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1ST SESSION

S. 395

To provide for a program for the diversification of the activities of certain Federal laboratories.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 18 (legislative day, JANUARY 5), 1993

Mr. LIEBERMAN (for himself and Mr. PRYOR) introduced the following bill;
which was read twice and referred to the Committee on Armed Services

A BILL

To provide for a program for the diversification of the activities of certain Federal laboratories.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PURPOSE AND FINDINGS.**

4 (a) PURPOSE.—The purpose of this Act is to encour-
5 age greater cooperation between Department of Defense
6 research and production facilities and United States in-
7 dustry in order to enhance their mutual technological and
8 productive achievements.

9 (b) FINDINGS.—The Congress finds the following:

1 (1) Department of Defense research and pro-
2 duction facilities possess valuable technological re-
3 sources that could greatly enhance the innovation
4 and productivity of United States industries.

5 (2) As leadership in the development of ad-
6 vanced technology increasingly shifts away from the
7 defense sector of the United States economy to the
8 commercial sector, the Department of Defense will
9 have to draw on private sector technical expertise to
10 satisfy defense needs.

11 (3) Private industry and the Department of De-
12 fense have independently identified many of the
13 same technologies as critical for their respective pur-
14 poses, thereby creating opportunities for the cooper-
15 ative development and production of dual-use tech-
16 nologies.

17 (4) Department of Defense production and re-
18 search facilities currently lack adequate incentives to
19 carry out cooperative development activities with pri-
20 vate industry and adequate means of measuring
21 progress toward the goal of developing and produc-
22 ing more dual-use technologies.

23 (5) Private industry must have more opportuni-
24 ties to provide input into Department of Defense re-
25 search and production facilities in order for such fa-

1 cilities to undertake more research, development,
2 and production relating to dual-use technologies.

3 **SEC. 2. FEDERAL DEFENSE LABORATORY DIVERSIFICA-**
4 **TION PROGRAM.**

5 (a) ESTABLISHMENT OF PROGRAM.—(1) The Sec-
6 retary of Defense shall, as soon as practicable after the
7 date of the enactment of this Act, establish a program to
8 be known as the Federal Defense Laboratory Diversifica-
9 tion Program (in this Act referred to as the “Program”)
10 for the diversification of Federal defense laboratories.

11 (2) The laboratories covered by the Program shall in-
12 clude all Department of Defense (including its services
13 and agencies) owned or operated laboratories and Depart-
14 ment of Defense federally funded research and develop-
15 ment centers that undertake more than \$5,000,000 in re-
16 search (in this Act referred to as the “Defense labora-
17 tories”).

18 (3) The Program shall be managed by the Director
19 of Defense Research and Engineering.

20 (b) NATURE OF DIVERSIFICATION PROGRAM
21 GOALS.—The Program shall undertake cooperation be-
22 tween Defense laboratories and private industry in order
23 to—

24 (1) promote the development and application of
25 dual-use manufacturing technologies to improve

1 quality and efficiency in manufacture of both civilian
2 and defense-oriented products;

3 (2) promote the development and commer-
4 cialization of dual-use product technologies;

5 (3) promote the transfer of defense or dual-use
6 technologies from laboratories to the private sector
7 for the purpose of commercialization, through pat-
8 ent, royalty, and license agreements, cooperative re-
9 search and development agreements, and other coop-
10 erative agreements and through symposia, meetings,
11 and other mechanisms; and

12 (4) promote the efficient adoption and adapta-
13 tion of civilian manufacturing product and process
14 technologies to defense needs in sectors critical to
15 maintaining defense preparedness.

