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REMARKS:

by Mr. Henry

H.R. 3773

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 12, 1985

Mr. HENRY. Mr. Speaker, it is with great pleasure that I rise to support H.R. 3773, the Federal Science and Technology Transfer Act of 1985. This legislation seeks to build upon the foundation of the 1980 Stevenson-Wydler Act to encourage closer public/private cooperation in industrially related technological research and development. As an original cosponsor of this legislation and member of the subcommittee which held hearings on and reported the final bill, I strongly endorse its provisions.

Federal Government laboratories with their scientific and engineering expertise, their technology base, and their facilities and equipment are valuable national resources. But these resources need to be more readily shared with businesses wishing to develop new products, with universities wanting to enhance research efforts, and with local governments in need of technical solutions to their problems. This legislation goes a long way toward meeting those needs.

H.R. 3773 has three major provisions. It authorizes Government-operated laboratories to enter into cooperative research agreements with other levels of Government, nonprofit institutions, and the private sector. It provides incentives for these laboratories to pursue projects with economic potential. And it establishes by statutory law the Federal Laboratory Consortium for Technology Transfer within the National Science Foundation. These provisions are geared toward encouraging economically productive research and development projects to enable industry to take advantage of the latest scientific developments in their fields, and thereby increase productivity, employment, and international competitiveness.

Currently, there is a wide variability in how Government laboratories relate their research and development work with other parties. Some agencies, such as NASA, have a long history of supporting cooperative research because such authority is clearly spelled out in statutory law. Other agencies, such as USDA, as yet have not realized their full potential because of limited statutory authority or cumbersome procedures to obtain approvals for joint projects. H.R. 3773 must become law before agencies like USDA can go forward with joint efforts.

Agencies and their laboratory systems are provided with new, strong, and flexible incentives to enter into cooperative research and development agreements. Currently, Federal agencies have statutory authority tp pay cash incentive awards up to $25,000 to their employees for meritorious work. NASA, from provisions in the Space Act, has additional authority to provide awards up to $100,000. But, by and large, these reward systems are unused, and especially in the Research and Development area.

Although various proposals have been made to mandate specific new incentive programs, what is helpful to one agency may be harmful to another. Therefore, the legislation encourages and directs agency heads to use their current authority to develop and implement a strong awards program specifically for their scientific, engineering, and technical personnel. Agencies are also permitted to retain revenues from royalties for limited and appropriate purposes, including rewarding specific researchers and updating research equipment.

The Federal Laboratory Consortium for Technology Transfer (FLC) is also upgraded. Currently a voluntary organization, it is composed of nearly 300 Federal laboratories from 11 agencies. Its goal is to improve the transfer of Federal Government technological discoveries into other sectors, particularly the private sector. So far, it has shown promise, but its success has been uneven. H.R. 3773 establishes the FLC in law and allows it to use the administrative services of the National Science Foundation to help achieve its goal. To aid the consortium further in identifying appropriate arrangements and projects, the legislation establishes advisory committees in each Federal laboratory consortium region to be composed of representatives from other levels of government, private enterprise, universities, industrial development organizations, and other appropriate persons.

Passage of this legislation will require no increase in Federal outlays. Initial funding of the FLC is through a very small setaside totaling less than $1 million per year from the budgets of agencies with Government-owned laboratories. Voluntary contributions will provide full funding after 1991. The private sector will contribute greatly to specific R&D projects. Federal revenues are also expected to be generated from royalties on new inventions.

H.R. 3773 is an important legislative initiative. It addresses a critical economic need in a fiscally responsible manner. I am pleased that this body has recognized the importance of this need, and command my colleagues for adopting this legislation.