



Defense Logistics Agency **INSTRUCTION**

DLAI 4160.01
October 27, 2017

Accountable Office: DLA Logistics Operations, Disposal Policy and Compliance Office (J349)

SUBJECT: DLA's Guidance on Department of Defense (DoD) Property Disposal

References: See Enclosure 1.

1. **PURPOSE.** The purpose of this overall instruction, in accordance with the authority in DoD Directive 5105.22 (Reference (a)) and DLA Memorandum for DLA Disposition Services Director, "Delegation of Authority to Conduct Competitive Sales and Negotiated Sales of Surplus Domestic Property and Foreign Excess Personal Property (FEPP)" (Reference (b)), is to:
 - a. Cancel previous Instruction, DLAI 1403.
 - b. Establishes DLA policy, assigns responsibilities and provides procedures for the conduct of the disposition of excess, surplus, and FEPP worldwide (Reference (b)).
2. **APPLICABILITY.** This instruction applies to all DLA activities.
3. **DEFINITIONS.** See Enclosure 4.
4. **POLICY.** It is DLA policy to:
 - a. Impose the Defense Materiel Disposition Program requirements of the Federal Property and Administration Services Act of 1949 (Reference (c)). The act is consolidated and codified in Title 40 United States Code (U.S.C) (Reference (d)). Also published by the General Services Administration (GSA) in the Federal Register under Title 41 Code of Federal Regulations (CFR) (Reference (e)). Responsibility for the supervision and direction over the disposition of excess and surplus property is assigned to the Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)), who in turn delegated authority to DLA (References (f), (g), and (h)).
 - b. Ensure full accountability over all disposal processes, resources, and operations used in redistribution and disposal of defense equipment and supplies which are no longer needed by the original user. Completing these in a manner which creates an audit trail, without extra unnecessary costs.

5. RESPONSIBILITIES. See Enclosure 2.
6. PROCEDURES. See Enclosure 3.
7. INFORMATION REQUIREMENTS. None.
8. INTERNAL CONTROLS. The Disposal Policy and Compliance Office, J349, uses compliance assessment reports, waiver management website, customer feedback from Customer Interaction Center (CIC) to identify any necessary policy adjustment, or launch a process improvement project. J349 Compliance Assessment Review program is used for management oversight of this instruction. Metrics are in place to record functions.
9. RELEASABILITY. UNLIMITED. This instruction is approved for public release and is available on the internet from the DLA Issuances Internet Website.
10. EXPIRATION DATE. We will reissue or cancel this Instruction by the fifth anniversary of its publication. If not, it will automatically expire effective October 27, 2027.

For/

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Enclosures

Enclosure 1- References

Enclosure 2- Responsibilities

Enclosure 3- Procedures

Glossary

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ENCLOSURE 1REFERENCES

- (a) DoD Directive 5105.22, "Defense Logistics Agency," May 17, 2006
- (b) DLA Memorandum for DLA Disposition Services Director, "Delegation of Authority to Conduct Competitive Sales and Negotiated Sales of Surplus Domestic Property and Foreign Excess Personal Property (FEPP)," November 21, 2016
- (c) Federal Property and Administrative Services Act of 1949, December 29, 2000; Public Law 81-152
- (d) Title 40 U.S.C, "Public Buildings, Property, and Works," August 21, 2002; Public Law 107-217
- (e) Title 41 CFR, "Public Contracts and Property Management," Current Edition
- (f) DoD Directive 5134.1, "Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L))," December 9, 2005, as amended
- (g) DoD Directive 5134.12, "Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR))," May 25, 2000, as amended
- (h) DoD Manual 4140.01, Volumes 1, 5, 6, 9, 10, and 11, "DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition," February 10, 2014, as amended
- (i) DoD Manual 4160.21-M, Volumes 1-4, "Defense Materiel Disposition: Disposal Guidance and Procedures," October 15, 2015
- (j) Defense Logistics Manual (DLM) 4000.25, Volumes 1-4 and 6-7, "Defense Logistics Management Standards," December 14, 2016, as amended
- (k) DoDM 4160.28 "Defense Demilitarization Manual," June 7, 2011
- (l) DoDI 2030.08, "Implementation of Trade Security Controls (TSCs) for Transfers of DoD Personal Property to Parties Outside DoD Control," February 19, 2015
- (m) Title 10 U.S.C 2576a "Excess personal property: sale or donation for law enforcement activities," January 7, 2011
- (n) Directive-Type Memorandum (DTM) 16-009, "Authority to Remove and Mutilate Demilitarization (DEMIL) Code B and Sensitive DEMIL Code Q Items," August 11, 2016.
- (o) Title 50 U.S.C 98 et. seq, "Strategic and Critical Materials Stock Piling Act," June 12, 2017
- (p) DoDI 8320.04 "Item Unique Identification (IUID) Standards for Tangible Personal Property," September 3, 2015
- (q) Title 49 CFR, "Transportation," Current Edition
- (r) Title 40 CFR, "Protection of the Environment," Current Edition
- (s) DoD 7000.14-R, "Department of Defense Financial Management Regulations," Volumes 1-15, dates vary by volume

