



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VA 22314

DLA REGULATION
NO. 4140.48

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AR 740-15
NAVSUPINST 4450.26
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MCO 4450.8C
DLA-OS
11, Dec 81

STORAGE OF MILITARY SERVICE-OWNED RETAIL STOCKS IN
THE DLA MATERIEL DISTRIBUTION SYSTEM
(Supplementation is permitted at all levels.)

I. PURPOSE AND SCOPE. To provide for the degree of responsibility which DLA will accept in the management, control, and accounting for Military Service-owned stocks stored in the DLA Materiel Distribution System. This regulation is applicable to HQ DLA, Defense Supply Centers (DSCs) (less DFSC), Service Inventory Control Points (ICPs), and all storage activities, DLA-managed and Military Service-managed, which are involved in the recordkeeping and storage of commingled Military Service-owned and DLA-owned stocks. It has been coordinated with and concurred in by the Military Services (hereinafter referred to as the Services).

II. POLICY

A. General

1. Service-owned stocks of DLA centrally managed items will normally be stored and accounted for by inventory, control, and storage activities of the owning Service. The centrally managed items with like DLA-owned items will be accomplished to achieve economic benefits of timely stock rotation and optimum utilization of storage space.

2. DLA will consider commingling Service-owned stocks of DLA centrally managed items with like DLA-owned stocks in DLA-managed Principal Distribution Depots (PDDs) of the DLA Materiel Distribution System upon request of a Service. Service-owned stocks accepted for commingling with like DLA-owned stocks will be maintained under DLA custodial accountability.

3. DLA will not accept Service-owned stocks in DLA-managed PDDs and Specialized Support Points (SPPs) of the DLA Materiel Distribution System for commingling unless the demand rate is such that rotation of the stock can be accomplished during the normal storage life of the item. Inventory losses add costs to repair and recondition stocks attributable to obsolescence, deterioration, or expired shelf life will be borne proportionately by DLA and the Services based on the quantity owned by each entity.

4. Services may commingle Service-owned stocks of DLA centrally managed items with like DLA-owned stocks in SSPs of the DLA Materiel Distribution System. Services that commingle DLA-owned stocks with like Service-owned stocks may request that HQ DLA maintain these stocks under DLA custodial accountability.

5. DLA-owned stocks located at Service-managed Temporary Storage Site (TSS) type activities may be commingled with like items of Service-owned stocks in store at the option of the Service-managed depot. DLA will not assume custodial accountability or any responsibility for inventory gains and losses on service-owned stocks which have been commingled in storage at TSSs with like items of DLA-owned stocks.

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This regulation supersedes DLAR 4140.48/AR 740-15/AFR 69-7/MCO 4450.B, 15 Jan 74, and Change.

B. Service-Owned Stocks Authorized for Commingling with DLA-Owned Stocks in the DLA Materiel Distribution System

1. Positioning of Service-owned stocks accepted for commingling with DLA-owned stocks in the DLA-managed PDDs of the DLA Materiel Distribution System will be in accordance with DSC stock positioning patterns as established by DLAM 4145.10, DLA Materiel Distribution System Manual.

2. Provisions of DLAM 4140.2, volume I, chapter 14, apply to Service-owned stock accepted for commingling with DLA-owned stocks under DLA custodial accountability.

3. Inventory transaction and asset information for supply management, utilization screening, customer billing, and financial reporting purposes will be made available to the owning Service through the external transaction and asset reporting system prescribed by DLAM 4140.2. The DSC maintaining custodial accountability will provide monthly transaction reports and quarterly asset reports to the owning services as of 30 June, 30 September, 31 December, and 31 March relative to Service-owned stocks. DSC reports will be to a single reporting point in each Service for all stocks of that Service maintained under the custodial accountability of DSC.

4. Asset information provided Services on Service-owned stocks under DLA custodial accountability will be restricted to that which can be furnished from data elements within the coding structure of DLAM 4140.2. Additional data elements will not be introduced into the DLA national inventory record solely to accommodate internal management requirements of the individual Services.

