

DIRECT EXCHANGE (DX) PROGRAM

CUSTOMER HANDBOOK

02 DECEMBER 2004

DEPARTMENT OF THE ARMY
U.S. ARMY SECURITY ASSISTANCE COMMAND
5701 21st Street
Ft. Belvoir, VA 22060-5940

1. GENERAL

- a. The Direct Exchange (DX) program is a method by which a country may return an unserviceable but repairable secondary asset (condition code A through G) to the United States Government (USG) for subsequent issue of a replacement item.
- b. The DX option only applies to secondary items that are standard and repairable.
- c. An item cannot transition from Direct Exchange to Repair and Return or vice versa.

2. ITEM ELIGIBILITY AND EXCLUSIONS

- a. Army managed items, except for Aviation, that are identified in FEDLOG or ARMYFMSLOG with an Automatic Return Item (ARI) code of "C", "E", "R", or "S" and a Maintenance Repair code of "D" or "L" are potential DX items. Eligible aviation items are identified on the provided list.
- b. All items returned under the DX program must have a current or anticipated repair line operated by the U.S. Army for its own assets or sufficient demands materialize from the Foreign Military Sales (FMS) countries to warrant the operation of a repair line. This repair line may be operated at a Department of Defense (DOD) depot or a contractor's facility.
- c. Items specifically excluded from this program are those critical safety of flight items, ammunition and explosives, major end items, ozone depleting substances, classified items, obsolete items, nonstandard items and excess defense articles, and programmable items where configuration control could be compromised.

3. REQUIREMENTS

- a. DX does require the use of an existing or new Blanket Order (BO) or Foreign Military Sales Order (FMSO) II case. A separate line on the Letter of Offer and Acceptance (LOA) is not necessary for DX

- implementation and operation; however, the customer may elect to create one. An amendment is required to add the applicable DX notes to the case and to add any additional money, if required.
- b. The quantity of items for DX requests and subsequent return will be one (1) each. Bulk shipments will not be accepted for DX.
 - c. The item being returned must be received by the designated facility (organic or contractor) no later than 180 days from the date the customer is notified of the approved exchange.
 - d. Each item being returned must be accompanied by a separate DD Form 1348-1 turn-in document.
 - e. Status of transactions will be shown on the hard copy XDE Materiel Repair Requirements List (MRRL) (Appendices A or B). STARR-PC customers will receive an automated report in lieu of the hard copy.
 - f. Issue of the replacement will be handled through normal Military Standard Requisitioning and Issue Procedures (MILSTRIP) FMS requisition/issue procedures by USASAC.
 - g. Once the document (A01) is created (by USASAC) ordering the replacement item, automated cancellation by the customer is not permitted. If there is to be a long lead-time (i.e., 180 days) for the replacement item, the customer may request the USASAC Central Case Manager (CCM) cancel the transaction. The customer will be responsible for stopping the return of the unserviceable item.

4. REQUEST TO RETURN AND REPLACE AN ITEM

- a. The customer processes a request for approval to DX a repairable asset by transmittal of a DIC XD6 (Appendix C), through the International Logistics Communication System (ILCS), the Virtual On-Line Logistics Transaction System (VOLTS), a message or letter to the CCM at USASAC via STARR-PC or the Security Cooperation Information Portal (SCIP).

- b. USASAC will apply the required current logistical and financial edits to the request, i.e., that there is a current case, sufficient monies, etc.
- c. If the request fails the edits, USASAC will notify the customer, via the XDE MRRL Non-Acceptance List. STARR-PC customers will receive an automated report in lieu of hard copy.
- d. If the request passes the edits, USASAC will pass the request with the "H" series document number, along with the Project Code of EV7, to the source of supply.
- e. Funds in the amount of the FMS price of a replacement item will be obligated for application to this transaction. If the USG refuses the request for exchange, the monies will be credited back to the case without penalty.
- f. The source of supply's automated system will apply edits consistent with the U.S. Army's Materiel Returns Program (MRP), and either authorize or reject the request.
- g. If the item does not meet criteria of the MRP, an automated document will be sent to USASAC. USASAC will notify the customer via the XDE MRRL Non-Acceptance List (Appendix B). STARR-PC customers will receive an automated report in lieu of hard copy.
- h. If accepted by the MRP, credit will be authorized and the Routing Identifier Code (RIC) of the depot or contractor facility will be sent to USASAC. USASAC will notify the customer via the XDE MRRL Acceptance List (Appendix A). STARR-PC customers will receive an automated report in lieu of hard copy.
- i. Upon notification of the acceptance, an A01 (requisition) with the "H" series document number taken from XD6 transaction will be created by USASAC for the replacement item. The requisition will be sent to the supply source for fill and an AEA status transaction with "BU" status will be sent to the customer.