ENCLOSURE 2RESPONSIBILITIES1. DIRECTOR, DLA LOGISTICS OPERATIONS (J3). The J3 must:

- a. Govern the Defense Materiel Disposition Program, to include requirements/responsibilities outlined in the DEMIL, environmentally regulated and hazardous property programs.
- b. Provides agency-level command and control and administers the worldwide Defense Materiel Disposition Program.
- c. Integrate strategic, operational, tactical perspectives, and Command and Control roles for disposal operations including worldwide disposal operations.
- d. Focus on innovative and effective ways to maximize the return to the taxpayer for every dollar spent supporting the American war-fighter.

2. DIRECTOR, POLICY AND STRATEGIC PROGRAMS EXECUTIVE DIRECTORATE (J34), UNDER THE AUTHORITY, DIRECTION, AND CONTROL OF THE DIRECTOR, J3. The J34 must:

- a. Develop, preserve, and publish policies and procedures for DoD disposal operations within the scope of DLA's responsibilities.

3. CHIEF, DISPOSAL POLICY AND COMPLIANCE (J349) UNDER THE AUTHORITY, DIRECTION, AND CONTROL OF THE DIRECTOR, J34. The J349 must:

- a. Provide DoD leadership for preserving Defense Materiel Disposition Manual (Reference (i)).
- b. Provide advice and guidance to many DoD, Federal, and state agencies on property disposition management matters.
- c. Provide technical advice and guidance, in support of the management program, and develop plans, policies and procedures for DoD components.
- d. Act as the DoD Integrated Program Manager and Lead Agent for Defense Disposition Management Program and Chair the DoD Disposal Policy Working Group.
- e. Establish, coordinate, and approve policy, system concepts and requirements, resource management, program guidance, and other various topics in the Defense Disposition Management Program (Reference (i)).
- f. Assure requirements in DoD Manual 4160.21-M, "Defense Materiel Disposition: Disposal Guidance and Procedures" reflect current policy guidance. This authority is given by the Deputy

Under Secretary of Defense (Logistics and Materiel Readiness) or other organizational areas of the Office of the Secretary of Defense (Reference (i)).

g. Ensure maximum compatibility between DLA, DLA Disposition Services, and DoD systems, e.g., documentation, procedures, codes, and formats used in materiel disposition systems and the military services supply systems. Also, ensure Defense Logistics Management Standards compliance for standardization (Reference (j)).

h. Provide support at the Headquarters level for DLA Disposition Services programs, initiatives, budgeting, funding, account, Project Objective Memorandum, allocation, and resources.

i. Collaborate with DLA Disposition Services to answer questions and solve issues presented by legislative affairs.

j. Coordinate enterprise level training courses (i.e. Resolution Specialist training and EBS Job Aids).

k. Conduct Business Cases Analysis reviews.

