

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. INOUE, 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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "National Technology In-
4 novation Act of 1979".

5 SEC. 2. FINDINGS.

6 The Congress finds and declares that:

7 (1) Technology and industrial innovation are cen-
8 tral to the economic, environmental, and social well-
9 being of citizens of the United States.

1 (2) Technology and industrial innovation offer an
2 improved standard of living, increased public and pri-
3 vate sector productivity, creation of new industries and
4 employment opportunities, improved public services
5 and enhanced competitiveness of United States prod-
6 ucts in world markets.

7 (3) Many new discoveries and advances in science
8 occur in universities and Government laboratories,
9 while the application of this new knowledge to com-
10 mercial and useful public purposes depends largely
11 upon actions by business and labor.

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

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

18 (6) Government antitrust, economic, trade, patent,
19 procurement, regulatory, research and development,
20 and tax policies have significant impacts upon industri-
21 al innovation and development of technology, but there
22 is insufficient knowledge of their effects in particular
23 sectors of the economy.

24 (7) No national policy exists to enhance techno-
25 logical innovation for commercial and public purposes.

1 **SEC. 3. PURPOSE.**

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

5 **SEC. 4. DEFINITIONS.**

6 As used in this Act, unless the context otherwise re-
7 quires, the term—

8 (1) "Office" means the Office of Industrial Tech-
9 nology established under section 5 of this Act.

10 (2) "Secretary" means the Secretary of Com-
11 merce.

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

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

17 (5) "Nonprofit institution" means an organization
18 owned and operated exclusively for scientific or educa-
19 tional purposes, no part of the net earnings of which
20 inures to the benefit of any private shareholder or indi-
21 vidual.

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

1 **SEC. 5. COMMERCE AND TECHNOLOGY INNOVATION.**

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

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

10 (c) **DUTIES.**—In addition to any other duty prescribed
11 by law or assigned by the Secretary, the Director, on a con-
12 tinuing basis, shall—

13 (1) determine the relationships of technological de-
14 velopments and international technology transfers to
15 the output, employment, productivity, and world trade
16 performance of United States and foreign industrial
17 sectors;

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

22 (3) identify technological needs, problems, and op-
23 portunities within and across industrial sectors that if
24 addressed could make a significant contribution to the
25 economy of the United States;

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

7 (5) propose and support studies and policy experi-
8 ments, in cooperation with other Federal agencies, to
9 determine the effectiveness of measures with the poten-
10 tial of advancing United States technological innova-
11 tion;

12 (6) recommend through the Secretary to the
13 President and Congress government measures with the
14 potential of advancing United States technological in-
15 novation and exploiting innovations of foreign origin;
16 and

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

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

1 SEC. 6. CENTERS FOR INDUSTRIAL TECHNOLOGY

2 (a) **ESTABLISHMENT.**—The Director shall provide as-
3 sistance for the establishment of Centers for Industrial Tech-
4 nology. Such Centers shall be affiliated with any university,
5 nonprofit institution, or group thereof that applies for and is
6 awarded a grant or enters into a cooperative agreement
7 under this section. The objective of the Centers is to enhance
8 technological innovation through—

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

12 (2) the development of the generic research base
13 important for technological advance and innovative ac-
14 tivity in which individual firms have little incentive to
15 invest, but which may have significant economic impor-
16 tance, such as manufacturing technology;

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

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

23 (5) the improvement of mechanisms in the dis-
24 semination of scientific, engineering, and technical in-
25 formation from universities to industry;

1 (6) the utilization of the capability and expertise,
 2 where appropriate, that exists in Federal laboratories;
 3 and
 4 (7) the development of continuing financial sup-
 5 port from industry and universities through, among
 6 other means, fees, licenses, and royalties.

7 (b) ACTIVITIES.—The activities of the Centers shall in-
 8 clude, but need not be limited to—

9 (1) research supportive of technology and industri-
 10 al innovation including cooperative industry-university
 11 basic and applied research;

12 (2) assistance in the evaluation and development
 13 of technological ideas supportive of industrial innova-
 14 tion and new business ventures;

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

17 (4) curriculum development and instruction in in-
 18 vention, entrepreneurship, and industrial innovation.

