materiel will be receipted in SCC H (*not changed to K as done currently*) and an SDR submitted to the owner.

**(c) USAF materiel will not be eligible for automatic disposal regardless of DEMIL Code, CIIC, or Hazardous Type Cargo Code except as indicated below.**

**1.** Materiel received in SCC H for Air Force at DLA Distribution Center Warner Robins Georgia, DLA Distribution Center Hill Utah, and DLA Distribution Center Oklahoma City, Oklahoma will be left in Condition H and reported to the Air Force owner.

**2.** Materiel received in Condition H for Air Force at sites not collocated with Air Force depot maintenance:

**a.** For Air Force-managed materiel, the materiel will be left in Condition H and will be reported to Air Force owner.

**b.** For non-Air Force managed materiel, use the automatic disposal process as described in paragraph 4.c. (Detailed Procedures - SSC H and Automatic Disposal) of this DLMS change.

**(d)** FMS materiel (document number beginning Service/Agency Code B, D, I, K, P, or T) will not be eligible for automatic disposal regardless of DEMIL Code, CIIC, or Water Type Cargo Code. A DLMS 940R/A5J Disposal Release Order must be provided for inclusion in the disposal process and subsequent shipment to DLA Disposition Services.

**5. PUBLICATIONS:** Revise DLM 4000.25-2, MILSTRAP Chapter 4 as shown in the enclosure. Comparable changes will be made to the DLMS manual.

**6. ALTERNATIVES:** None identified.

**7. REASON FOR CHANGE:**

**a.** Automatic Disposal Exclusion for FMS materiel: Allows DLA Disposition to work FMS disposal actions manually, which is necessary to work with the host country and can take a lengthy amount of time.

**b.** Automatic Disposal Exclusion for USAF materiel: Allows AF internal logistic transactions (i.e., due in from/due out to maintenance (DIFM/DOTM) and due in from overhaul (DIOH) to be properly cleared in the AF supply system.

**8. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:**

- (1) Improved handling of assets requiring security measures.
- (2) Elimination of duplicate manual handling of materiel and provides greater savings for our customers.
- (3) Elimination of unwarranted disposal of secured and classified assets without authorization of owner.

(4) Provides procedures for notifying the returning activity of discrepant returns.

**b. Disadvantages:** This change does not fully resolve issues related to high volume of unidentified materiel.

**9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** The implementation goal is to fully implement within 6 months of release of approval.

**10. IMPACT:**

**a. DLMS Data.** No data elements are added or revised under this addendum.

**b. Component Automated Information Systems (AIS).** No impact identified.

**c. DLA Distribution/Distribution Standard System (DSS):** Implement additional exclusion from automatic disposal for FMS and Air Force materiel as described above.

## Enclosure, DLM 4000.25-2, MILSTRAP Revisions (Chapters 4 and 5)

Revisions applicable to PDC 1122A are shown in **red bold italics**. The original ADC 1122 changes are retained in **black bold italics** for context (these changes were previously published in the manual). Comparable changes will be made to the DLMS manual.

### Chapter 4 Receipt and Due-In

#### C4.9. PROCESSING DISCREPANT/DEFICIENT RECEIPTS

*(intervening text not shown)*

##### C4.9.3. Receipt Reporting For Discrepant Shipments From Non-Procurement Instrument Sources

*(intervening text not shown)*

###### C4.9.3.3.1. Condition of Materiel

C4.9.3.3.1.1. When inspection of inter-Service/Agency receipts reveals materiel to be SCC H and no PMR is recorded, storage activities shall automatically ship discrepant materiel valued at less than ~~\$100~~ **\$500** per item direct to the property disposal activity ***except as specified in these procedures*** or take other automatic disposal actions based on criteria promulgated by the Services/Agencies. This includes Type I shelf-life materiel which has passed the expiration date regardless of value. When automatic disposal action is taken, cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel), in lieu of the discrepant receipt management code, in the receipt transaction for the discrepant quantity.

***C4.9.3.3.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2 ) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal screening criteria.***

***C4.9.3.3.1.1.2. Automatic disposal does not apply to the following:***

***C4.9.3.3.1.1.2.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:***

- ***DEMIL Codes: B, C, D, E, F, G, or P~~0~~***
- ***CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9***
- ***Radioactive Water Type Cargo Codes: A and 4***

*C4.9.3.3.1.1.2.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.*

*C4.9.3.3.1.1.2.3. Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.*

*C4.9.3.3.1.1.2.4. FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.*

*C4.9.3.3.1.1.2.4. Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed materiel located at a DLA distribution center not co-located with a USAF depot maintenance site.*

*C4.9.3.3.1.1.3. Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR shall be prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks shall inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.*

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## **Chapter 5 Adjustments**

C5.2.5. Automatic Disposal of Reclassified Stock. When materiel is reclassified to SCC H, storage activities may also, based on criteria promulgated by the DoD Components, automatically turn condemned and expired shelf-life materiel into reutilization and marketing or take other authorized automatic disposal action. Advise the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (materiel condemned--excludes expired shelf-life materiel) or Management Code T (materiel condemned--expired shelf-life materiel) in record position 72 of the dual adjustment transaction. ***Refer to C4.9.3.3.1. for exclusions from automatic disposal.***