II

96TH CONGRESS
1ST SESSION

S. 1250

To promote United States technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 24 (legislative day, MAY 21), 1979

Mr. STEVENSON (for himself, Mr. CANNON, Mr. HOLLINGS, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, Mr. MOYNIHAN, and Mr. SCHMITT) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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A BILL

To promote United States technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Technology Innovation Act of 1979".

SEC. 2. FINDINGS.

The Congress finds and declares that:

(1) Technology and industrial innovation are central to the economic, environmental, and social well-being of citizens of the United States.

(2) Technology and industrial innovation offer an improved standard of living, increased public and private sector productivity, creation of new industries and employment opportunities, improved public services and enhanced competitiveness of United States products in world markets.

(3) Many new discoveries and advances in science occur in universities and Government laboratories, while the application of this new knowledge to commercial and useful public purposes depends largely upon actions by business and labor.

(4) Industrial innovation in the United States may be lagging when compared to historical patterns and other industrialized nations.

(5) Increased industrial innovation would reduce trade deficits, stabilize the dollar, increase productivity gains, increase employment and stabilize prices.

(6) Government antitrust, economic, trade, patent, procurement, regulatory, research and development, and tax policies have significant impacts upon industrial innovation and development of technology, but there is insufficient knowledge of their effects in particular sectors of the economy.

(7) No national policy exists to enhance technological innovation for commercial and public purposes.

SEC. 3. PURPOSE.

It is the purpose of the Congress in this Act to enhance technological innovation for the improvement of the economic, environmental and social well-being of the United States.

SEC. 4. DEFINITIONS.

As used in this Act, unless the context otherwise requires, the term—

(1) "Office" means the Office of Industrial Technology established under section 5 of this Act.

(2) "Secretary" means the Secretary of Commerce.

(3) "Director" means the Director of the Office of Industrial Technology, appointed pursuant to section 5 of this Act.

(4) "Centers" means the Centers for Industrial Technology established under section 6 of this Act.

(5) "Nonprofit institution" means an organization owned and operated exclusively for scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(6) "Panel" means the Industrial Technology Review Panel established pursuant to section 9.

SEC. 5. COMMERCE AND TECHNOLOGY INNOVATION.

(a) IN GENERAL.—The Secretary shall establish and maintain an Office of Industrial Technology in accordance with the provisions, findings, and purposes of this Act.

(b) DIRECTOR.—The President shall appoint, by and with the advice and consent of the Senate, a Director of the Office, who shall be compensated at the rate provided for level V of the Executive Schedule in section 5316 of title V, United States Code.

(c) DUTIES.—In addition to any other duty prescribed by law or assigned by the Secretary, the Director, on a continuing basis, shall—

(1) determine the relationships of technological developments and international technology transfers to the output, employment, productivity, and world trade performance of United States and foreign industrial sectors;

(2) determine the influence of economic, labor and other conditions, industrial structure and management, and government policies on technological developments in particular industrial sectors worldwide;

(3) identify technological needs, problems, and opportunities within and across industrial sectors that if addressed could make a significant contribution to the economy of the United States;

(4) assess whether the capital, technical and other resources being allocated to domestic industrial sectors which are likely to generate new technologies are adequate to meet private and social demands for goods and services and to promote productivity and economic growth;

(5) propose and support studies and policy experiments, in cooperation with other Federal agencies, to determine the effectiveness of measures with the potential of advancing United States technological innovation;

(6) recommend through the Secretary to the President and Congress government measures with the potential of advancing United States technological innovation and exploiting innovations of foreign origin; and

(7) assist in the preparation of the report required under section (d) and publish the results of studies and policy experiments.

(d) REPORT.—The Secretary shall prepare and submit to the President and Congress, within 3 years after the date of enactment of this Act, a report on the progress, findings, and conclusions of activities conducted pursuant to sections 5 and 6 of this Act and recommendations for possible modifications thereof.

SEC. 6. CENTERS FOR INDUSTRIAL TECHNOLOGY.

