

§ 273.6

SEAs; and recommend to the ASD(L&MR) categories of property considered appropriate, usable, and necessary for transfer to SEAs.

(8) Provide administrative and logistics support, including appropriate facilities, for the operations of tenant and related off-site DLA Disposition Services field activities under inter-Service support agreements (ISSAs).

(9) For property not explicitly identified in this part, follow Service-unique regulations to dispose of and maintain accountability of property. Ensure all accountable records associated with the disposal of FEPP, excess, and surplus property are established and updated to reflect supply status and ensure audit ability in accordance with DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property" (available at <http://www.dtic.mil/whs/directives/corres/pdf/500064p.pdf>). This requirement also applies to modified processes that may be developed for contingency operations.

(10) Ensure completion of property disposition (reutilization and marketing) training courses, as appropriate.

(11) Administer reclamation programs and accomplish reclamation from excess materiel.

(12) Establish and administer disposal accounts, as jointly agreed to by DLA and the Military Departments, to support the demilitarization (DEMIL) and reclamation functions performed by the Military Departments.

(13) Dispose of surplus merchant vessels or vessels of 1,500 gross tons or more, capable of conversion to merchant use, through the Federal Maritime Administration, U.S. Department of Transportation, by forwarding a "Report of Excess Personal Property" Standard Form 120 to GSA, in accordance with the procedures in 41 CFR chapters 101 and 102. For vessels explicitly excluded by 41 CFR chapters 101 and 102, follow procedures in DoD 4160.28-M, Volumes 1-3, "Defense Demilitarization: Program Administration, Demilitarization Coding, Procedural Guidance" (available at http://www.dtic.mil/whs/directives/corres/pdf/416028m_vol1.pdf, http://www.dtic.mil/whs/directives/corres/pdf/416028m_vol2.pdf,

32 CFR Ch. I (7-1-22 Edition)

http://www.dtic.mil/whs/directives/corres/pdf/416028m_vol3.pdf), i.e., battleships, cruisers, aircraft carriers, destroyers, or submarines.

(14) Dispose of HP specifically designated as requiring DoD Component processing.

(15) Request DLA Disposition Services provide sales services, as needed, for recyclable marketable materials generated as a result of resource recovery programs through the DoD Component QRP in accordance with the procedures in § 273.7.

(16) Consider public donation if applicable before landfill disposal and monitor, with DLA Disposition Services Site personnel, all property sent to landfills to ensure no economically salable or recyclable property is discarded.

(17) Report, accurately identify on approved turn in documents, and turn in all authorized scrap generations to servicing DLA Disposition Services sites.

(18) Update the DoD IUID Registry upon the materiel disposition of uniquely identified items in accordance with the procedures in § 273.9.

(19) Improve disposal policies, training, and procedural implementation among the DoD Components and Federal civilian agencies through membership on the DPWG.

§ 273.6 Procedures.

(a) *Personal property disposition.* The general guidelines and procedures for property disposition are:

(1) 41 CFR chapters 101 and 102 implements 40 U.S.C. subtitle I and section 101 which established the Personal Property Disposition Program. 41 CFR chapter 101 and other laws and regulations apply to the disposition of FEPP, excess, and surplus property. In the event of conflicting guidance, 41 CFR chapters 101 and 102 takes precedence. 41 CFR chapter 102 is the successor regulation to 41 CFR chapter 101, the "Federal Property Management Regulation". It updates regulatory policies of 41 CFR chapter 101.

(2) All references to "days" are calendar days unless otherwise specified.

(3) The Department of Defense provides guidance for budgeting for the disposal of excess, surplus, and FEPP

property through DoD 7000.14-R, “Department of Defense Financial Management Regulations (FMRs): Volume 12, ‘Special Accounts Funds and Programs’; Chapter 7, ‘Financial Liability for Government Property Lost, Damaged, Destroyed, or Stolen’” (http://comptroller.defense.gov/Portals/45/documents/fmr/Volume_12.pdf), with updates via program budget decisions. The Service level billing is based on the services turn-in percentage of the Disposition Services workload. As an example, if the Army constitutes 40 percent of the workload the Army will pay 40 percent of the Disposition Services Service-level bill.

(i) Billings are addressed to each Military Department, Defense Agency, and FCA.