5. All Service-owned stock shipped into a DLA storage activity for commingling with DLA-owned stocks under DLA custodial accountability must be in suitable condition for immediate issue to all requisitioners worldwide without limitation or restriction. Materiel prepackaged and marked for a specific contingency use will not be accepted for DLA custodial accountability.

6. Service-owned stocks commingled under DLA custodial accountability will be centrally controlled by the DSC maintaining the national inventory record for like items of DLA-owned materiel. All instructions to storage activities relative to the Service-owned stocks accepted for commingling will emanate from the cognizant DSC as the sole source authorized to direct delivery, issue, or other disposition of stock.

7. Services will request issue or other disposition of Service-owned stocks under DLA custodial accountability through media of appropriate Military Standard Requisitioning and Issue Procedures (MILSTRIP) documentation submitted to the cognizant DSC. The owning Service will be responsible for the accomplishment of any customer billing incident thereto.

8. DLA will assume all inventory gains and losses on Service-owned stocks commingled with DLA-owned stocks only when custodial accountability is maintained by DLA, except as stated in subparagraph A 3 above.

9. When so authorized by the owning Service, Service-owned stocks under DLA custodial accountability may be issued by DSC to satisfy high priority requisitions submitted to DLA when like DLA-owned stocks have been depleted. Service-owned stocks authorized for issue by DLA will be transferred from Service ownership with reimbursement to the owning Service. Loan procedures is not authorized.

10. The standards, criteria, schedules, and procedures established for DLA-owned stocks in performing classification, in-storage inspection and physical inventory will apply equally to commingled Service-owned stocks.

11. DLA will perform, within capability, modification of Service-owned stocks under DLA custodial accountability as requested by the owning Service. DLA will bill the service for all costs incident to performing the requested stock modification. Service-owned stocks, modified to Service-directed specifications, which change the item configuration to the extent that it no longer meets the standard DoD specification, will be segregated in storage and item accountability returned to the owning Service.

12. Reimbursement for warehousing services incident to storing Service-owned stocks will be in accordance with DoD 4145.19-R, Storage and Warehousing Facilities and Services.

13. Reimbursement for inventory accounting, transaction reporting, and asset reporting services incident to custodial accountability functions will be on the basis of a negotiated Inter-Service Supply Support Agreement (ISSA).

C. Service-owned Stocks Commingled With DLA-Owned Stocks Which Are Not Maintained Under DLA Custodial Accountability

1. DLA will not assume custodial accountability for Service-owned stocks which have been commingled with DLA-owned stocks in other than authorized depots of the DLA Materiel Distribution System.

2. DLA will not assume responsibility for inventory losses of Service-owned stocks not under DLA custodial accountability which were commingled with DLA-owned stocks in Service-managed storage activities, and erroneously issued against DLA shipping directives for DLA-owned stocks.

III. DEFINITIONS

A. Commingled Stocks. The consolidation for storage purposes of the total quantity of like items in like condition, involving ownership of DLA and one or more Service(s), without regard to maintaining ownership identity in warehouse storage. Ownership quantities of the commingled stocks will be maintained on designated national inventory records.

B. Custodial Accountability. The maintenance of data elements in the DSC national inventory record to reflect by ownership codes the receipts, issues, balances, and such other quantitative and financial data determined by DLA as minimum essential for proper control and management of Service-owned stocks commingled in storage with DLA-owned stocks.

C. DLA Centrally Managed Items. As used herein, applicable only to those items assigned for DLA integrated management which are centrally procured and coded as depot stocked for issue under appropriate Supply Status Codes (SSCs).

D. DLA Storage Activities. DLA-managed and Service-managed activities of the DLA Materiel Distribution System storing DLA-owned materiel under the accountability of DSCs.

1. DLA-Managed Storage Activities. Storage activities of the DLA Materiel Distribution System which are under the full management control of DLA, to include commercial storage locations under DLA contract operation.

