

GLOSSARY

Active Inventory: Materiel which is expected to be consumed within the budget year (2 years) and materiel that has been purchased to meet specific war reserve requirements.

Approved Acquisition Objective (AAO). The quantity of an item authorized for peacetime and wartime requirements to equip and sustain U.S. and Allied Forces, in accordance with current DoD policies and plans. This quantity shall be sufficient to support other U.S. Government Agencies, as appropriate.

War Reserve Materiel. Mission essential secondary items; principal and end items computed as part of the acquisition process; and munitions authorized for sustainability planning in Secretary of Defense Planning Guidance. In the SSIR, secondary items classified as War Reserve Materiel are shown as a memo entry subset of the Approved Acquisition Objective.

Intransit Assets. Materiel that is between storage locations, either wholesale or retail or materiel shipped from vendors after acceptance by the government but not yet received by the inventory manager. Intransit assets are not included in the records of wholesale inventory used in the stratification process.

Inactive Inventory: Materiel that is not expected to be consumed within the budget period but is likely to be utilized in future years.

Economic Retention Stock. That portion of the quantity of an item greater than the AAO determined to be more economical to retain for future peacetime issues than to dispose and satisfy projected future requirements through new procurement and/or repair. To warrant economic retention, items must have a reasonably predictable demand rate.

Contingency Retention Stock. That portion of the quantity of an item greater than the AAO and economic retention stock for which there is no predictable demand or quantifiable requirement, and that normally would be allocated as Potential Reutilization/Disposal Stock except for a determination that the quantity will be retained for specific contingencies.

Potential Security Assistance Materiel. Materiel that supports weapon systems phased out, or in the process of being phased out, of use by the Department of Defense but temporarily held for programs authorized by the "Foreign Assistance Act of 1961," as amended (40 USC. 512(a)), and the "Arms Export Control Act of 1976," as amended (DoD 4160.21-M-1), or other related statutes by which Department of Defense provides materiel by grant, credit, or cash sales in furtherance of National policies and objectives. It is a memo entry subset of Contingency Retention Stock.

Potential Reutilization and/or Disposal Materiel: Component materiel identified by an item manager for possible disposal but with potential for reutilization; or (2) materiel that has the potential for being sent by an item manager to the Defense Reutilization and Marketing Service for; (a) possible reutilization by another DoD Component or by a Federal, State, or local government agency; or for disposal through sale to the public.

Excess: Materiel that has completed reutilization screening within the DoD and is not required for the needs and the discharge of responsibilities of any DoD activity.

Secondary Item: An item that is not defined as a principal item and includes reparable components, subsystems, and assemblies, consumable repair parts, bulk items and material, subsistence, and expendable end items, including clothing and other personal gear.

Principal Item: An end item or a replacement assembly of such importance to operational readiness that management techniques require centralized individual item management throughout the supply system to include items stocked at depot level, base level, and using unit level.