(ii) Billing for disposition of excess property depends on decisions made between DLA and the customer: the Military Department, Defense Agency, those sponsoring DoD-related organizations (e.g., Civil Air Patrol, MARS) or FCA.

(b) *Scope and relevancy.* (1) In conjunction with DoD 4160.28-M Volumes 1-3, the provisions of this part apply to service providers, whether they are working at a government facility or at a commercial site, and to contractors to the extent it is stipulated in the performance work statement of the contracts. DoD 4160.28-M and 10 U.S.C. 2576 contain additional specific guidance for property identified as MLI or CCL items.

(2) The procedures in this subpart will be used to the extent possible in all contingency operations. As appropriate, the ASD(L&MR) will modify policy guidance to support the mission requirements and operational tempo of contingency operations.

(3) This subpart does not govern the disposal of the property described in paragraphs (b)(3)(i), (ii), and (iii) of this section. However, once property in these categories has been altered to remove the inherently sensitive characteristics, it may be processed through a DLA Disposition Services site using an appropriate FSC code for the remaining components.

(i) *Items under management control of the Defense Threat Reduction Agency in Federal Supply Group (FSG) 11.* These

items include Department of Energy special design and quality controlled items and all DoD items designed specifically for use on or with nuclear weapons. These items are identified by manufacturers’ codes 57991, 67991, 77991, and 87991 in the DLA Logistics Information Service FLIS. These items will be processed in accordance with Air Force Instruction 21-204, “Nuclear Weapons Maintenance Procedures” (available at http://static.e-publishing.af.mil/production/1/af_a4_7/publication/afi21-204/afi21-204.pdf).

(ii) *Cryptologic and cryptographic materiel.* This materiel must be processed in accordance with Committee on National Security Systems Instruction 4008, “Program for the Management and Use of National Reserve Information Assurance Security Equipment” (available at <https://www.cnss.gov/Assets/pdf/CNSSI-4008.pdf>).

(iii) *Naval Nuclear Propulsion Plant materiel.* This materiel must be processed in accordance with Office of the Chief of Naval Operations Instruction (OPNAVINST) N9210.3, “Safeguarding of Naval Nuclear Propulsion Information (NNPI)” (available at [http://doni.daps.dla.mil/Directives/09000%20General%20Ship%20Design%20and%20Support/09-200%20Propulsion%20Plants%20Support/N9210.3%20\(Unclas%20Portion\).pdf](http://doni.daps.dla.mil/Directives/09000%20General%20Ship%20Design%20and%20Support/09-200%20Propulsion%20Plants%20Support/N9210.3%20(Unclas%20Portion).pdf) and 45 Manual NAVSEA S9213-45-Man-000, “Naval Nuclear Material Management Manual.”

(c) *Objectives.* The objectives of the Defense Materiel Disposition Program are to:

(1) Provide standardized disposition management guidance for DoD excess property and FEPP (including scrap) and HP, by using efficient internal and external processes. The expected outcome includes protecting national security interests, minimizing environmental mishaps, satisfying valid needs by extended use of property, permitting authorized donations, obtaining optimum monetary return to the U.S. Government, and minimizing abandonment or destruction (A/D) of property.

(2) Migrate from legacy transactions with 80 record position formats applicable to military standard system procedures (e.g., Defense Logistics Manual (DLM) 4000.25-1, “Military Standard

Requisitioning and Issue Procedures (MILSTRIP)” (available at <http://www2.dla.mil/j-6/dlms/elib/Manuals/DLM/MILSTRIP/MILSTRIP.pdf>) and DLM 4000.25–2, “Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP)” (available at <http://www2.dla.mil/j-6/dlms/elib/Manuals/DLM/MILSTRAP/MILSTRAP.pdf>) to variable length DLMS transactions as described in DLM 4000.25, “Defense Logistics Management System (DLMS)” (available at http://www2.dla.mil/j-6/dlms/elib/Manuals/DLM/DLM_4000.25_DLMS_Manual_Combined.pdf) (American National Standards Institute Accredited Standards Committee (ANSI ASC) X12 or equivalent XML schema) to track items throughout the supply chain life cycle. Implementation must be consistent with DoD Directive 8320.02, “Data Sharing in a Net Centric Department of Defense” (available at <http://www.dtic.mil/whs/directives/correspdf/832002p.pdf>).

