



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

PATENT BRANCH, OGC
DHEW

MAR 21 1978

APR 1 1978

The Honorable Gaylord Nelson
Chairman
Senate Select Committee on Small Business
424 Russell Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your letter of March 17th, requesting that I use my authority under P.L. 93-400, the Federal Procurement Policy Act, to stay certain newly issued contract regulations concerning the use of Institutional Patent Agreements (IPAs).

Please excuse the delay in my response; I did not receive your letter until late last evening.

By letter of today (copy enclosed), I have asked the General Services Administration to stay the new contract stipulations for a period of 120 days.

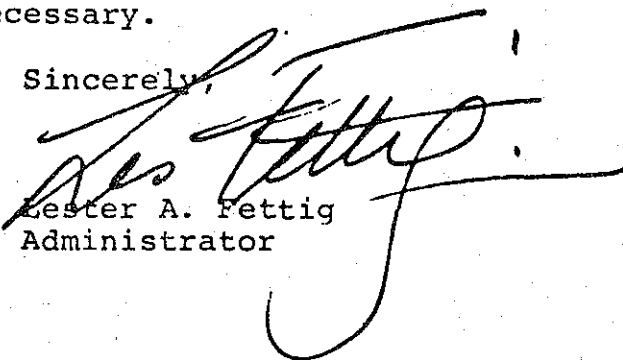
Clearly, the issues involved merit further, careful scrutiny. Although the GSA issuance was a simple carry-through of earlier initiatives dating back several years, its timing was clearly inappropriate given the current interest by your Committee, other Congressional bodies and the Executive Office of the President. The issuance, therefore, did not receive our attention until now.

I did want to point out, however, that the new regulations were not "new" in the sense that they substantially altered the basic approach to using IPAs. There were some changes in terms and conditions, as your analysis pointed out, but the basic principle of retaining Government rights with waiver opportunities will still remain in effect even with this temporary revocation. We will merely continue to suffer from a lack of uniformity between the rules of different executive agencies.

Most important, therefore, is your offer to promptly hold hearings to review these issues. I am aware that you have already initiated hearings into patent matters last session, and I would very much welcome the opportunity to participate this time.

My staff will be in touch with the Committee's staff to make further arrangements as necessary.

Sincerely,



Lester A. Fettig
Administrator