4. DIRECTOR, DLA DISPOSITION SERVICES. The DLA Disposition Services Director must:

a. Directly carry out all aspects of the disposal operations.

b. Use Enclosure 3 as a guide for topics when developing Standard Operating Procedures.

c. Makes property available for internal DoD and special program screening, redistribution of DoD property among the military services and defense agencies, and for reporting such property as excess to the General Services Administration.

d. Assure proper handling of DEMIL required (Reference (k)) items in disposal process, and support DoD customers with special handling processes for disposal as needed.

e. Execute the surplus sales program in accordance with reference (g). Excess property not reutilized, transferred or donated and considered suitable and safe may be sold to the public and must meet DoDI 2030.08 (Reference (l)).

f. Execute the DoD HW disposal program in accordance with OSD policy guidance, maximizing the use of each item and minimize environmental risks and costs through recorded disposal compliance.

g. Execute special programs (i.e. Foreign Military Sales (FMS), Resource Recovery and Recycling Program, etc.).

h. Assure proper handling of materials containing precious metals (PM) and coordinate with DLA Troop Support under the DoD Precious Metals Recovery Program (PMRP) to recycle and refine the materials.

5. DIRECTOR, DLA TROOP SUPPORT. The DLA Troop Support Director must:

a. Under the DoD PMRP, store and issue PM as a Government Furnish Materials to Military and Civilian Agencies.

ENCLOSURE 3PROCEDURES1. OPERATIONAL REQUIREMENT

a. DLA Headquarters and DLA PLFAs must impose the policies and procedures in this Instruction to improve and continue effective accountability, control and management of DoD Personal Property Disposal. DLA must:

(1) Receive excess and surplus property for disposal under policy coordinated with the Military Services and documented in DoD 4160.21-M (Reference (i)).

(2) Manage and/or support the Reutilization Program in a manner that encourages DoD components to requisition excess property for reuse, which helps the military services reduce procurement costs (Reference (i)).

(3) Manage Foreign Military Sales (FMS) under the Arms Export Control Act. DLA Disposition Services provides Excess Defense Articles (EDA) to foreign partners using defined line or blanket order cases. DLA Disposition Services is an Implementing Agency (IA) who prepares, executes and manages FMS cases on behalf of the United States Government to provide EDA which is in the DLA Disposition Services inventory (only). FMS is one of the DoD special programs within DLA Disposition Services who screens property during the DoD screening cycle. The FMS office coordinates all cases through the Defense Security Cooperation Agency (DSCA). (Reference (i)).

(4) Manage and provide oversight of the 1033 Program and in accordance with 10 U.S.C 2576a (Reference (m)). This sanctions the Secretary of Defense to transfer excess DoD personal property suitable for use in completing law enforcement missions. These missions include counter-drug, counterterrorism, and border security to eligible Law Enforcement Activities.

(5) Make property available for the Transfer and Donation Program by transferring excess DoD property to federal agencies and donation of surplus property to GSA approved recipients. Donation of surplus items are under the State Agencies for Surplus Property Program (Reference (h)).

(6) Develop, plan, and coordinate Hazardous Waste disposal policy for the agency. Provide policy guidance and agency-wide oversight under the Assistant Secretary of Defense (Supply Chain Integration) guidance. Improve end of life cycle management of property to reduce disposal cost while balancing environmental risk in DoD supply chain (Reference (i)).

(7) Support the J344 Tech Quality DoD Demilitarization and Trade Security Control Programs. Ensure excess and surplus Munitions List Items with inherent military design features undergo demilitarization (Reference (k)). Verify Trade Security Controls (Reference (l)) for Commence Control List Items and Munitions List Items DoD personal property before release from Government control.

(8) Impose and provide oversight of the DTM 16-009 (Reference (n)). Provide internal

procedural requirements which allows DLA to manage long-term storage inventory. This shows proper Demand Reutilization levels and identifies which items are to be held and for how long. The purpose is to reduce handling and storage costs and reduce storage requirements by decreasing excess inventory.

