

**DEPUTY SECRETARY OF DEFENSE****1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010**

09 DEC 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Reform Initiative Directive #48 - Adoption of Commercial EDI Standards for DoD Logistics Business Transactions

A Joint Service/Agency Committee was established in response to Management Reform Memorandum #11 to address issues and concerns relating to the conversion of DoD business systems to use of commercial identifiers. The Joint Service/Agency Committee recommended that the scope of the commercial identifier initiative be modified to implement American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 commercial electronic data interchange (EDI) standards in lieu of current proprietary DoD logistics information exchange standards. The rationale for this recommendation is that the existing DoD-unique transaction formats (e.g. MILSTRIP, MILSTRAP, and MILSBILLS) are impediments to the critical business process changes required to support the war-fighting mission. Adopting these commercial EDI standards supports the Department's process improvement and reengineering goals to adopt commercial practices and increase our reliance on the commercial sector for logistics support. Further, replacing DoD's proprietary logistics transaction formats with the ANSI ASC X12 EDI standards serves as a necessary stepping-stone to move our automated systems towards international open systems standards.

To ensure that the Department exploits available commercial standards through an integrated approach to its business system upgrades, I direct that the Joint Electronic Commerce Program Office (JECPO) form an Integrated Product Team (IPT) to develop a comprehensive implementation plan in conjunction with the Military Services and Defense Agencies. The plan shall identify a phased implementation approach to migrate the Department's logistics transactions to the use of ANSI ASC X12 EDI standards, or other commercial EDI standards identified in Federal Information Processing Standard

(FIPS) 161-2 as appropriate, to simplify DoD interfaces with the private and federal civilian sectors, and to enable the required changes to the Department's logistics business processes.

Services and Agencies will support the JECPO in developing the phased implementation plan. IPT points of contact shall be identified to the JECPO within thirty days. Services and Agencies shall program, fund, and execute the plan's implementation through process improvements and business system upgrades.

Within ninety days, the Under Secretary of Defense (Acquisition and Technology), in coordination with the DoD Chief Information Officer, shall issue policy and procedures to effect use of FIPS 161-2 approved commercial EDI standards for transaction exchanges for all new and planned business systems.

The JECPO shall report progress on these efforts monthly to the DoD Deputy Chief Information Officer, and the Director, Defense Reform Initiative. This directive supersedes Management Reform Memorandum #11.

A handwritten signature in black ink, appearing to read "John J. Hamre". The signature is written in a cursive style with a large initial "J" and "H".

John J. Hamre