



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC

Office Of The Under Secretary

7 Sep 1999

MEMORANDUM FOR SEE DISTRIBUTION

FROM: SAF/IAX  
1080 Air Force Pentagon  
Washington, DC 20330-1080

SUBJECT: Excess Defense Article (EDA) Packing, Crating and Handling (PC&H) Pricing Methodology and Delivery Reporting Procedure (IAX 99020)

Purpose of this memo is to clarify Packing, Crating, and Handling (PC&H) pricing methodology and delivery reporting procedures for Excess Defense Article (EDA) assets.

PC&H is considered to be included in the reduced standard price of Working Capital Funded (WCF) assets. However, PC&H is calculated on the last acquisition value for non-WCF assets except when actual PC&H is known. The calculated PC&H is charged to the line versus a below line charge and must be collected by the performing organization.

Delivery source codes (DSCs) listed below must be used when delivery reporting the EDA to ensure PC&H surcharge is not erroneously charged below the line. In addition, proper use of the DSCs is essential to ensure funds are transferred to the WCF or miscellaneous receipts account as appropriate. The appropriate DSC from the following must be used for all EDA deliveries (DoD 7000.14, Volume 15, paragraph 080402.O):

- a. AH - Matured FMSO Excess Stock Fund/Defense Business Operations Funded Item.
- b. AJ - Other than Matured FMSO Excess Stock Fund/Defense Business Operations Funded Item.
- c. AK - Excess Procurement Funded Item from Inventory, PC&H computed on original acquisition cost of item and submitted by IA.
- d. BH - Actual PC&H charge. This report must accompany delivery transaction for items sold from inventory with DSCs AK and AL.

Please direct any questions to Patti Higgins, SAF/IAXF, DSN 425-8995 or Sheilah Boyd, SAF/IAXM, DSN 425-8366.

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