(9) Provide program guidance for administering the receipt, storage, processing, shipment, and refining of PM materiel. Its purpose is to ensure the economic recovery of PM from excess and surplus government materials, reducing the requirement to purchase PM. The program significantly reduces the need for the DoD to buy metals such as gold, silver, and platinum family of metals, by recycling scrap containing precious metals, when economical. This program conserves natural resources, reduces waste products and returns revenue to the military services (Reference (i)). DLA Strategic Materials operates the National Defense Stockpile as defined in the Title 50 U.S.C 98 (Reference (o)). The code allows recovery of any strategic and critical materials from excess materials made available for recovery purposes by other Federal agencies.

(10) Support the DoD Resource Recovery and Recycling Program. This program reduces waste by selling qualifying scrap materials and returning the funds to the generating installation. They use the funds for pollution prevention programs and to support programs which heighten the morale and welfare of military personnel (Reference (i)).

(11) Manage and support the DoD Electronic Waste or "E-Waste" Program. The program applies to the responsibility for disposal of electronic items and components. These components have reached the end of their service life or are no longer needed by their current owner. This E-Waste typically consists of commercial-off-the-shelf electronic items or consumer grade electronics that are still usable; or if not working, keep residual value (that is computers and laptops) (Reference (i)).

(12) Support DoD small arms and light weapons program and reports. Small arms and light weapons are man-portable weapons made or modified to military specifications for use as lethal instruments of war that expel by action of an explosive. Small arms are generally categorized as those weapons intended for use by individual members of the armed or security forces. They include handguns, rifles and carbines, submachine guns, and light machine guns. Light weapons are broadly categorized as those weapons designed for use by two or three members of the armed or security forces serving as a crew, although some may be by a single person. They include heavy machine guns, handheld under barrel and mounted grenade launchers, portable antiaircraft guns, portable antitank guns, recoilless rifles, man-portable launchers of missile and rocket systems, and mortars (Reference (i) and (k)).

(13) Support the DoD IUID disposal policy. The losing DoD activity update the DoD IUID Registry (Reference (i) and (p)) to close out the life cycle of the items. Possible life cycle events related to turn in's to DLA Disposition Services are: destroyed by accident, destroyed by combat, expended - experimental or target, expended - normal use, retired, scrapped. DLA Disposition Services will not make updates to the IUID Registry for turned in items. If UII items are turned into DLA and are picked up by a DoD activity, the receiving DoD activity must reintroduce the items back into the IUID Registry.

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

ASD(L&MR) Assistant Secretary of Defense for Logistics and Materiel Readiness

CFR Code of Federal Regulations

CIC Customer Interaction Center

DLA Defense Logistics Agency

DLM Defense Logistics Manual

DoD Department of Defense

DTM Directive-Type Memorandum

DWCF Defense Working Capital Fund

FEPP Foreign Excess Personal Property

FMS Foreign Military Sales

GSA General Services Administration

IUID Item Unique Identification

PLFA Primary Level Field Activity

PM Precious Metals

PMRP Precious Metals Recovery Program

TSC Trade Security Controls

UUI Unique Item Identifier

USC United States Code

USD(AT&L) Under Secretary of Defense for Acquisition, Technology, and Logistics

PART II. DEFINITIONS

These terms and their definitions are for the purposes of this instruction.

1033 Program. The 1033 Program, also referred to as "Law Enforcement Support Office Program", was created by Section 1208 of the 1990 National Defense Authorization Act (NDAA), allowing transfer of DoD Excess Property to law enforcement agencies engaged in counter-drug activities. Section 1033 of the 1997 NDAA expanded the program to all law enforcement agencies, referencing counter-drug and counter-terrorism activities, hence the name "1033 Program". Currently the 1033 Program operates under the authority granted in 10 U.S.C 2576a (Reference (m)). Currently DoD transfers excess property, including small arms and ammunition, that is suitable for use by Law Enforcement Activities, with preference for counter-drug/counter-terrorism and border security activities, and excess to the needs of the DoD.

Accountability. The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents, or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

Compliance Assessment. An evaluation of the operational posture including overall disposal management program.