(3) Ensure cost-effective disposal of precious metals bearing scrap and end items for the replenishment of valuable resources through the DoD PMRP.

(4) Ensure personal property and related subcomponents are not declared excess and disposed of prior to determining the need for economic recovery.

(5) Encourage Military Departments and Defense Agencies to:

(i) Comply with the spirit and intent of Executive Order 12862, “Setting Customer Service Standards.”

(ii) Set results-oriented goals, such as delivering customer value that results in improvement of overall Military Department performance.

(iii) Serve the tax payer’s interests by ensuring tax money is used wisely and by being responsive and reliable in all dealings with the public.

(d) *Foreign liaison.* (1) Authority for granting visits by foreign nationals representing foreign governments rests with the International Programs Division (J-347) at DLA. Prospective official foreign visitors should submit requests 30 days in advance through their embassy in accordance with procedures in DoD Directive 5230.20, “Visits and Assignments of Foreign Nationals” (available at <http://www.dtic.mil/whs/directives/correspdf/523020p.pdf>).

These requests may require a security clearance from the host Military Department. DLA processes the requests, and will provide written authority to primary-level field activity commanders or DLA Disposition Services site chiefs. Unclassified visits by foreign nationals can be approved for inspections prior to acquiring property through security assistance programs or other programs authorized by statute.

(2) A commander of a DoD activity may authorize foreign nationals and representatives of foreign governments or international organizations to visit a DLA Disposition Services site, except for those foreign nationals and representatives from foreign countries designated as restricted parties in the International Traffic in Arms Regulations (ITAR) in 22 CFR parts 120 through 130 and the EAR in 15 CFR parts 730 through 774.

(3) Visits by foreign nationals for public sales will be at the discretion of the host installation commander in accordance with U.S. export control laws and regulations, the ITAR in 22 CFR parts 120 through 130 and the EAR in 15 CFR parts 730 through 774.

(4) All requests for unclassified information, not previously approved for public release will be referred to the appropriate public affairs office. This includes requests submitted by representatives of foreign governments or representatives of international organizations.

(5) Requests from foreign nationals or representatives from foreign governments of restricted parties will be referred to the appropriate security office.

(6) Release of MLI technical data or CCL items technology will be in accordance with DoD 4100.39–M, DoD 4160.28–M Volumes 1–3, 10 U.S.C. 2576, 22 CFR parts 120 to 130, and 15 CFR parts 730 to 774, DoD Instruction 2040.02, and DoD Instruction 2030.08.

(e) *Training.* Personnel with Materiel Disposition Program responsibilities (DLA Disposition Services employees, ICP integrated materiel managers (IMMs), Reservists, etc.) as well as those DoD-related and non-DoD organizations disposing of excess, surplus,

FEPP, and scrap through the Department of Defense, require applicable training in defense materiel disposition policies, procedures, and related technical areas such as safety, environmental protection, DEMIL, TSC, accounting and accountability, administration, or management of those activities. Required training will be accomplished according to DoD 4160.28-M Volumes 1-3 and DoD Instruction 2030.08, and applicable DoD, DLA, and Military Department training issuances. In addition to formal training, the DLA Disposition Services Web site (<https://www.dispositionservices.dla.mil>) provides guidance on various topics related to materiel disposition.

(f) *DoD Components*. The DoD Components:

(1) Provide administrative and logistics support, including appropriate facilities for the segregation of material according to the established ISSAs.

(i) Establish disposal facilities at suitable locations, separate from host installation active stocks. These areas should permit proper materiel segregation and be convenient to road networks and railroad sidings.

(ii) Approve all facility improvement projects. Identify in the ISSA reimbursable and non-reimbursable host maintenance and repair support, not exceeding that prescribed by regulations of the host activity.

(iii) Fence or otherwise protect the disposal yard to ensure that materiel is safeguarded against theft or pilferage. Security matters identified in ISSAs are covered by security regulations of the DoD Components.

(iv) Provide information security support to DLA Disposition Services field activities through ISSAs, including the retrieval, secure storage, and subsequent determination of the appropriate disposition of classified property found in disposal assets.

