DEPUTY UNDER SECRETARY OF DEFENSE FOR
LOGISTICS AND MATERIEL READINESS
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

NOV 1 4 2008

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Materiel Disposition Policy Change Concerning F-14 Parts, Demilitarization (Demil) Code B Munitions List Items (MLI), and Demilitarization Code Q Commerce Control List Items (CCLI)

My office has reviewed current disposition processes for items considered sensitive for reasons of National Security. To strengthen current controls and to mitigate future security risk with disposition of these items, I direct Defense Logistics Agency (DLA), in coordination with the Military Departments, to implement the following processes and procedures:

- DLA will complete destruction of all excess F-14 unique items in the custody of the Defense Reutilization and Marketing Service (DRMS).
- The Military Departments will identify to DLA those F-14 common items that are to be included in future one-time reutilization offers, based on their readiness criticality to applications on other major weapon system platforms.
- DLA will conduct one-time reutilization offers of excess F-14 common items, within Department of Defense (DoD) only; excess F-14 common items that are not reutilized will be destroyed.

Demil B/ MLI that are not applicable to the F-14 will be available for reutilization within DoD (including Reserve Components), Foreign Military Sales (FMS) programs, Federal Agencies, and designated Special Programs pursuant to approved procedures.

DLA will designate Demil Q/ CCLI as non-sensitive or sensitive, based on control criteria established by the Department of Commerce. A designation of non-sensitive will allow disposal of items in accordance with existing excess disposition procedures. Items designated as sensitive will be reutilized according to the Demil B disposition procedure stated above.

By November 13, 2008, DLA will finalize procedures for Long-Term Storage (LTS) of applicable Demil B and Q excess. Procedures will ensure proper storage and disposal of the Demil B and sensitive Demil Q items covered by this memorandum. Challenges to B and Q property, which are identified for LTS, may be addressed to the DoD Demilitarization Coding Management Office (DMCO). Challenges will also be considered for other property, which is identified as not requiring LTS. The attached procedures will be reiterated in the LTS Plan.

The above procedures will be incorporated into the Defense Demilitarization Manual (DOD 4160.21-M-1) and the Defense Materiel Disposition Manual (DOD 4160.21-M). For additional information contact, Paul Blackwell, on my staff, at 703-604-0098 x 202 or Paul.Blackwell@osd.mil

Jack Bell

Jack Bell

Attachments:
As Stated

CHALLENGE AND CONTROL PROCESS FOR DEMILITARIZATION (DEMIL) CODE B AND SENSITIVE DEMILITARIZATION CODE Q PROPERTY PLACED IN LONG TERM STORAGE (LTS)

1. Challenging Demil Code B and Q property identified for LTS and all other property identified as not requiring LTS may be accomplished through the DoD Demil Coding Management Office (DCMO). The Demil Code Challenge form and instructions can be found on the Defense Logistics Information System (DLIS) website at: http://www.dlis.dla.mil/demil/demil_request.asp under DLIS Services, Demilitarization Coding Management Office (DCMO). Visibility of each NSN currently on hand at the Defense Reutilization Management Office (DRMO) in LTS will be available on the DRMS website (http://www.drms.dla.mil).

2. All individuals or organizational representatives electing to challenge a Demil Code listed for a National Stock Number (NSN) or to challenge an item as being non-sensitive to National Security, may use the online web form to submit a Challenge request. The submitter shall complete the form as completely and as accurately as possible. All mandatory blocks on the Demil Challenge Request must have an entry. Failure to provide required information in the mandatory fields will prevent the user from submitting the form electronically via web and could significantly delay a timely response. Challenge request forms will be required for each NSN being challenged.

3. In addition to providing the mandatory information the submitter shall provide as much supporting rationale and documentation (e.g., technical data, drawings) or other industry standards to substantiate their cited justification. A clear text field is provided for the inclusion of any narrative data such as identification of the next higher assembly, end item identification, associated contract number(s), or other pertinent information. All supporting documentation and/or pictures of the item being challenged may be sent via email to DCMO@dla.mil.

