NATIONAL TECHNOLOGY TRANSFER CENTER
MARKET AND TECHNOLOGY ASSESSMENT
Wheeling Jesuit University/ 316 Washington Ave./ Wheeling, WV 26003
Phone: (304) 243-2130 Fax: (304) 243-4389

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JUN 13 1997
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Date: June 13, 1997

To: Norm Latker

Organization: Browdy and Neimark

Telephone number: 202-628-5197

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Total number of pages: 2 **(including this cover sheet)**

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From: Joe Allen

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Thank you.

I revised the third page.

Federal agencies have very limited experience in evaluating business plans. The only purpose of this section is that companies provide reasonable documentation to substantiate their claims that they are both interested in moving the technology to market, (and are not seeking licenses defensively to block competing products or frustrate rivals), and that they have the ability to accomplish their goals.

Agencies must also use good judgment in such reviews. Obviously small companies will not have the wherewithal of larger competitors, but have demonstrated in their past history an astounding success in creating new products and jobs. In seeking to avoid criticism agencies might tend to pick an established company over an innovative start-up business. Avoiding hard choices is not the intent of this language, picking the right partner is my clear goal.

Congress has gone to great lengths to provide the federal agencies with unprecedented authorities to enter into R&D partnerships with the U.S. private sector. It is only fair that as public stewards these agencies be held accountable for aggressively applying these mechanisms. Too many times the private sector's perception is that the bureaucracy's main concern is avoiding criticism in making decisions, not in completing the deal. I hear this complaint too many times not to believe that there is some truth behind the charge. Speeding up the process was my intent in introducing the National Technology Transfer and Advancement Act of 1995, and it is my intent with this legislation.

Innovation is always a difficult task and must be approached both aggressively and prudently. These are not contradictory goals. They require good judgment combined with the willingness to take risks. I intend to use both standards in evaluating how the various agencies have used their technology transfer authorities, and whether or not their industry customers agree with agency's laudatory self appraisals.

Agencies have had a difficult time creating objective metrics for evaluating their technology management performance. This void is too important to remain unfilled. The provision to the Congress on a regular basis as envisioned in the Federal Technology Transfer Act of a report by the Secretary of Commerce with hard data on the number of CRADAS, patent disclosures, royalties, and licensing trends broken out by agency, along with other relevant information was a minimal requirement. I am disappointed that the Department of Commerce has stopped providing even this information as required under the Federal Technology Transfer Act in their biennial report. Without this data, it is very difficult for Congress to evaluate how successfully federal R&D is being commercialized.

The inability to receive even this minimum from the Administration invites Congressional involvement. The stakes are simply too high in managing $26 billion of R&D in our federal laboratory system for us not to know by some reasonable measures how we are doing. I will use the authorities of my Subcommittee to ask each agency how they have applied the laws, and what economic metrics they can provide to justify the claims they are sure to make.