Department of Defense
DIRECTIVE

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NUMBER 4140.25

USD(A&T)

SUBJECT: DoD Management Policy for Energy Commodities and Related Services

References: (a) DoD Directive 4140.25, "Bulk Petroleum Management Policy," January 8, 1993 (hereby canceled)
(b) DoD 4140.25-M, "DoD Management of Bulk Petroleum Products, Natural Gas, and Coal," June 1994, authorized by this Directive
(c) DoD 5025.1-M, "DoD Directives System Procedures," August 1994, authorized by DoD Directive 5025.1, June 24, 1994
(d) Joint Pub 4-03, Joint Bulk Petroleum Doctrine, July 25, 1995
(e) through (i), see enclosure 1.

1. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to update policy and responsibilities under reference (b):

1.1. Managing energy commodities (i.e., petroleum, natural gas, coal, propellants, chemicals, pure gases, and cryogenic fluids), quality assurance and quality surveillance, storage, and associated facilities.

1.2. Minimizing the number and complexity of fuels required, and maximizing the use of commercial fuels.

1.3. Continues to authorize the publication of reference (b), consistent with reference (c).

2. APPLICABILITY AND SCOPE

This Directive applies to:

2.1. The Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, and the Defense Agencies (hereafter referred to collectively as "the DoD Components").

2.2 DoD Components concerned and involved with energy storage and consumption, quality assurance, logistics planning and support, and offices that design, develop, purchase, operate, modify, test, or evaluate weapons systems or combat-support equipment, including energy storage facilities and distribution equipment.

3. DEFINITION

3.1 The term combatant command, as used herein, refers to a unified or specified command with a broad continuing mission under a single commander established and so designated by the President, through the Secretary of Defense and with the advice and assistance of the Chairman of the Joint Chiefs of Staff.

3.2 The phrase combatant commander, as used herein, refers to a commander in chief of one of the unified or specified combatant commands established by the President.

3.3 The term energy, as used herein, consists of petroleum, natural gas, coal, propellants, chemicals, pure gases, and cryogenic fluids.

3.4 The term Military Services, as used herein, relates to a branch of the Armed Forces of the United States, established by act of Congress, in which persons are appointed, enlisted, or inducted for military service, and which operates and is administered within a military or executive department. The Military Services are: the United States Army, the United States Navy, the United States Air Force, the United States Marine Corps, and the United States Coast Guard.

3.5 The term unique security reason, as used herein, is defined as a situation in which ownership of the infrastructure by a private utility or other entity would substantially impair the mission of the Department concerned or compromise classified operations or property.

4. POLICY

4.1 Goal. DoD energy and related programs (i.e., petroleum, natural gas, coal, propellants, chemicals, pure gases, and cryogenic fluids) shall support DoD peacetime and wartime missions and permit successful and efficient deployment and employment of forces.

4.2. Fuel Standardization. Combatant Commanders shall develop plans to minimize the types of fuels required in joint operations. In accordance with Joint Pub 4-03, reference (d), the Military Services shall design and procure weapon systems, support equipment, and vehicles. The Military Services shall also qualify new systems to use readily available commercial-type fuels in accordance with DoD Directive 5000.1 (reference (e)). Standard fuels approved by the Defense Standardization Program are

listed in the Department of Defense Index of Standards and Specifications Federal Supply Group 91. Primary fuel support for land-based air and ground forces in all theaters (overseas and CONUS) shall be accomplished using a single kerosene-based fuel, in order of precedence: JP-8, commercial jet fuel (with additive package), or commercial jet fuel (without additives), as approved by the Combatant Commanders. Fuel support for ground forces may also be accomplished using commercially available diesel fuel when supplying jet fuel is not practicable or cost effective. Primary fuel support for sea-based aircraft shall be a high flash kerosene-based fuel, designated JP-5. In overseas theaters where the predominant fuel requirement is in support of the Navy, JP-5 may be substituted for JP-8 as approved by the Combatant Commanders. Conventionally-powered ships shall use a distillate-type fuel, designated F-76 for propulsion. Military Sealift ships may use commercial marine fuels for propulsion. The type of fuel designated for the battlefield will be specified by the Combatant Commanders depending on fuel availability and equipment to be used within the theater. To the maximum extent practical, no new combat support or combat service support equipment or vehicles requiring gasoline-type fuels will be acquired or developed unless the support concept is to supply fuel as a packaged product.