2. Service-Managed Storage Activities. As referred to herein, storage activities of the DLA Materiel Distribution System, which are managed and operated by a service, and performing specific storage and warehousing services for DLA-owned stocks on the basis of a common or cross-servicing agreement with DLA.

E. Principal Distribution Depots. The primary storage and distribution activities of the DLA Materiel Distribution System which stock a multirange of DLA commodities in support of all authorized requisitioners of DLA-managed materiel. Each PDD stocks specified DLA commodities in support of authorized requisitioners located with the specific geographic area assigned as the PDD distribution area.

F. Service-owned Stocks. As referred to herein, stocks owned, financed, managed and positioned by a Service for a specific purpose, to include Pre-positioned War Reserve Stocks (PWRS). These are retail items which have been requisitioned from the DLA wholesale distribution system, considered by DLA to be Service-owned retail stocks.

G. Specialized Support Points. Storage activities of the DLA Materiel Distribution System so designated because either the distribution mission or the range of DLA commodities is specialized in nature. An SSP may stock a complete range of DLA commodities but have a limited distribution mission restricted to requisitioners of a single Service, or stock only one DLA commodity with a distribution mission in support of all authorized DoD and non-DoD requisitioners within designated geographic areas.

H. Temporary Storage Sites. Service-managed storage activities which are not part of the permanent DLA Materiel Distribution System in which DLA-owned stocks are temporarily in storage. DLA-owned stocks located in TSSs result primarily from DLA assumption of ownership through logistic reassignment with capitalization of stocks in place by DLA from the prior Military Service manager. DLA-owned stocks are evacuated as rapidly as possible from TSSs through DSC directed issues from TSSs, disposal in place of stocks which are excess to system requirements, and redistribution to permanent DLA storage activities on a phased or one-time bulk move basis.

IV. SIGNIFICANT CHANGES. This revision provides for the following basic changes:

A. Limits the acceptance of Service-owned stocks for commingling to that quantity which can be rotated during the normal storage life of the item.

B. Defines the extent of responsibility borne by DLA and the Services for losses and repair/reconditioning costs attributable to obsolescence, deterioration, or expired shelf life.

C. Deletes reference to Direct Supply Support Points (DSSPs).

V. RESPONSIBILITIES

A. HQ DLA

1. The Executive Director, Supply Operations, DLA (DLA-O) will ensure surveillance and continued review of the operational effectiveness of the policy stated in this regulation.

2. The Chief, Supply Management Division, Executive Directorate, Supply Operations (DLA-OS) will coordinate with appropriate elements of the Services on areas of disagreement which cannot be resolved between DSCs and Service ICPs concerning the provisions of this regulation relative to commingling of DLA-owned and Service owned stocks.

B. Field Activities

1. The Commanders, DSCs will:

a. Coordinate with Service ICPs in the determination of Service-owned stocks authorized for commingling with DLA-owned stocks under DLA custodial accountability.

b. Report to HQ DLA, ATTN: DLA-OS, any areas of disagreement relative to commingling of Service-owned stocks under custodial accountability of DSC which DSC cannot resolve with the appropriate Service ICP.

c. Assure that Workload Forecasts developed in accordance with DLAR 4145.27, Workload Forecasts for the Storage Operations of DLA Supply Depots, include appropriate quantitative data for stocks covered by this regulation.

2. The Commanders of DLA-Managed Storage Activities will:

a. Perform receipt, issues, inventory, inspection, and reporting of Service-owned stocks in storage only upon the direction of, or in accordance with published procedures of, the activity maintaining the accountability of the Service-owned stocks in storage.

b. Forward to HQ DLA, ATTN: DLA-OS, any correspondence, regulations, or other communications received from the Services concerning Service-owned stocks positioned at the storage activity, which require actions not covered by or in conflict with the provisions of this regulation.

BY ORDER OF THE DIRECTOR



R.F. McCORMACK
Colonel, USA
Staff Director,
Administration

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