4. All challenge requests will be reviewed to determine if the NSN is assigned the correct Demil Code and the appropriate Demil Integrity Code. All requests received will be evaluated to determine if the item is a Commerce Control List Item (CCLI)/Demil Q or Munitions List Item (MLI)/Demil B, C, D, E, F, G, and P. NSNs coded Demil Q will be assigned the appropriate Export Classification Control Number (ECCN) and will be documented as either "Sensitive" or "Non-Sensitive" based on its "Reason for Control" in accordance with the Export Administration Regulation. Decisions to place items (MLI/CCLI) in LTS will be based on determinations made regarding the items National Security risk, Reasons for Control, Readiness Retention, and End-Item Application. Items determined to be non-sensitive to National Security or readiness may be made available for release with appropriate controls.

Attachment 1

a. **Name:** This field is mandatory. Fill in the complete name of the individual who is submitting the form.

b. **Phone:** This field is mandatory. If submitter is providing a DSN number, fill in the letters "DSN" and the number. If the phone number is a commercial number, include area code and number. The extension field is not mandatory.

c. **FAX Number:** This field is not mandatory; however, inclusion of a valid FAX number can help to facilitate a faster response. If the submitter is providing a DSN FAX number fill in the letters "DSN" and the number.

d. **Service/Agency:** This field is mandatory. Inclusion of governmental service/agency identification will help to facilitate a priority response.

e. **E-Mail Address:** This field is not mandatory; however, inclusion of a valid e-mail address can facilitate a faster response.

f. **National Stock Number (NSN):** This field is a mandatory. If the NSN is unknown or unavailable, the submitter must fill in the Part Number and Commercial and Government Entity (CAGE) Code.

g. **Part Number/CAGE Code:** These fields are mandatory fields if the submitter does not fill in the National Stock Number field. Provide any additional known part numbers assigned to the item in the narrative field.

h. **End Item:** This field is not mandatory; however, please provide the designation of the end item or weapons system platform identification for which the challenged NSN supports or complements (e.g. Cannon AE-1 printer, F-15E aircraft, M1A1 Abrams Tank, AN/ALQ-151 countermeasures set, etc.)

i. **Next Higher assembly:** This field is not mandatory; however, please provide the next higher assembly (nomenclature and/or Part Number) for which the challenged NSN supports or complements. Inclusion of this information will help to expedite your Challenge request.

j. **Current DEMIL Code in FLIS:** This field is mandatory. Provide the current DEMIL code as recorded in the Federal Logistics Information System (FLIS) or Federal Logistics Data on Compact Disk (FEDLOG).

k. **Recommended DEMIL Code:** This is a mandatory field. Provide the DEMIL code that the submitter recommends. See DoD 4100.39M, Volume 10, Table 38 or DoD 4160.21M-1, appendix 3 for DEMIL codes and their definitions.

l. **DoD 4160.21M-1 or Export Administration Justification:** This is a mandatory field. If the submitter is using the DoD 4160.21M-1, the Defense Demilitarization Manual, as justification, then the appropriate Appendix, Category, and Paragraph Fields are mandatory. A valid DoD 4160.21M-1 justification is required for recommended DEMIL codes of "A, B, C, D, E, F, G, P, or Q". If the submitter is recommending a DEMIL code of Q, then the appropriate Export Control Classification Number (ECCN) as published in 15 Code of Federal Regulations (CFR), Part 774 (Commerce control List) must be filled in. In any case, the Appendix, Category, and Paragraph Field <u>or</u> the ECCN field must be filled.

m. **Rationale to Support DEMIL Recommendation or Change to Integrity Code:** This is a mandatory field. The clear text field is provided for the submitter to provide any and all rationale to substantiate the justification provided. The submitter is encouraged to provide as much supporting rational, history, or pertinent facts as possible. Technical data, specification or standards, and/or pictures of the item(s) should be provided via email as shown above.

n. **Follow up Inquiries:** The submitter should allow for ample time for the DLIS DEMIL Challenge team to process the DEMIL Challenge request. To make an inquiry of the status of the DEMIL Challenge submitted, submit an email to DCMO@dla.mil (Subject: Follow-up request for NSN XXXX-XX-XXX-XXXX), or contact the DEMIL Challenge Team at DSN 661-5233 or commercial 296-961-5233.