## SUMMARY OF MAJOR CHANGES TO DOD 7000.14-R, VOLUME 11A, CHAPTER 12 "MAJOR RANGE AND TEST FACILITIES"

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Updated statutory references and hyperlinks.	<b>Update</b>
120203	Moved pricing policy for aborts and cancellations from previous version paragraph 120203.C.	Update
120203.B.1.a(1)	Clarifies the criteria for investments paid for by a single customer and by multiple customers.	Update
120203.B.1.a(2)	Clarifies the criteria for items to conform to DoDD 3200.11.	<b>Update</b>
120203.B.1.b(3)	Clarifies list of indirect costs to upgrade or modernize the range.	Update
Figure 12-1	Updates the listing of MRTFB activities.	<b>Update</b>

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#### **CHAPTER 12**

## **MAJOR RANGE AND TEST FACILITIES**

#### 1201 OVERVIEW

120101. <u>Purpose</u>. This chapter provides reimbursable policy for specific Department of Defense (DoD) test and evaluation activities (see Figure 12-1), hereafter referred to as a Major Range and Test Facility Base (MRTFB). This chapter does not apply to the commercial space launch activities of the 30th and 45th Space Wings. Reimbursable policy for these activities is contained in <u>Chapter 13</u> of this volume. Additionally, this chapter does not apply to the sale of samples, drawings, information, equipment, and certain services as authorized by 10 U.S.C. 2539b (see <u>Chapter 14</u> of this volume).

120102. <u>General</u>. MRTFB is a national asset which is sized, operated, and maintained primarily for DoD test and evaluation support missions, but also is available to non-DoD users having a valid requirement for its capabilities.

### 1202 POLICY AND PROCEDURES

- 120201. <u>Funding</u>. Funding of MRTFB activities is designed to: (1) assure the most cost effective development and testing of materiel, and (2) provide for interservice compatibility, efficiency, and equity without influencing technical testing decisions or inhibiting legitimate and valid testing. MRTFB activities, as listed in Figure 12-1, shall be funded in a uniform manner. The categories of goods and services charged to the MRTFB customers shall be applied consistently among all the MRTFB activities. All costs incurred by MRTFB activities shall be billed to one of the following sources: (1) MRTFB customers (users), (2) direct appropriations of the managing activity, or (3) other sources as directed by DoD. All indirect costs associated with operation and maintenance of MRTFB activities shall be funded as part of the appropriations of the responsible Component. All direct costs identified to a specific customer for the use of MRTFB activities are to be charged to the customer or user.
- 120202. <u>Accounting</u>. The job order cost accounting system described in <u>Volume 4</u>, <u>Chapter 20</u>, "Job Order Costing," of this Regulation is the minimum requirement to support financial management and funding policies at MRTFB activities. The cost accounting system shall be used to determine charges under agreements entered into pursuant to DoD Directive 4000.19, "Interservice, Interdepartmental, and Interagency Support."
- ★ 120203. <u>Reimbursements for MRTFB Activity Usage.</u> Users shall be billed in accordance with the following reimbursement policy. Users also shall be charged for direct costs incurred for aborted or cancelled tests.
- A. <u>Working Capital Fund Activities.</u> Working Capital Fund activities shall charge customers at standard rates, in accordance with established pricing policies contained in *Volume 11B* of this Regulation.

## B. Non-Working Capital Fund Activities

## 1. <u>DoD Component Users</u>

a. <u>Direct Costs:</u> DoD Component users shall reimburse MRTFB activities for direct costs readily identifiable with a particular program. Direct costs are those costs that are directly attributable to the use of the facility or resource for testing under a particular program, over and above the institutional and overhead costs with respect to the facility or resource. Chargeable direct costs include labor, contract labor (which includes a portion of G&A and overhead), material, minor construction, utilities, equipment, supplies, items damaged or consumed during testing, and any resource or item maintained for a particular program. Direct costs billed shall be in accordance with <u>Chapter 1</u>, "General Reimbursement Procedures and Supporting Documentation," of this volume, and shall be identified to a job or function served in support of a customer order.

★ (1) By mutual agreement, investments in new or existing T&E facilities may be funded, in whole or in part, by one or more DoD customers of an MRTFB activity. This agreement must delineate responsibilities for funding, staffing, operating, and maintaining the facility and must be approved by all parties prior to obligation of any funds for the project.