(2) Properly containerize and ensure all property turned in to DLA Disposition Services sites is safe to handle and non-leaking to ensure environmental compliance during transport to the DLA Disposition Services site and storage during the disposal process. Drain all fluids from unserviceable vehicles prior to release to disposal and treat

fluids according to environmental requirements in accordance with the procedures in Enclosure 3 of DoD Manual 4160.21, Volume 4, "Defense Materiel Disposition Manual: Instructions for Hazardous Property and Other Special Processing Materiel".

(3) Ensure HW storage facilities meet all applicable environmental standards and requirements, including 40 CFR parts 262, 264, and 265.

(4) Provide funds for disposal of HP failing reutilization, transfer, donation or sale (RTDS), or if the HP is not eligible for RTDS, that it is disposed of on a DLA disposal service contract. Funding for disposal by the Military Department or Defense Agency also applies in instances when non-regulated waste requires special handling for disposal via disposal service contract, or when special services are requested on the disposal service contract.

(5) Comply with the Defense DEMIL Program in accordance with DoD Instruction 4160.28 and DoD 4160.28-M Volumes 1-3.

(i) Provide proper instructions for DEMIL "F" property to the DLA Disposition Services site at the time of physical turn-in or immediately following electronic turn-in in accordance with procedures in Enclosure 5 of DoD Manual 4160.21, Volume 2 and Enclosure 3 of DoD Manual 4160.21, Volume 4 and the procedures on the Army's Integrated Logistics Support Center Web site <https://tulsa.tacom.army.mil/DEMIL>.

(ii) Ship small arms serialized weapons and serialized parts to the Anniston, Alabama, DEMIL Center, as identified on the DLA Disposition Services Web site (<https://www.dispositionservices.dla.mil>). Contact the Anniston center for shipment instructions. All activities generating serialized weapons and serialized weapons parts must report a "ship" transaction, using the appropriate DLA Disposition Services DEMIL Center DoDAAC, to the DoD Small Arms/Light Weapons Serialization Program registry.

(6) Implement DoD QRP, as directed by DoD Instruction 4715.4, "Pollution Prevention" (available at <http://www.dtic.mil/whs/directives/corres/pdf/471504p.pdf>). Establish QRPs to cost effectively divert or recover scrap or waste from the waste streams, as well

§ 273.6

32 CFR Ch. I (7–1–22 Edition)

as to identify, collect, properly segregate and maintain the integrity of recyclable materials in a way that will maintain or enhance their marketability. Indicate on the turn-in documents that QRP material is identified as such with funds to be deposited to the appropriate budget clearing account.

(7) Implement TSC measures in accordance with DoD Instruction 2030.08 for USML and CCL items and comply with applicable export control regulations and laws.

(g) *DLA Disposition Services*. The DLA Disposition Services will:

(1) Provide Military Departments and Defense Agencies with disposition solutions and best value support for the efficient and timely RTDS or disposal of excess, surplus, and FEPP property. This includes all required training and guidance on programs affecting disposition practices.

(2) Provide visibility and promote maximum reuse of DLA Disposition Services-managed inventory assets. Implement transfer and donation policies and procedures consistent with GSA regulations.

(3) Provide tailored disposal support to the DoD warfighter during contingency operations, as approved by the ASD(L&MR).

(i) Work with the Military Departments to receive and dispose of property in the most efficient manner. If standard accountability practices are not practical, alternative processes may be established on a temporary basis. However, as time or conditions permit, prescribed processes will be established and appropriate additions, deletions, and adjustments to the official accountable record will be completed.

(ii) Provide comprehensive disposal services supporting customer-unique needs based on mutually developed service agreements. DLA Disposition Services, along with DLA, will work with customers of all levels, *e.g.*, generators, major commands, and Services, to define expectations and establish service delivery strategies.

(4) Use the most appropriate sales method to obtain optimum return on investment for all DoD surplus property sold. Respond to inquiries, process

disputes, protests, and claims pertaining to disposable property sales.

(5) Implement quality control programs for the Defense Materiel Disposition Program to assure optimum reutilization; proper DEMIL; use of environmentally sound disposal practices; implementation of TSC measures for MLI and CCL items.

(6) Implement TSC in accordance with DoD Instruction 2030.08 for USML and CCL items and comply with applicable export control regulations and laws.

