



Department of Defense **INSTRUCTION**

NUMBER 3201.04

October 18, 2013

Incorporating Change 2, October 15, 2018

USD(R&E)

SUBJECT: In-House Laboratory Independent Research (ILIR) Program

References: See Enclosure 1

1. **PURPOSE.** This instruction reissues DoD Instruction (DoDI) 3201.4 (Reference (a)) to establish policy, assign responsibilities, and prescribe procedures pursuant to DoD Directive (DoDD) 5134.3, DoDI 3201.01, and DoDI 3210.1 (References (b), (c), and (d)) for implementation of the ILIR program at the DoD research and development (R&D) laboratories and centers in accordance with the authority in DoDD 5134.01 (Reference (e)).
2. **APPLICABILITY.** This instruction applies to OSD, the Military Departments, the Defense Agencies, and all other organizational entities within the DoD that operate R&D laboratories or centers (referred to collectively in this instruction as “the DoD Components”).
3. **POLICY.** It is DoD policy that:
 - a. Each DoD Component that operates an R&D laboratory or center will support an ILIR program.
 - b. Participating DoD Component R&D laboratories or centers will use ILIR funds to initiate and support efforts judged to be important or promising in the accomplishment of missions assigned to that laboratory or center.
 - c. Each R&D laboratory or center will have wide latitude in the use of ILIR funds, subject to the approval of overall funding levels, to enable performance of innovative, timely, and promising work without requiring formal and prior approval that might delay normal funding authorization.
 - d. ILIR funds will be used to support basic research efforts. The programs will have as their primary goals the performance of highest quality research in support of laboratory missions and the enhancement of factors that contribute to recruitment and retention of outstanding scientists

and engineers. This effort is considered to be internal to the laboratory or center and is to be administered as outlined in the procedures found in Enclosure 3 of this instruction.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. Detailed procedures are contained in Enclosure 3.

6. INFORMATION COLLECTION REQUIREMENTS. The Annual Report of ILIR Programs, referred to in paragraph 2d of Enclosure 2 of this instruction, has been assigned report control symbol DD-AT&L(A)1931 in accordance with the procedures in Volume 1 of DoD Manual 8910.01 (Reference (f)). The expiration date of this information collection is listed in the DoD Information Collections System at <https://eitsdext.osd.mil/sites/dodiic/Pages/default.aspx>.

7. RELEASABILITY. **Cleared for public release.** This instruction is available on the Directives Division Website at <http://www.esd.whs.mil/DD/>.

8. SUMMARY OF CHANGE 2. This change reassigns the office of primary responsibility for this instruction to the Under Secretary of Defense for Research and Engineering in accordance with the July 13, 2018 Deputy Secretary of Defense Memorandum (Reference (g)).

9. EFFECTIVE DATE. This instruction is effective October 18, 2013.



Frank Kendall
Under Secretary of Defense for
Acquisition, Technology, and Logistics

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ENCLOSURE 1

REFERENCES

- (a) DoD Instruction 3201.4, “In-House Laboratory Independent Research (ILIR) and Independent Exploratory Development (IED) Programs,” October 8, 1993 (hereby cancelled)
- (b) DoD Directive 5134.3, “Director of Defense Research and Engineering (DDR&E),” November 3, 2003
- (c) DoD Instruction 3201.01, “Management of DoD Research and Development Laboratories,” September 29, 2016
- (d) DoD Instruction 3210.1, “Administration and Support of Basic Research by the Department of Defense,” September 16, 2005
- (e) DoD Directive 5134.01, “Under Secretary of Defense for Acquisition, Technology, and Logistics,” December 9, 2005, as amended
- (f) DoD Manual 8910.01, Volume 1, “DoD Information Collections Manual: Procedures for DoD Internal Information Collections,” June 30, 2014, as amended
- (g) Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018

ENCLOSURE 2

RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR RESEARCH AND ENGINEERING (ASD(R&E)). Under the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the ASD(R&E) is responsible for the oversight, direction, execution, and review of the ILIR programs of the DoD Components.

2. DOD COMPONENT HEADS. The DoD Component heads:

a. Implement this instruction within their Component and establish Component-specific policy for the programs in accordance with References (b), (c), and (d).

b. Decide which laboratories and centers are to participate in the program and so inform the ASD(R&E).

c. Allocate funds to participating laboratories and centers from relevant program elements.

d. Establish an annual program review with ASD(R&E) in attendance that includes criteria for measuring and evaluating results to be reflected in an annual report of the program to ASD(R&E).

e. Budget sufficient funds to support the ILIR program.

ENCLOSURE 3

PROCEDURES

1. COMMANDING OFFICERS (COs), DIRECTORS, AND TECHNICAL DIRECTORS (TDs) OF LABORATORIES. The COs, Directors, and TDs:

a. Review all qualified proposals for funding under the ILIR program and the results of each funded task. After review, ensure that work unit summaries are submitted to the Defense Technical Information Center.

b. Make an annual presentation to the Component S&T Executive.

2. PROGRAMMING AND BUDGETING GUIDELINES

a. All funds appropriated by the Congress for ILIR program elements will be made available at the laboratories or centers performing the work for those purposes and will not be used to support any other programs.

b. Those funds will not be subject to reallocation for other purposes by any command levels intervening between the DoD Component head and the laboratories or centers performing the work. Furthermore, those command levels will not task the laboratory TD or CO to perform specific work with these funds.

3. FUNDING AND EXECUTION GUIDELINES

a. ILIR funds will be identified as a separate program element (line item) in the budget.

b. The TD or CO will maximize funding of ILIR up to the recommended target ceiling funding of 2.5 percent of the total 6.1 budget of each DoD Component and not be used to make up deficiencies in other assigned programs.

c. ILIR funds are intended for in-house efforts and will not be used for outside contracts. Exceptions are to be of modest magnitude and of exceptional content. Moreover, they must be specifically justified and approved by the Component S&T Executive in terms of exceptional content, or as being in direct support of primary in-house ILIR projects, and must enhance factors that contribute to the recruitment and retention of outstanding scientists and engineers by the laboratory.

d. ILIR funds will not be used to purchase equipment unless such action is in direct support of active current ILIR programs. As a target ceiling, the purchases will not exceed 30 percent of the program funding.

e. If a task begun under ILIR funding leads to continued efforts, it will be transferred to the regular research, development, test, and evaluation-sponsored program at the appropriate time and supported through the normal budget process. No task will be supported by ILIR funds for more than a 3-year period.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(R&E)	Assistant Secretary of Defense for Research and Engineering
CO	commanding officer
DoDD	DoD Directive
DoDI	DoD Instruction
ILIR	In-House Laboratory Independent Research
R&D	research and development
TD	technical director

PART II. DEFINITIONS

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

basic research. Systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. It includes all scientific study and experimentation directed toward increasing fundamental knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long-term national security needs. It is farsighted high-payoff research that provides the basis for technological progress and subsequent exploratory and advanced developments in Defense-related technologies. DoD Research is funded by budget category 6.1.

R&D laboratory. A facility or group of facilities owned, leased, or otherwise used by OSD, the Military Departments, the Defense Agencies, and all other organizational entities within the DoD towards research, development, or engineering by employees of the DoD. The term “laboratory” also is used in this issuance to apply to Warfare Centers, Research Development and Engineering Centers, System Centers, and similar entities.