

AUG 30 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:

This letter responds to your request for the views of the Treasury Department on the Commerce draft bill, the "Federal Intellectual Property Policy Act of 1976."

Section 402(f) of the draft bill is of primary concern to this Department. This section would authorize the Secretary of Commerce to receive funds from fees, royalties, or other management of federally-owned inventions authorized by the bill, but would provide that such funds will be used only for purposes of the Act.

The Department is opposed to this earmarking. Because there is no reason to expect program resource requirements to match program receipts at any time, earmarking is an inefficient means of public finance, which, moreover, may avoid the necessary processes of budgetary review and appropriation. The Department strongly recommends that section 402(f) require all receipts to be deposited in the Treasury as miscellaneous receipts, where they will be available for general use. Thus, the section should be amended to read as follows:

"(f) To receive funds from fees, royalties and other management of federally-owned inventions authorized under this Act, which are to be deposited in the Treasury as miscellaneous receipts; and"

Sincerely yours,

(Signed) Richard R. Albrecht

General Counsel