

FEB 5 1981

Honorable George Bush  
President of the Senate  
Washington, D. C. 20510

Dear Mr. President:

This letter is in reference to Section 11 of Public Law 96-480, the Stevenson-Wylder Technology Innovation Act of 1980, that, among other things, requires:

- o An Office of Research and Technology Applications (ORTA) in each laboratory with an annual budget exceeding \$20 million, to be staffed with at least one full-time professional.
- o Each federal agency, beginning in FY 82, must devote a minimum of one-half percent of the agency's R&D budget to support technology transfer, including support of the ORTAs.

As permitted by the same section of the Act, I am waiving these requirements because:

- o The current activity of DoD in technology transfer substantially achieves the objectives of PL 96-480, without formally meeting the budgetary and staffing requirements as expressed in the language of the Act.
- o R&D activities within the Research, Development, Test and Evaluation budget involve substantial classified and national defense-oriented efforts, that are inappropriate for transfer to the civil sector.
- o DoD technology transfer activities are not, and cannot be, uniformly and effectively distributed throughout the DoD laboratory system. Consequently, the assignment of one professional for an ORTA at each of 57 DoD laboratories would be impractical. (It should be noted that current DoD technology transfer activities involve approximately 700 professional man-years of effort.)

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- o Meeting the above Section II requirements could prove to be a serious management burden on the Department of Defense, and could also interfere with the R&E process in our primary mission of national defense.

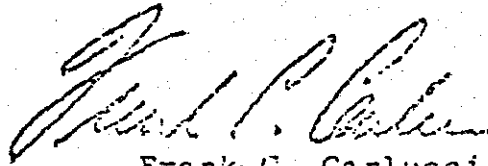
The Department of Defense agrees that it should be part of the mission of DoD laboratories to identify and aid in applying technology of potential value to the civilian sector. Defense technology is made available to the civilian sector through a number of technical information and technology transfer activities. The approximate level of DoD funding and professional manpower invested in these activities is shown in Enclosure (1). As is apparent, the current scope and size of DoD technical information and technology transfer activities are very close to those set forth in the Act, and it is our intention to continue our vigorous support of these activities in the future.

A definite benefit of our method of implementation is that this action is committed to reducing, rather than augmenting, the size of the Federal bureaucracy; to attempt to live up to a literal interpretation of PL 96-480 would go counter to this intent.

It is relevant to note that the Federal Laboratory Consortium for Technology Transfer evolved from a DoD precursor. DoD involvement in the Consortium has been maintained at a high level through the participation of numerous DoD laboratories in Consortium activities. Enclosure (2) is a copy of a report made earlier to the Committee on Appropriations of the United States Senate concerning DoD and the Federal Laboratory Consortium.

I trust that you agree that this waiver is entirely appropriate.

Sincerely,



Frank C. Carlucci  
Deputy Secretary of Defense

Enclosures