(a) ESTABLISHMENT.—The Director shall provide assistance for the establishment of Centers for Industrial Technology. Such Centers shall be affiliated with any university, nonprofit institution, or group thereof that applies for and is awarded a grant or enters into a cooperative agreement under this section. The objective of the Centers is to enhance technological innovation through—

(1) the participation of individuals from industry and universities in cooperative technology innovation activities;

(2) the development of the generic research base important for technological advance and innovative activity in which individual firms have little incentive to invest, but which may have significant economic importance, such as manufacturing technology;

(3) the conduct of research that contributes to the scientific basis of health, safety, and environmental regulations for the purposes of improving regulatory actions and minimizing costs of duplicative research;

(4) the education and training of individuals in technology innovation;

(5) the improvement of mechanisms in the dissemination of scientific, engineering, and technical information from universities to industry;

(6) the utilization of the capability and expertise, where appropriate, that exists in Federal laboratories; and

(7) the development of continuing financial support from industry and universities through, among other means, fees, licenses, and royalties.

(b) ACTIVITIES.—The activities of the Centers shall include, but need not be limited to—

(1) research supportive of technology and industrial innovation including cooperative industry-university basic and applied research;

(2) assistance in the evaluation and development of technological ideas supportive of industrial innovation and new business ventures;

(3) technological assistance and advisory services to industry; and

(4) curriculum development and instruction in invention, entrepreneurship, and industrial innovation.

Each Center need not undertake all of the activities under this subsection.

(c) REQUIREMENTS.—Prior to establishing a Center, the Director shall find that—

(1) consideration has been given to the potential contribution to productivity, employment, and economic

competiveness of the United States of the activities proposed under the Center;

(2) a high likelihood exists of continuing participation, advice, financial support, and other contributions from the private sector;

(3) the host university or nonprofit institution has a plan for the management and evaluation of the activities proposed within the particular Center, including consideration of means to place the Center, to the maximum extent feasible, on a self-sustaining basis; and

(4) suitable consideration has been given to the university's or nonprofit institution's capabilities and geographical location.

(d) PLANNING GRANTS.—The Director is authorized to make available nonrenewable planning grants to universities or nonprofit institutions for the purpose of developing a plan required under subsection (c)(3).

(e) RESEARCH AND DEVELOPMENT UTILIZATION.—To promote technology innovation and commercialization of research and development efforts, each Center has the option of acquiring title to any invention conceived or made under the auspices of the Center that was supported at least in part by Federal funds: *Provided,* That—

(1) said option shall be exercised at the time of disclosure of invention or within such time thereafter as may be provided in the grant or cooperative agreement;

(2) the Center intends to promote the commercialization of the invention and file a United States patent application;

(3) licensing be on a nonexclusive basis except where commercialization or industrial support for the project is not likely to be achieved without an exclusive license;

(4) exclusive licenses shall require reasonable and continuous effort by the licensee to advance the invention to the market and be limited to the time necessary to allow for recoupment of investment by the licensee;

(5) royalties be used for educational or research activities of the Center;

(6) the Center make periodic reports to the Director, and the Director may treat information contained in such reports as privileged and confidential technical, commercial, and financial information and not subject to disclosures under the Freedom of Information Act; and

(7) any Federal department or agency shall have the royalty-free right to practice, or have practiced on its behalf, the invention for governmental purposes.

The Secretary shall obtain title to any invention for which this option is not exercised.

SEC. 7. GRANTS AND COOPERATIVE AGREEMENTS.

(a) IN GENERAL.—The Director may make grants and enter into cooperative agreements according to the provisions of this section in order to assist any activity established under section 6 of this Act. The total amount of any such grant or cooperative agreement may not exceed 75 percent of the total cost of the program or project involved.

(b) ELIGIBILITY AND PROCEDURE.—Any person or institution may apply to the Director for a grant or cooperative agreement available under this section. Application shall be made in such form and manner, and with such content and other submissions, as the Director shall prescribe. The Director shall act upon each such application within 6 months after the date on which all required information is received.

(c) TERMS AND CONDITIONS.—

(1) Any grant made, or cooperative agreement entered into, under this section shall be subject to the limitations and provisions set forth in paragraphs (2) and (3) of this subsection, and to such other terms,

conditions, and requirements as the Director deems necessary or appropriate.