4.3. Inventory Levels. The DoD Components shall minimize inventories consistent with peacetime and contingency needs of U.S. military forces worldwide. Inventories of liquid petroleum products shall be categorized as "peacetime operating stock (POS)" and "petroleum war reserve stock (PWRS)," formerly known as bulk petroleum war reserve stock (BPWRS).

4.4. POS. POS may be established and held under the procedures in DoD 4140.25-M (reference (b)).

4.5. PWRS. PWRS shall be in addition to POS and shall be designated as starter or swing stocks or both in accordance with DoD Directive 3110.6 (reference (f)). Starter stocks shall be war reserve material located in or near a theater of operations to support the conduct of military operations until resupply at wartime rates can be established or the contingency ends, whichever occurs sooner. Swing stocks are positioned afloat or ashore and are capable of supporting the requirements of more than one contingency in more than one theater of operations. PWRS shall be based on the most demanding operational plan requirement for each location. PWRS consists of stocks to support deployment and combat operations and is sized to meet requirements until resupply can be effected from a secure source. Sourcing assumptions and PWRS days of supply factors shall be developed by the Chairman of the Joint Chiefs of Staff and forwarded to the Under Secretary of Defense for Acquisition and Technology (USD (A&T)) for review.

4.6. Use of Commercial Sources, Host Nations, and Lateral Support. The DoD Components shall make maximum use of commercial and host-nation sources of

supply to meet peacetime and wartime requirements. Therefore, it is imperative that combat support and combat service support vehicles and equipment be capable of receiving support (i.e. fittings, nozzles, etc.), achieving and sustaining acceptable operational performance using both kerosene-based turbine fuels and diesel fuels to the maximum extent practical. The Combatant Commanders shall plan to make maximum use of available stocks in adjacent theaters to support their respective regional contingency requirements.

4.7. Fuel Infrastructure Privatization. The Military Services shall seek to minimize Government-owned fuel infrastructure on military installations to the maximum extent possible through the use of commercial assets and privatization of existing infrastructure, except those systems needed for unique security reasons or when privatization is uneconomical.

5. RESPONSIBILITIES

5.1. The Under Secretary of Defense for Acquisition and Technology shall:

5.1.1. Establish policies, grant policy waivers, and approve changes in responsibilities for management of energy commodities and related services; and provide procedural guidance to DoD Components and ensure implementation thereof.

5.1.2. Act as DoD claimant to the Department of Energy, in accordance with E.O.12919, (reference (g)), for required energy commodities.

5.1.3. Review contingency PWRS levels recommended by the Chairman of the Joint Chiefs of Staff and establish policy guidance.

5.1.4. Grant policy waivers on fuel standardization where necessary after coordination with the DoD Components.

5.1.5. Ensure compliance with the fuel standardization conversion and specification policies prescribed.

5.1.6. The Deputy Under Secretary of Defense (Logistics) shall serve as the DoD central administrator for energy policy and overall management responsibility for petroleum, propellants, pure gases, chemicals, and cryogenic fluids.

5.1.7. The Deputy Under Secretary of Defense (Installations) shall serve as the DoD central manager for energy policy on DoD installations.

5.2. The Director, Defense Logistics Agency shall:

5.2.1. Execute the integrated materiel management responsibility for petroleum including: procurement, transportation, ownership, accountability, budgeting, quality assurance and surveillance.

5.2.2. Support and coordinate plans for conversion of DoD logistics systems to implement the fuel standardization policy.

5.2.3. Plan, program, budget, and provide funding for facility maintenance and repair, and environmental compliance of petroleum storage and distribution facilities. Plan, program, and budget for construction of new permanent storage and distribution

facilities. Performance of these functions shall be in coordination with the Military Services and Combatant Commanders.

5.2.4. Negotiate and conclude international agreements for energy commodities, additives, laboratory testing, facilities, pipelines, and any related services; and replacement-in-kind fuel exchanges in accordance with DoD Directive 5530.3 (reference (h)).