16 (c) DEVELOPMENT OF BENCHMARKS FOR PRO-
17 GRAM.—(1) The Director of Research and Engineering,
18 in cooperation with each Defense laboratory and in con-
19 sultation with private industry, shall develop benchmarks
20 for each category of diversification activity described in
21 subsection (b) for each Defense laboratory covered by this
22 Act. The benchmarks established shall cover fiscal years
23 1993 through 1995 and include for each such fiscal year—

24 (A) the budget resources, manpower, and facili-
25 ties to be utilized by each laboratory; and

1 (B) the dollar value of patents, royalties, and li-
2 censes broken down by product or SIC code to be
3 sought and pursued by each laboratory, in imple-
4 menting the Program.

5 (2) In establishing the benchmark under paragraph
6 (1)(A) for all Defense laboratories covered by the Pro-
7 gram, the Director shall establish benchmarks concerning
8 the number and value of cooperative research and develop-
9 ment agreements and other cooperative agreements to be
10 established and undertaken, allocating, as appropriate, a
11 minimum of two to five percent of budget to such coopera-
12 tive work within two years of the establishment of the Pro-
13 gram.

14 (3) Program benchmarks shall be established not
15 later than 180 days after the date of the enactment of
16 this Act. Upon establishment of the benchmarks, each De-
17 fense laboratory shall promptly proceed to implement
18 same within its overall budget and utilizing other funds
19 that may be available for implementation of this Act.

20 (4) Benchmarks shall be updated each fiscal year on
21 an ongoing basis.

22 (d) INDUSTRY COOPERATION MECHANISMS.—Each
23 Defense laboratory participating in the Program shall es-
24 tablish an industry and academic advisory panel to pro-
25 mote cooperation between the laboratory and the private

1 sector in carrying out the Program. Each laboratory shall
2 utilize its panel to oversee the development of each year's
3 research plan and the implementation of the Program and
4 its benchmarks and to provide advice on how to enhance
5 the dual-use properties of the laboratory's research work
6 on a project-by-project basis.

7 (e) REPORTS BY DIRECTOR.—(1) Not later than Sep-
8 tember 30, 1993, the Director of Research and Engineer-
9 ing shall submit to Congress a report on—

10 (A) the results of a survey undertaken by the
11 Director delineating the nature of the research being
12 undertaken at each laboratory included in the Pro-
13 gram, evaluating the potential of each laboratory in-
14 cluded in the Program to achieve the elements speci-
15 fied in subsection (b); and

16 (B) recommendations on how each such labora-
17 tory might become better oriented to achieving such
18 Program elements.

19 (2) Not later than each of September 30 of 1994,
20 1995, and 1996, the Director shall submit to Congress
21 a report on—

22 (1) the extent to which each laboratory partici-
23 pating in the Program has effectively implemented
24 the benchmarks established by the Program;

1 (2) the accomplishments under the Program in
2 achieving the elements described in subsection (b);
3 and

4 (3) the steps the Director believes necessary to
5 improve the effectiveness of the Program.

6 **SEC. 3. INDUSTRY EVALUATION.**

7 (a) IN GENERAL.—The Director of the Office of
8 Technology Assessment shall, subject to the approval of
9 the Technology Assessment Board, undertake, in close
10 consultation with industrial firms that have cooperated
11 and worked with Federal laboratories, an evaluation of
12 practices and procedures that have proven effective in pro-
13 moting the elements of the Program set forth in section
14 1(b), both in laboratories covered by the Program and
15 elsewhere.

16 (b) ADDITIONAL EVALUATION.—In addition to the
17 evaluation under subsection (a), the Director shall—

18 (1) evaluate the effectiveness of the Program in
19 achieving optimal cooperation with private industry
20 in meeting the elements set forth in section 1(b);
21 and

22 (2) make recommendations for any improve-
23 ments in practices and procedures for cooperating
24 with industry that should be implemented.

1 (c) SUBMITTAL DATE.—The evaluations required
2 under this section shall be submitted not later than 24
3 months after the date of the enactment of this Act.

4 (d) UTILIZATION OF REPORT INFORMATION.—The
5 Director of Research and Engineering shall utilize the rec-
6 ommendations and results of such study in ongoing imple-
7 mentation of the Program.

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