(2) No payment under any grant or cooperative agreement under this section may be applied to the purchase or rental of any land, or the purchase, rental, construction, preservation, or repair of any building.

(3) Any person who receives or utilizes any proceeds of any grant made or cooperative agreement entered into under this section shall keep such records as the Director shall by regulation prescribe as being necessary and appropriate to facilitate effective audit and evaluation, including records which fully disclose the amount and disposition by such recipient of such proceeds, the total cost of the program or project in connection with which such proceeds were used, and the amount, if any, of such costs which was provided through other sources. Such records shall be maintained for at least 3 years after the completion of such a program or project. The Secretary, Director, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and evaluation, to any books, documents, papers, and records of receipts which, in the opinion of the Secretary, Director, or the

Comptroller General, may be related or pertinent to such grants and cooperative agreements.

SEC. 8. ADMINISTRATIVE ARRANGEMENTS.

(a) COORDINATION.—The Director shall, on a continuing basis, seek the advice and cooperation of departments and agencies whose missions contribute to or are affected by the programs established under this Act, including the development of an agenda for research and policy experimentation. These departments and agencies shall include but not be limited to the Departments of Defense, Energy, Health, Education, and Welfare, Housing and Urban Development, the Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation, Small Business Administration, Council of Economic Advisers, Council on Environmental Quality, and Office of Science and Technology Policy.

(b) AUTHORIZATION.—The Secretary is authorized to receive moneys from other departments or agencies to support activities of the Centers established under section 6 and for the support of studies and policy experiments. A major portion of the studies and policy experiments shall be conducted under grants and contracts.

SEC. 9. INDUSTRIAL TECHNOLOGY REVIEW PANEL.

(a) ESTABLISHMENT.—There shall be established an independent committee to be known as the Industrial Technology Review Panel.

(b) DUTIES.—The Panel shall take such steps as may be necessary to review annually the activities of the Office and advise the Secretary and the Director with respect to—

(1) the formulation and conduct of activities under section 5 of this title;

(2) the designation and operation of Centers and their programs under section 6 of this Act;

(3) the preparation of the report required under section 5(d); and

(4) such other matters as the Secretary or Director refers to the Panel for review and advice.

The Director shall make available to the Panel such information, personnel, and administrative services and assistance as it may reasonably require to carry out its duties.

(c) MEMBERSHIP, TERMS, AND POWERS.—

(1) The Panel shall consist of 15 voting members who shall be appointed by the Secretary. The Director shall serve as a nonvoting member of the Panel. The members of the Panel shall be individuals who, by reason of knowledge, experience, or training are especially qualified in one or more of the disciplines and fields dealing with technology, labor, and industrial in-

novation or who are affected by technological innovation. The majority of the members of the Panel shall be individuals from industry and business.

(2) The term of office of a voting member of the Panel shall be 3 years, except that of the original appointees, five shall be appointed for a term of 1 year, five shall be appointed for a term of 2 years, and five shall be appointed for a term of 3 years.

(3) Any individual appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. No individual may be appointed as a voting member after serving more than two full terms as such a member.

(4) The Panel shall select a voting member to serve as the Chairperson and another voting member to serve as the Vice Chairperson. The Vice Chairperson shall perform the functions of the Chairperson in the absence or incapacity of the Chairperson.

(5) Voting members of the Panel shall receive compensation at a daily rate for GS–18 of the General Schedule under section 5332 of title V, United States Code, when actually engaged in the performance of duties for such Panel, and be reimbursed for actual and

reasonable expenses incurred in the performance of such duties.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) There is authorized to be appropriated to the Secretary for purposes of carrying out section 6, not to exceed $40,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $60,000,000 for each of the fiscal years ending September 30, 1982, 1983, and 1984.

(b) In addition to authorizations of appropriations under subsection (a), there is authorized to be appropriated for purposes of carrying out the provisions of this Act, not to exceed $10,000,000 for each of the fiscal years ending September 30, 1980, 1981, 1982, 1983, and 1984.

(c) Such sums as may be appropriated under subsections (a) and (b) shall remain available until expended.

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