5.2.5. Plan, program, budget, and fund for contract storage and associated services required in support of the Defense Logistic Agency (DLA) bulk petroleum management mission.

5.2.6. Provide contingency support in concert with Combatant Commanders to acquire necessary petroleum products, storage, and/or services to support military needs.

5.2.7. Provide technical support involving military specifications. Coordinate with military technical authorities when operational exigencies require that other-than-specified fuels be used to meet operational requirements.

5.2.8. Allocate resources in support of PWRS requirements, compute POS requirements, and develop an inventory management plan that lists approved inventory levels and requirements by location.

5.2.9. Develop the annual quantity of PWRS requested for funding in any particular fiscal year, and continuously evaluate the petroleum market and advise the USD(A&T), the Chairman of the Joint Chiefs of Staff, and the Secretaries of the Military Departments of considerations critical to peacetime and wartime operations and planning.

5.2.10. Develop policy and program management of the fleet card, which is used to purchase ground fuel and for maintenance of DoD vehicles.

5.2.11. Execute responsibility to support the Military Services and other DoD Components for competitive coal and natural gas procurement, transportation, accountability, budgeting, quality assurance and surveillance, and distribution.

5.2.12. Assist the Military Services with infrastructure privatization and demand management, including technical and contract support.

5.2.13. Operate and maintain those area petroleum laboratories, in which it has authority, to test samples of petroleum products submitted for quality assurance and quality surveillance, in coordination with the Military Departments.

5.2.14. Execute the integrated material management responsibility for propellants, pure gases, chemicals, cryogenic fluids; including procurement, transportation, ownership, accountability, budgeting, quality assurance and surveillance, and distribution of stocks to the point-of-sale.

5.3. The Comptroller of the Department of Defense, in coordination with USD(A&T), shall establish financial policies and guidance for the management of energy commodities and related services (i.e., petroleum, natural gas, coal, propellants, storage, pure gases, chemicals, cryogenic fluids; etc.).

5.4. The Chairman of the Joint Chiefs of Staff shall:

5.4.1. Recommend to the USD(A&T) any contingency war reserve stock levels.

5.4.2. Review fuel Operations Plan (OPLAN) and Contingency Plan (CONPLAN) logistics annexes to ensure fuel requirements and sustainability issues are addressed.

5.4.3. Provide to the Military Services and the Commander in Chiefs (CINCs) overall guidance for fuel support information required in CINC OPLANs or CONPLANs, including PWRS days-of-supply and sourcing assumption guidance.

5.4.4. Identify fuel reporting requirements and strategic information needed to assess petroleum capabilities for theater contingency requirements.

5.4.5. Recommend to the USD(A&T) changes to responsibilities in subsection 5.5 below.

5.5. The Commanders of the Combatant Commands shall:

5.5.1. Develop and implement plans for compliance with the fuel standardization policy, including plans for conversion from primary to alternate fuels when primary fuels cannot be obtained. Coordinate the implementation of the fuel standardization policy with supporting host-nations and combined forces commands.

5.5.2. Plan and manage, in coordination with the Director, DLA, the intra-theater and inter-theater receipt, storage, and distribution of petroleum products.

5.5.3. Assist DLA with the selection and prioritization of DLA fuels military construction (MILCON) and qualified maintenance and repair projects for petroleum facilities. Coordinate on the tankage leasing plans and related activities of the Defense Energy Support Center (DESC).

5.5.4. Ensure that fuel requirements, operations, and constraints are addressed and published in the petroleum annex of OPLANs and CONPLANs, and as exercised in various theater exercise plans.

5.5.5. Establish and maintain a quality program for receipt, storage, and issue of Military Service and DLA-owned products in accordance with DoD 4140.25-M (reference (b)).

5.5.6. Plan and coordinate formal host nation support agreements. Develop and release combined and/or alliance petroleum planning data as required. Assist DLA as necessary in their responsibilities to negotiate and conclude international agreements for energy support.

5.5.7. Release or reallocate DLA-held PWRS in emergencies, contingencies, or war. Performance of the function shall be in coordination with the DLA and the Chairman of the Joint Chiefs of Staff.