5. RETURN OF THE ITEM

- a. The customer must wait to be notified that the request for return is approved before sending the item back. A notification on the XDE MRRL will be sent to the customer with the RIC of the depot or contractor facility where the item is to be returned.
- b. **It is mandatory that the item is returned only to the RIC as shown on the Acceptance Report utilizing the original "H" series document number.** Return to any other facility could result in loss of normally allocated unserviceable credit.
- c. The customer country will prepare six (6) copies of a DD Form 1348-1 for the item being returned. Indicate in the remarks field that the item is for the **DX Program**. The distribution of the copies will be as follows:
 - (1) One copy will be attached to the outside of the shipping container in a waterproof protected envelope or similar receptacle.
 - (2) Two copies will be placed inside the shipping container for the item being exchanged.
 - (3) One copy will be sent to the country's freight forwarder prior to shipment.
 - (4) One copy will be mailed to the appropriate USASAC CCM.
 - (5) The customer will retain one copy for record.
- d. The country will notify the appropriate USASAC CCM that the item has been packaged and shipped. This notice will be via an FTM document (Appendix D) through the ILCS, message or letter to the CCM at USASAC. VOLTS customers can use the 80-card column entry following the format in Appendix D. Customers can also submit the FTM via STARR-PC or the Security Cooperation Information Portal.

- e. USASAC will establish a 135-day suspense from the date of the acceptance, with follow up to the customer, until the FTM document is received from the customer, but, no longer than 180 days.

6. PROCESSING OF RETURNED ITEMS

- a. Upon receipt at the depot or contractor facility, each container will be inspected for visible damage. Any container with visible exterior damage will be opened in the presence of the carrier's representative. Any discrepancies will be annotated on the transportation bill of lading prior to receipt of signature by repair facility personnel and release of the delivering carrier. This documentation will be made available to the customer country to make claims when appropriate. After a shipping container is opened, a comparison of the item in the shipping container will be made with descriptive data found in the accompanying documentation (DD Forms 1348-1). The National Stock Number (NSN) and quantity of the item will also be checked against the original request (depot's due-in) to insure this is the item that was authorized to be returned, and that the materiel's condition code is A through G.
- b. If the item is not Condition Code A through G and/or does not match the NSN provided on the original XD6 transaction, the customer will be contacted for disposition instructions. Disposition will be at the customer's expense. An XDE MRRL Non-Acceptance List with a denial code (Appendix E) will be created and sent to the customer. STARR-PC customers will receive an automated report in lieu of hard copy.
- c. Once the unserviceable item is received and authenticated at the designated depot, the unserviceable credit will be issued to the customer's "H" series document number.
- d. If no item (due-in) is received within the suspense date set at time of original acceptance/authorization, the source of supply will send a document to USASAC indicating the materiel was not received and credit authorization will be reversed.

e. Transfer of title of the unserviceable/repairable item will occur at the receiving USG depot.

7. **SECURITY**

Classified items as identified in paragraph 2.c. above are excluded from the DX program.