(7) Monitor DLA Disposition Services site PMRP operations and provide support to DoD Components and participating federal agencies. Manage the recovery operations of the PMRP.

(8) Prepare and distribute reports for disposition.

(9) Serve as the office of primary responsibility for environmentally regulated and HP as detailed in DoD Manual 4160.21, Volume 4.

(10) Comply with and implement the provisions of DoD Instruction 4160.28, DoD 4160.28–M Volumes 1–3, and DoD Instruction 2030.08 in the execution of DLA Disposition Services worldwide. Coordinate procedural waivers or deviations for approval by the DoD DEMIL Program Office or DoD TSC Office in DLA–HQ (J–334). Forward policy waivers or deviations from the DoD DEMIL Program Office or DoD TSC Office to the USD(AT&L) or USD(P) respectively for approval.

(11) Monitor property accountability and approve adjustments or corrections to property accounts for assigned DLA Disposition Services sites.

(12) Comply with implementing guidance relative to relationships with Combatant Commanders as prescribed in DoD Directive 5105.22, “Defense Logistics Agency (DLA)” (available at <http://www.dtic.mil/whs/directives/correspdf/510522p.pdf>).

(13) Support disposal of Military Assistance Program property and other foreign-owned property in accordance with DoD 5105.38–M and § 273.7 of this subpart.

(14) Provide reutilization, donation, and marketing assistance and disposal service to customers.

(15) Maintain liaison with generating activities to determine most efficient

method of acceptance (receipt in place vs. physical turn-in), determine mutually agreed-upon schedules for property receipts, and execute memorandums of understanding (MOUs) for receipt-in-place transactions.

(16) Process excess property, surplus property, FEPP, nonsalable materiel, and other authorized turn-ins from generating activities.

(17) Inspect and accumulate physical receipts of property; verify identity, by UII or IUID when applicable, and quantity. DLA Disposition Services sites need not verify quantities where units of issues are: lot, assortment, board foot, cubic foot, foot, inch, length, meter, square foot, square yard, and yard. These units of issue are impractical and economically unfeasible.

(18) Establish and maintain visibility of accountable property records for excess, surplus, and FEPP property.

(19) Provide or arrange adequate covered storage to protect received property from the elements, maintain its value and condition, and reduce handling. Store property to prevent contamination or mixing, ensure proper identification and segregation (bins or areas are prominently marked, labeled, tagged, or otherwise readily identifiable with the property locator record), and allow inspection.

(20) Fence or otherwise protect the disposal yard to ensure materiel is safeguarded against theft or pilferage. DLA Disposition Services are generally a tenant operation on a DoD installation that generates disposal property. The DLA Disposition Services must comply with the security matters identified in ISSAs established with the DoD Component regarding security regulations.

(21) Provide HW storage, as appropriate. Ensure HW storage facilities meet all applicable environmental standards and requirements, including those specified in 40 CFR part 264.

(22) Prepare ISSAs. Coordinate with the local installation to resolve matters of mutual concern.

(23) Provide information and assistance to those who are processing precious metals-bearing property into DoD PMRP.

(24) Ensure periodic inventories are conducted, accountable property

records updated, and required inventory adjustment documents are prepared and processed.

(25) Implement reutilization, transfer, or donation (RTD) of surplus property. Promote maximum RTD of FEPP, excess property, and surplus property. Process authorized RTD requests. Ensure accountable records are updated in accordance with DoD Instruction 5000.64.

(26) Provide assistance to all authorized screeners, donees, and other interested persons.

(27) Facilitate the sale of property not reutilized, transferred, or donated, and appropriate for release into commerce.

(28) Deposit sale proceeds and other funds received, including storage charges and transfer monies to the appropriate accounts.

(29) Manage the DoD scrap recycling program (including precious metals recovery) and related financial records.

(30) Assist host installations in executing their QRPs in accordance with 10 U.S.C. 2577 and deliver sales revenues from eligible personal property to defray the costs incurred by operating and improving recycling programs, financing pollution abatement and environmental programs, funding energy conservation improvements, improving occupational, safety, and health programs, and funding morale, welfare, and recreation programs.