5.6. The Secretaries of the Military Departments shall:

5.6.1. Provide for the operation of petroleum facilities under their cognizance; control the receipt, issue, and management of petroleum stocks at operating locations in coordination with the DLA. Plan, program, fund, and perform operational and

organizational maintenance of facilities located on their installations in support of their missions.

5.6.2. Prescribe additional policies, procedures, research, development, acquisition, planning, programming, and budgeting guidance to implement fuel standardization policy, and eliminate the need to stock, store and issue bulk motor gasoline to the maximum extent practical.

5.6.3. Assist DLA in the selection and assignment of priority to the petroleum MILCON projects identified for the DLA MILCON program; and provide technical support to identify and execute projects for DLA-funded maintenance, repair, environmental compliance, and construction at Military Service petroleum facilities.

5.6.4. Compute wartime petroleum demands based on Combatant Commander OPLANs, compute wartime fuel consumption rates, establish the daily wartime demand profiles, and compute war reserve requirements by location in accordance with the Joint Staff Planning Guidance. This data will be provided and coordinated with subordinate commands and Joint Petroleum Offices.

5.6.5. Provide information on all PWRS to the DLA and the Combatant Commanders, in accordance with DoD 4140.25-M (reference (b)).

Maintain sufficient base-level testing capabilities and mobile laboratory capabilities as defined by their individual testing, oversight and evaluation in support of daily operational mission requirements.

5.7. The Secretary of the Army shall provide wartime planning and management of overland petroleum distribution support, including inland waterways, to U.S. land-based forces of all DoD Components. To ensure wartime support, the Army shall fund and maintain tactical storage and distribution systems to supplement fixed facilities. The Army shall also provide the necessary force structure to operate and install tactical petroleum storage and distribution systems, including pipelines. The Army shall maintain laboratories for certification testing of petroleum and related products used in ground vehicle and equipment system applications, and other than fixed-wing aircraft.

5.8. The Secretary of the Navy shall provide wartime planning and management of forward deployed seaward and over-water petroleum movements of fuel to the high-water mark for U.S. sea and land-based forces of all DoD Components. The Navy shall also provide laboratories for the certification of fuel and petroleum related products used in ship and watercraft applications.

5.9. The Secretary of the Air Force shall provide distribution of petroleum products by air. This method of movement is reserved for situations demanding immediate support in remote locations. The Air Force shall also provide laboratories for the certification of fuel and petroleum related products used in aircraft systems applications, and submit requirements for procurement of competitive coal, and natural gas to be procured by DLA.

6. INFORMATION REQUIREMENTS

6.1. The North Atlantic Treaty Organization reporting requirements are discussed in the North Atlantic Council Procedures (AC/12 and AC/112).

6.2. Reporting data requirements by the Military Services to DLA are, as follows:

6.2.1. "Bulk Petroleum Products Slate," RCS: DLA(M)1881(DFSC) [The Defense Fuel Supply Center (DFSC) was renamed the as the Defense Energy Support Center (DESC) on February 11, 1998. The RCS designation will not change until the next RCS review cycle. Either designation will be valid.]

6.2.2. "Bulk Petroleum Terminal Message Report," RCS: DLA(W)1884(DFSC)MIN (soon to be DESC).

6.2.3. "Projected Military Service Purchases from (DFSC)," RCS: DLA(AR)1892(DFSC) (soon to be DESC).

6.3. Joint reporting and requirements for the Bulk Petroleum Contingency Report (REPOL) and Bulk Petroleum Capabilities Report (POLCAP) are found in the Joint Reporting Structure (JRS) Logistics, CJC SM 3150.14.

6. EFFECTIVE DATE

This Directive is effective immediately.

John J. Hamre
Deputy Secretary of Defense

Enclosure
E1. References

REFERENCES, continued

(e) DoD Directive 5000.1, "Defense Acquisition," March 15, 1996
(f) DoD Directive 3110.6, "War Reserve Material Policy," April 25, 1994
(g) Executive Order 12919, "Priorities and Allocation," June 3, 1994
(h) DoD Directive 5530.3, "International Agreements," June 11, 1987
(i) DoD 7220.9-M, "Department of Defense Accounting Manual," October 1998, authorized by DoD Instruction 7220.9, October 22, 1981