Defense Logistics Manual. A set of manuals that prescribe logistics management responsibilities, procedures, rules, and electronic data communications standards for use in the DoD to conduct logistics operations in functional areas such as supply, maintenance, and finance

DEMIL ("Demilitarization") The act of eliminating the functional capabilities or inherent military design features from DoD personal property. Methods and degree range from removal and destruction of critical features to total destruction by cutting, crushing, shredding, melting, burning, etc. DEMIL is required to prevent property from being used for its originally intended purpose and to prevent the release of inherent design information that could be used against the United States. DEMIL applies to materiel in both serviceable and unserviceable conditions.

DoD Installation. An enduring location consisting of a base, camp, post, station, yard, center, or other DoD activity under the operational control of the Secretary of a Military Department or the Secretary of Defense.

Excess Personal Property. DoD Component excess - Items of DoD Component owned property that are not required for their needs and the discharge of their responsibilities as determined by the head of the Service or Agency.

FEPP. U.S.-owned excess personal property that is located outside the ZI. This property becomes surplus and is eligible for donation and sale as described in Enclosure 4 of this volume.

Hazardous Material (HM). HM is regulated by 49 Code of Federal Regulation, SUBPART A — General (§§ 172.1- 172.3) SUBPART B — Table of Hazardous Materials and Special ... Hazardous Materials Transportation Color Tolerance Charts and Tables Appendix B to Part 172- The Hazardous Materials Table within 49 CFR section designates the materials listed therein as hazardous materials

for the purpose of transportation of those materials. For each listed material, the Table identifies the hazard class or specifies that the material is forbidden in transportation, and gives the proper shipping name or directs the user to the preferred proper shipping name. In addition, the Table specifies or References requirements in this subchapter pertaining to labeling, packaging, and quantity limits aboard aircraft and stowage of hazardous materials aboard vessels (Reference (q)).

Hazardous Waste (HW). An item that is regulated under Resource Conservation and Recovery Act or by state regulation as an HW. HW is regulated by 40 Code of Federal Regulation Subpart C and Subpart 261. From a practical standpoint, if an EPA or state Hazardous Waste code can be assigned, the item is an HW. When commercial contractor is accepting a Hazardous Material/Waste shipment, the contractor will adhere to procedures set forth within 40 CFR Subpart B—The Manifest, 262. 21 and 23, Subpart B—Compliance with the Manifest System and Recordkeeping, 263. 20 thru 25, and Subpart E—Manifest system, recordkeeping and Reporting, 264.71 thru 77; 265.71 thru 77. The use of EPA Form 8700-22 will serve as the substantiating documentation for payment. This form is supplied by the contractor (Reference (r)).

Inventory. Materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal. This definition covers the same population of items as the definition for inventory in Chapter 4 of Volume 4 of DoD 7000.14-R (Reference (s)). Inventory does not include tangible personal property to be consumed in normal operations, operating materials, and supplies as defined in Reference (s).

Life cycle. The total phases through which an item passes from the time it is initially developed until the time it is either consumed in use or disposed of as being excess to all known materiel requirements.

Materiel. All items necessary to equip, operate, maintain, and support military activities without distinction as to its application for administrative or combat purposes, excluding real property, installations, and utilities. Materiel is either serviceable (i.e., in an issuable condition) or unserviceable (i.e., in need of repair to make it serviceable).

Personal Property. All property (systems and equipment, materials, and supplies) except real property (land and improvements to facilities), and records of the Federal Government.

Requisition. An order for materiel initiated by an established, authorized organization (i.e., a DoD or non-DoD organization that has been assigned a DoD activity address code) that is transmitted either electronically, by mail, or telephoned to a supply source within the DoD or external to the DoD (the General Services Administration, the Federal Aviation Administration, or other organizations assigned management responsibility for categories of materiel), according to procedures specified in DLM 4000.25 (Reference (j)).

Supply chain. The linked activities associated with providing materiel from a raw material stage to an end user as a finished product.

Surplus Property. Excess property that the Administrator or the Secretary concerned determines is not required to meet the needs or responsibilities of all Federal agencies.

Transportation. Military and commercial air, sea, and surface transportation programs, motor vehicle management, and logistic transportation planning and control.