(31) Ensure DEMIL, including small arms serialized weapons and serialized parts is accomplished in accordance with DoD Instruction 4160.28 and DLA Disposition Services internal direction. Provide shipment locations and instructions to generating activities, as requested.

(32) Document handling and receipt of serialized weapons in accordance with the procedures in Defense Logistics Agency Instruction (DLAI) 1104, "Control of Small Arms by Serial Number" (available at http://www.dla.mil/issuances/Documents_1/i1104.pdf) for the control of small arms by serial number.

(33) Update the DoD IUID Registry upon the materiel disposition of uniquely identified items in accordance with the procedures in § 273.9.

§ 273.7

32 CFR Ch. I (7–1–22 Edition)

(h) *ICP Manager*. The ICP Manager is responsible for the materiel management of a group of items either for a particular Military Department or for the DoD as a whole. For the Defense Materiel Disposition Program, the ICP manager will:

(1) Ensure managed items are properly cataloged in the FLIS, in accordance with DoD 4100.39–M. To prevent unauthorized disposition or release within DoD, other Federal civilian agencies, or release into commerce, include required data elements such as UII (when applicable), accurate codes for DEMIL, controlled inventory items, precious metals, shelf life items, and critical items (critical safety items (CSI) or flight safety critical aircraft parts), or other applicable data elements.

(2) Prepare complete instructions when property is assigned DEMIL Code “F,” in accordance with life-cycle management requirements in Enclosure 5 of DoD 4160.28–M Volume 2. Additionally, load the instruction in the DoD DEMIL “F” Instruction repository hosted by the Army’s Integrated Logistics Support Center Web site at <https://tulsa.tacom.army.mil/>.

(3) Review DLA Disposition Services assets and orders, as appropriate, prior to initiating new purchases.

(4) Process other ICP interrogations or orders for requirements assigned a UMMIPS priority designator:

(i) Falling within Issue Priority Group 1 (Priorities 01–03).

(ii) In accordance with the procedures in DLM 4000.25–1.

(iii) Considering on-hand assets to the same extent as would be done to satisfy their own service orders.

(5) Prepare data, records for accountability, and provide disposition recommendations as prescribed here and in DoD Instruction 5000.64 in order to maintain backup material for audit review.

(6) Annually provide DLA Disposition Services with updates to points of contact on the DoD DEMIL program Web site <https://demil.osd.mil/> for operational matters, such as reutilization, donation, DEMIL, precious metals, HP, and CSIs.

(7) Arrange for DEMIL of those items not authorized for DLA Disposition Services site DEMIL processing.

(8) Submit available technical data needed to prepare specialized offers and reclamation requirements, when requested.

(9) Identify items requiring reclamation and advise Military Department and Defense Agency ICPs or IMMIs of items with reclamation potential.

(10) Prepare and forward reclamation transactions for the interservice interchange of data for component parts with reclamation potential.

(11) Process reclamation notifications and data interchange transactions of other ICPs.

§ 273.7 Excess DoD property and scrap disposal processing.

(a) *General*. (1) Military Departments and Defense Agencies will declare DoD property excess and use the DoD in-transit control system (ICS) as required by DoD Instruction 5000.64 and DLM 4000.25–2.

(2) Generating activities are encouraged to retain physical custody until disposition instructions are provided to reduce processing costs; *e.g.*, packaging, crating, handling, and transportation (PCH&T).

(3) Disposal of wholesale excess DoD property CONUS stocks from DLA Depot recycling control points (RCPs) is automated. This property does not require transport to a DLA Disposition Services site. Authorized excess DoD property is transferred between the RCP account and the DLA Disposition Services account (SC4402). The following FSGs, FSCs, SCCs, and DEMIL codes are ineligible for RCP:

(i) FSGs: 10, 11, 12, 13, 14, 18, 26, 68, 80, 87, 88, 89, 91 and 94.

(ii) FSCs: 2350, 3690, 4470, 4920, 4927, 6505, 6508, 6750, and 8120.

(iii) SCCs: H.

(iv) DEMIL Codes: G and P.

(b) *Property and scrap accepted and excluded*. (1) DLA Disposition Services must accept and dispose of all authorized DoD-generated excess, surplus, FEPP, scrap, and other personal property with the exclusions in paragraph (e) of this section.

(2) Property not disposed of through RTDS will be processed for disposal