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THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

September 1, 1976

Dear Mr. Frey:

This is to comment on the Federal Intellectual Property Policy Act of 1976. Although we generally approve of the bill, we are troubled by the role of the new Office of Science and Technology Policy (OSTP). The draft bill seems to involve the OSTP in operating and regulatory activities. The Director of the OSTP would make "recommendations" to the Federal Agencies "through appropriate channels" (Title II, Sec. 201 (b)), and he would appoint the members of the "Board", which would hear appeals. We do not believe that a staff agency advising the President should have such involvements.

A more central concern is with the economic impact of the bill. We are not now able to determine whether large changes in property rights would result from the bill and whether incentives to bid on government contracts would be effected. Studies of the economic impact of the bill should be completed by Commerce and circulated before we can take a position on its merits.

Sincerely,



Alan Greenspan

Mr. James Frey  
Assistant Director for  
Legislative Reference  
Office of Management and Budget  
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