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

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

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

1 competitiveness of the United States of the activities
2 proposed under the Center;

3 (2) a high likelihood exists of continuing participa-
4 tion, advice, financial support, and other contributions
5 from the private sector;

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

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

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

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

1 (1) said option shall be exercised at the time of
2 disclosure of invention or within such time thereafter
3 as may be provided in the grant or cooperative agree-
4 ment;

5 (2) the Center intends to promote the commercial-
6 ization of the invention and file a United States patent
7 application;

8 (3) licensing be on a nonexclusive basis except
9 where commercialization or industrial support for the
10 project is not likely to be achieved without an exclu-
11 sive license;

12 (4) exclusive licenses shall require reasonable and
13 continuous effort by the licensee to advance the inven-
14 tion to the market and be limited to the time necessary
15 to allow for recoupment of investment by the licensee;

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

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

23 and

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

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

6 **SEC. 7. GRANTS AND COOPERATIVE AGREEMENTS.**

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

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

20 (c) **TERMS AND CONDITIONS.**—

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

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

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

7 (3) Any person who receives or utilizes any pro-
8 ceeds of any grant made or cooperative agreement en-
9 tered into under this section shall keep such records as
10 the Director shall by regulation prescribe as being nec-
11 essary and appropriate to facilitate effective audit and
12 evaluation, including records which fully disclose the
13 amount and disposition by such recipient of such pro-
14 ceeds, the total cost of the program or project in con-
15 nection with which such proceeds were used, and the
16 amount, if any, of such costs which was provided
17 through other sources. Such records shall be main-
18 tained for at least 3 years after the completion of such
19 a program or project. The Secretary, Director, and the
20 Comptroller General of the United States, or any of
21 their duly authorized representatives, shall have
22 access, for the purpose of audit and evaluation, to any
23 books, documents, papers, and records of receipts
24 which, in the opinion of the Secretary, Director, or the

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

3 **SEC. 8. ADMINISTRATIVE ARRANGEMENTS.**

4 (a) **COORDINATION.**—The Director shall, on a continu-
5 ing basis, seek the advice and cooperation of departments and
6 agencies whose missions contribute to or are affected by the
7 programs established under this Act, including the develop-
8 ment of an agenda for research and policy experimentation.
9 These departments and agencies shall include but not be lim-
10 ited to the Departments of Defense, Energy, Health, Educa-
11 tion, and Welfare, Housing and Urban Development, the En-
12 vironmental Protection Agency, National Aeronautics and
13 Space Administration, National Science Foundation, Small
14 Business Administration, Council of Economic Advisers,
15 Council on Environmental Quality, and Office of Science and
16 Technology Policy.

17 (b) **AUTHORIZATION.**—The Secretary is authorized to
18 receive moneys from other departments or agencies to sup-
19 port activities of the Centers established under section 6 and
20 for the support of studies and policy experiments. A major
21 portion of the studies and policy experiments shall be con-
22 ducted under grants and contracts.

1 SEC. 9. INDUSTRIAL TECHNOLOGY REVIEW PANEL.

2 (a) **ESTABLISHMENT.**—There shall be established an
3 independent committee to be known as the Industrial Tech-
4 nology Review Panel.

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

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

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

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

14 (4) such other matters as the Secretary or Direc-
15 tor refers to the Panel for review and advice.

16 The Director shall make available to the Panel such informa-
17 tion, personnel, and administrative services and assistance as
18 it may reasonably require to carry out its duties.

19 (c) **MEMBERSHIP, TERMS, AND POWERS.**—

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

1 novation or who are affected by technological innova-
2 tion. The majority of the members of the Panel shall
3 be individuals from industry and business.

4 (2) The term of office of a voting member of the
5 Panel shall be 3 years, except that of the original ap-
6 pointees, five shall be appointed for a term of 1 year,
7 five shall be appointed for a term of 2 years, and five
8 shall be appointed for a term of 3 years.

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

15 (4) The Panel shall select a voting member to
16 serve as the Chairperson and another voting member
17 to serve as the Vice Chairperson. The Vice Chairper-
18 son shall perform the functions of the Chairperson in
19 the absence or incapacity of the Chairperson.

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

1 reasonable expenses incurred in the performance of
2 such duties.

3 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) There is authorized to be appropriated to the Secre-
5 tary for purposes of carrying out section 6, not to exceed
6 \$40,000,000 for the fiscal year ending September 30, 1980,
7 \$50,000,000 for the fiscal year ending September 30, 1981,
8 and \$60,000,000 for each of the fiscal years ending Septem-
9 ber 30, 1982, 1983, and 1984.

10 (b) In addition to authorizations of appropriations under
11 subsection (a), there is authorized to be appropriated for pur-
12 poses of carrying out the provisions of this Act, not to exceed
13 \$10,000,000 for each of the fiscal years ending September
14 30, 1980, 1981, 1982, 1983, and 1984.

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

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