DATE: MAR 10, 2003

MATERIEL REPAIR REQUEST ACCEPTANCE LIST

PAGE: 1

COUNTRY:

BN OFFICE: AMSAC-MA-CM-AS

FSC	NIIN	CASE	LINE	DOCUMENT NBR	DATE	RIC	SHIP TO	UNSERVICEABLE CREDIT VALUE	RQST QTY
* 5998	010736016	KSY	001	BBNN5V8261H002	03069	BA4	W31G1Z	\$	00001
** 5998	010736016	KSY	001	BBNN5V8261H002	03069			\$ 123.00	00001
5998	001001059	KSY	001	BBNN5V8261H006	03069	BYF	W90CGG	\$	00001
5841	012459094	KRE	001	BBNU5V2306H002	03069	AQ5	W62G2T	\$	00001

* BASED ON RECEIPT OF FTR/TA ACCEPTANCE

** BASED ON RECEIPT OF CREDIT AUTHORIZATION

APPENDIX A

DATE: MAR 10, 2003

MATERIEL REPAIR REQUEST NON ACCEPTANCE LIST

PAGE: 1

COUNTRY:

BN

OFFICE: AMSAC-MA-CM-AS

FSC	NIIN	CASE ERR CODE	LINE	DOCUMENT NBR REASON FOR NONACCEPTANCE	DATE	RIC	SHIP TO	UNSERVICEABLE CREDIT VALUE	RQST QTY
6105	005258559	KSY 1	001	BBNN5V8261H001 INVALID COUNTRY/CASE LINE FOR MRRLS	03069			\$.00	00001
6130	010778953	KSY 1	001	BBNN5V8261H003 INVALID COUNTRY/CASE LINE FOR MRRLS	03069			\$.00	00001
5998	01L778953	KSY 2 D	001	BBNN5V8261H004 NIIN IS NOT NUMERIC/INVALID DOCUMENT NUMBER ITEM NOT IN U.S. SERVICE CATALOG/NON SUPPORT SUBMIT AGAINST R/R	03069			\$.00	00001
1290	012346886	KSY P	001	BBNN5V8261H005 QUANTITY NOT ECONOMICALLY FEASIBLE TO RETURN	03069			\$.00	00001

APPENDIX B

XD6 FORMAT: REQUEST TO RETURN A REPARABLE ITEM

1-3	XD6	DIC
4-6	BY7	USASAC RIC
7	*	BLANK
8-22	*****	NSN OF ITEM BEING RETURNED
23-24	**	UNIT OF ISSUE
25-29	*****	QUANTITY (MUST = 1)
30-43	DOCUMENT NUMBER (THIS NUMBER WILL BE USED TO SEND REPLACEMENT ITEM BACK TO COUNTRY. CODING SHOULD CORRESPOND TO WHERE THE REPLACEMENT ITEM SHOULD BE DELIVERED IN COUNTRY)	
30	B	SERVICE CODE
31-32	**	COUNTRY CODE
33	*	MARK FOR CODE
34	*	DELIVERY TERM CODE
35	*	TYPE OF ASSISTANCE CODE
36-39	****	JULIAN DATE
40-43	****	SERIAL NUMBER (CC 40 MUST =H)
44	*	DEMAND CODE
45-47	SUPPLEMENTARY ADDRESS (THIS ADDRESS WILL BE USED TO SEND REPLACEMENT ITEM BACK TO COUNTRY. CODING SHOULD CORRESPOND TO WHERE YOU WANT THE REPLACEMENT ITEM DELIVERED IN CONUS, I.E., YOUR FREIGHT FORWARDER)	
45	*	IN-COUNTRY SERVICE CODE
46	*	OFFER RELEASE CODE
47	*	FREIGHT FORWARDER CODE
48-50	***	CASE IDENTIFIER
51-53	***	LINE NUMBER FROM LOA
54	*	BLANK
55-56	**	PRIORITY
57	*	BLANK
58-62	*****	JULIAN DATE OF PREPARATION
71	*	SUPPLY CONDITION CODE

APPENDIX C

FTM FORMAT:

NOTIFICATION FROM CUSTOMER THAT MATERIEL IS BEING SHIPPED TO
FREIGHT FORWARDER AND/OR DEPOT OR CONTRACTOR FACILITY

1-3	FTM	DIC
4-6	***	RIC OF SUPPLY SOURCE **SEE BELOW
7	0	CONSTANT
8-22	*****	NSN - RP 8-22 OF XD6
23-24	**	UNIT OF ISSUE - RP 23-24 OF XD6
25-29	*****	QUANTITY - RP 25-29 OF XD6 (1 EACH)
30-43	*****	DOC NUMBER - RP 30-43 OF XD6
44	*	BLANK
45-50	*****	SUPPAD - RP 45-50 OF XD6
51	*	SIGNAL CODE (BLANK IF UNKNOWN)
52-53	**	FUND CODE (BLANK IF UNKNOWN)
54-56	***	RECEIVING ACTIVITY RIC (FROM MRRL ACCEPTANCE REPORT)**
57	*	BLANK
58-62	*****	JULIAN DATE OF PREPARATION
63-80	*****	F ILLER

