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S.1914	DEC 10 '85 (170)	S17369-70

ACTION: REMARKS BY MR. RIEGLE

RESEARCH AND DEVELOPMENT BY FEDERAL LABORATORIES

● Mr. RIEGLE. Mr. President, yesterday S. 1914 was introduced. I am pleased to cosponsor this bill to let the Federal laboratories contribute more fully to American industrial innovation and to State economic development. Recent economic developments clearly point out the need for this vital amendment.

Over the last decade this country has become less competitive in world markets for high-technology products; American shares of the world market for 8 out of the 10 leading high-technology exports have fallen. As developing countries begin to mass produce high technology as well as low technology products, we must push even harder to maintain an advantage in the newest and technologically most advanced product markets. Unfortunately, we are failing to do so.

The efforts of Federal scientists and engineers have been insufficiently helpful to U.S. industry—not because they have failed to come up with new ideas, but because rigid Government restrictions have prevented many of their innovations from being commercially developed. Last year, the Federal Government spent nearly $18 billion on research and development, primarily through the network of national labs. However, until recent legislation was enacted, restrictive patent policies and personnel practices discouraged scientists and engineers from bringing their innovations to the marketplace. Consequently, less than 5 percent of the patents granted to personnel in Federal labs were developed into commercial products. We must do more to foster inventiveness and promote technology transfer.

Congress has acted to help America get more of its money's worth out of our national labs. The original Stevenson-Wydler Act set technology transfer as a national priority. The Bayh-Dole Act of 1980 allowed nonprofits and small for-profit businesses to retain ownership of inventions and receive royalties. In 1984, this right was extended to universities. In recent years, the Department of Energy has allowed some corporations to commercialize inventions developed at government-owned and contractor-operated labs. This transfer of Federal technology should be expanded.

This bill would authorize scientists and engineers at Government-owned and operated labs to work closely with industry. Inventions at these labs can currently be licensed to private sector firms, with the Government receiving the royalties. The problem, however, has been that these innovations often need a great deal of development before they can be commercialized. This bill would further encourage technology transfer in several ways.

First, directors of government labs would be allowed to enter into cooperative Research and Development arrangements with industrial organizations and State governments. This provision does not impose mandatory requirements on Federal scientists, but allows them to cooperate with American industry to pursue opportunities created by their work. The national labs would be enabled to receive funds and property from their partners in return for royalties. National labs would not necessarily have to forfeit their licensing rights; negotiating arrangements are left to their discretion.

Second, this bill would improve currently existing technology transfer organizations. It would streamline government labs by waiving the requirement for an Office of Research and Technology Applications [ORTA's]. In addition, it would fund the Federal Laboratory Consortium, a volunteer organization helping to transfer technology from the labs to private businesses with a small set-aside from the National Bureau of Standards. This limited amount of funding would begin in fiscal year 1987 and end automatically in fiscal year 1991.

These provisions contain no new authorization and require no new Federal spending. In fact, the Government could receive a stream of new income from successfully bringing unused patents to the market.

This is a modest bill: a prudent, but important first step. I hope our colleagues will join us in support of this legislation by taking action in a timely fashion.●