★ (2) Investments made under paragraph 120203(B)(1)(a) that change the composition of the MRTFB must conform to DoDD 3200.11.

b. <u>Indirect Costs:</u> Indirect costs are overhead costs of the MRTFB activities and are not to be charged to the DoD Component users. Indirect costs are defined as the costs of maintaining, operating, upgrading, and modernizing the facility or resource. Indirect costs do not include any incremental costs of operating the facility or resource that are directly attributable to the use of the facility or resource for specific testing under a particular program. The following are examples of types of indirect costs, although the list is not all inclusive.

- (1) Preventative and usage maintenance.
- (2) Cost of leases, except when the cost of the lease can be directly associated with a specific customer and the appropriation is available to fund the leases.

★ (3) Upgrade or modernization of an MRTFB facility, not expressly needed for testing for a specific customer.

- (4) Routine calibration of instruments.
- (5) Maintenance and repair of shop machinery.
- (6) Replacement of obsolete equipment.

- c. <u>Military Personnel Costs:</u> Labor costs associated with military personnel incurred by activities not funded by DoD Working Capital Funds in support of tests for other DoD Components are not chargeable costs to the users.
- 2. <u>Non DoD Component Users</u>. This includes federal, state, or local government agencies; allied foreign governments; defense contractors; and when authorized, private organizations; and U.S. commercial enterprise customers.
- a. MRTFB commanders shall charge all direct costs associated with a customer order.
- (1) Chargeable direct costs include labor, material, facilities, minor construction specifically performed for the customer, utilities, equipment, supplies, and other resources damaged or consumed during testing or maintained for a particular user.
- (2) Chargeable direct costs incurred by non-Working Capital Fund activities for other than DoD Components shall include all military personnel costs associated with a customer order. Military personnel costs shall be priced at the composite standard military pay rate (see reimbursable rates page of the Office of the Under Secretary of Defense (Comptroller) website http://www.dod.mil/comptroller/rates/).
- b. MRTFB commanders may charge non-DoD customers indirect costs at their discretion. Any indirect costs incurred, but not billed to a customer, shall be billed to the activity's institutional funds. Institutional funding levels, however, shall not be increased to finance any additional indirect cost incurred due to sales to non-DoD activities.
- 3. <u>Foreign Military Sales</u>. Foreign Military Sales customers shall reimburse MRTFB activities in accordance with <u>Volume 15, Chapter 7</u>, "Security Assistance Policy and Procedures," of this Regulation. This chapter does not, and shall not, be construed to permit foreign customer countries or foreign commercial entities to purchase services from MRTFB activities through other than Foreign Military Sales procedures authorized under the Arms Export Control Act.
- 4. <u>Government-Furnished Services</u>. When the use of an MRTFB activity has been included in a contractual agreement as government-furnished services, the user shall be charged based on the category of the contracting government agency (see subparagraphs 120203.B.1. or 120203.B.2.).

#### MAJOR RANGE AND TEST FACILITY BASES

### **Army Activities**

White Sands Test Center
Electronic Proving Ground
High Energy Laser Systems Test Facility
Yuma Test Center
West Desert Test Center
Aberdeen Test Center
U.S. Kwajalein Atoll (Ronald Reagan Ballistic Missile Defense Test Site)
Cold Regions Test Center
Tropic Regions Test Center

## Navy Activities

Naval Air Warfare Center - Weapons Division, Point Mugu Naval Air Warfare Center - Weapons Division, China Lake Naval Air Warfare Center - Aircraft Division, Patuxent River Naval Undersea Warfare Center - Newport Division, Newport Naval Undersea Warfare Center - Keyport Division, Keyport Pacific Missile Range Facility

### Air Force Activities

45th Space Wing
30th Space Wing
46<sup>th</sup> Test Wing, including 46<sup>th</sup> Test Group
Nevada Test and Training Range
Utah Test and Training Range
Arnold Engineering Development Center
Air Force Flight Test Center

## **Defense-Wide Activities**

Joint Interoperability Test Command, to include capabilities at Indian Head, MD and Ft. Huachuca, AZ

Defense Information Systems Agency, Information Technology Testbed, to include capabilities in the National Capital Region

NOTE: See DoDD 3200.11, "Major Range Test Facility Base," for additional guidance.

★ Figure 12-1 – Major Range and Test Facility Base