****RP 4-6 SHOULD CONTAIN THE RIC OF THE SUPPLY
SOURCE OF THE MATERIEL: AKZ, A12, B14, B16, B17, B64**

****RP 54-56 SHOULD CONTAIN THE RIC OF THE DEPOT OR
CONTRACTING FACILITY RECEIVING THE MATERIEL.
THIS IS FOUND ON THE XDE MRRL ACCEPTANCE LIST**

MRRL DENIAL CODES

CODE DEFINITION

- 1 Invalid Country/Case/Line for MRRLS
- 2 NIIN is NOT numeric/Invalid Document Number
- 3 Invalid quantity
- 4 Duplicate of an existing, Pre-Authorized MRRL
- 5 Duplicate of an existing suspended or active manual MRRL
- A MRRL has expired -or- item is NOT managed by this U.S. Service
- B This U.S. Service has no repair capability for this item/B17 (Aviation) item not on list
- C Item is obsolete - shows substitute item on ILID
- D Item is NOT in this U.S. Service's catalog/timely support cannot be accomplished. Recommend submitting requirement against Repair and Return
- F Repair authorized ONLY on Repair and Return cases
- H PEMA item/Engine - Repair and Return ONLY
- I Item is managed by another U.S. Military Service
- J Item is managed by U.S. Navy
- K Item is managed by U.S. Marine Corps
- L Consumable Item
- M Generic Item - resubmit using actual NIIN to be repaired
- N Acquisition Advice Code "P" item - NOT authorized for Repair and Replace
- P Quantity not economically feasible to return
- W Rejected - quantity consolidated with prior manual MRRL

APPENDIX E

<u>RIC</u>	<u>DODAAC</u>	<u>ADDRESS</u>
AN5	W25G1U	TRANSPORTATION OFFICER DDSP NEW CUMBERLAND FACILITY BUILDING MISSION DOOR 113 134 NEW CUMBERLAND PA 17070-5001
AQ5	W62G2T	XU DEF DIST DEPOT SAN JOAQUIN 25600 S. CHRISMAN ROAD REC WHSE 10 PH 209-839-4307 TRACY, CA 95376-5000
BA4	W31G1Z	X4 W0L7 ANNISTON MUNITIONS CENTER TRANS OFFICER PH 256-235-6837 CL V 7 FRANKFORD AVE, BLDG 380 ANNISTON, AL 36201-4199
BK4	W25G1Q	XR W0L6 USA DEP LETTERKENNY LETTERKENNY ARMY DEPOT ATTN: AMSAM LE EE S BLDG 10 CHAMBERSBURG, PA 17201-4150
BR1	W90CGF	XR ARMY DEPOT MAINTENANCE FACILITY CONSOLIDATED PROPERTY OFFICER ACCOUNTABILITY OF MAINTENANCE ASSETS 100 MAIN DRIVE TEXARKANA, TX 75507-5000
BR4	SW3227	DEF DIST DEPOT RED RIVER RECEIVING BLDG 499 10TH STREET AND K AVENUE TEXARKANA TX 75507-5000
BYF	W90CGG	XR ARMY DEPOT MAINTENANCE FACILITY REPAIR AND REBUILD ITEM ACCT SHOPS 11 HAP ARNOLD BOULEVARD TOBYHANNA, PA 18466-5107
BY6	W25G1W	XR W1BG UEF DIST DEPOT MYERS AND 2ND STREET RECEIVING WAREHOUSE 2 BAY 1 TOBYHANNA, PA 18466-5059
B53	W90CGE	ARMY DEPOT MAINTENANCE FACILITY HANGAR 44 ROTOR 50 308 CRECY STREET CORPUS CHRISTI, TX 78149-5260