

§ 555.10

(1) A brief statement of the problem.
(2) Nature of corrective action proposed.

(3) Any recommended action for the DOD Program Coordinator.

§ 555.10 Coordination requirements.

All reimbursable work accepted by a laboratory which falls into a category for which a Principal Laboratory has been designated by DAEN-RD, will be reported to the designated POC in the Principal Laboratory, with a copy of the notification to DAEN-RD.

APPENDIX A TO PART 555—DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

JUNE 14, 1974.

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS (R&D)

Subject: Non-Defense Work in DoD Labs and R & D Facilities.

The Deputy SECDEF, in his memorandum of 21 January 1972 to the Secretaries of the Military Departments, on the above subject, (enclosure 1), outlined broad policy considerations for the DoD Laboratory Consortium formed to coordinate non-defense work being performed by them for other government organizations. In order to establish more precise guidelines for the Consortium, an operating policy has been developed (enclosure 2) which establishes criteria for Consortium membership and the type of work that may be undertaken. Also, the following additional constraints are placed upon the operation of this Consortium:

- The expenditure of in-house effort in any one laboratory shall be limited to 3% of the professional man-years at that laboratory unless expressed approval of the parent Military Department is granted to exceed this limit.
- The DoD commitment to support the brokerage function at the National Science Foundation shall not exceed two man-years per year through FY 76, subject to the continued willingness of the Military Departments to absorb the costs.

Malcolm R. Currie.

January 21, 1972.

Memorandum for Secretaries of the Military Departments Director of Defense Research and Engineering Assistant Secretary of Defense (Comptroller).

Subject: Non-Defense Work in DOD Laboratories and R&D Facilities Civil government agencies are expressing an increased interest in the application of defense and aerospace technology to the solution of problems in the civil sector. Included in this interest is the desire to exploit the technological expertise which

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exists in our DOD laboratories for the solutions of domestic problems. Separate and distinct from work done for defense oriented agencies such as AEC and NASA, our DOD laboratories have, for many years, performed selected projects for other agencies upon request. Recently, fifteen of these laboratories have formed a consortium for the purpose of coordinating the non-defense work being performed by them for other government organizations. Although the level of effort is a very small percentage in these laboratories at the present time, the aggregate can have a substantial beneficial impact on domestic programs.

It is generally conceded that the most efficient transfer of technology occurs when the adaptation of a technology to a new purpose is carried out by the team which carried out the original development. Recognizing this, the *Federal Council on Science and Technology (FCST)* has approved a "Policy for Expanded Interagency Cooperation in Use of Federal Laboratories" (attached). I endorse the spirit and intent of this policy.

The Military Services are encouraged to participate in this endeavor consistent with mission and legislative constraints. The level of effort in any laboratory is the prerogative of the cognizant Military Department which may, in turn, issue more detailed policy guidance as appropriate. Any Military Department policy shall be subject to the following considerations:

(a) *The level of effort of the work undertaken shall be such that it does not impede the accomplishment of the missions of the Military Services and the defense laboratories.*

(b) *The projects selected for non-defense work shall be compatible with the technological capability of the laboratory performing the work.*

(c) *Projects may be undertaken in support of federal, state and local government organizations. Non-defense work will be performed for the private industrial sector only on an exception basis.*

(d) *The full costs of projects undertaken shall be supported by transfer of funds through formal written agreements.*

(e) *Jointly sponsored projects are permitted when there is also a direct application to a Military requirement.* The commitment of funds and resources to joint programs shall be commensurate with the interest of each agency in the project.

The Assistant Secretary of Defense (Comptroller) shall explore with the Office of Management and Budget means for providing relief from any imposed manpower constraints to the extent of the DOD participation in non-defense work.

OPERATING POLICY OF THE DEPARTMENT OF
DEFENSE TECHNOLOGY TRANSFER CONSORTIUM

Purpose—The purpose of this policy is to establish the basic framework and direction of the Department of Defense (DOD) Technology Transfer Consortium.

Background—The DOD currently funds approximately half of the total Federal expenditure for R&D. Civil government agencies are expressing an increased interest in the exploitation of defense technology for the solution of problems in the civil sector. The Military Departments have been encouraged to cooperate in this endeavor, subject to considerations promulgated by the Secretary of Defense.

Consortium Purpose—The DOD Laboratories are a source of technology for the solution of these civil sector problems which are amenable to technological solutions. The primary role of the in-house laboratories is to provide a research and development base for the development of systems required to fulfill the national security mission of the DOD. However, these laboratories can serve a vital secondary role in the adaptation of technology to other fields and areas of need to the extent that it does not adversely impact on the primary DOD mission. A consortium of DOD Laboratories is formed for the purpose of coordinating interactions with other Federal Agencies and technology users at federal, state, and local level, and of coordinating the efforts in this endeavor. The technology transfer consortium is an association of DOD Laboratories working together through an informal affiliation. The main thrust of the consortium activity is through the individual and cooperative efforts of the laboratories involved, with an emphasis on the transfer and adaptation of technology through person-to-person mechanisms.

Criteria for Laboratory Consortium Membership. The following criteria for the participation of a DOD Laboratory in Consortium activities shall apply:

- The participation of any laboratory shall be undertaken with the full knowledge of the parent Military Department and the director or commander of the laboratory.
- For each participating laboratory an individual shall be designated by name to represent that laboratory to the consortium, and to coordinate the technology transfer activities of that laboratory. Procedures should be adopted within each laboratory to preclude the dilution of the efforts of middle and top level management by their involvement in the administrative aspects of the technology transfer effort.
- Any laboratory may withdraw from the Consortium by notifying the Consortium Chairman of this intent.

Criteria for Conduct of Work—It is the view of the Consortium that the civil sector

should rely on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels. The laboratories shall attempt to provide a supplemental resource that is not technically available or that is obtainable only at an excessive cost. Such services shall not supplant existing private or industrial resources but are offered to enable other Federal agencies, State and local governments to avoid unnecessary duplication of special service functions.

The following criteria shall apply for the conduct of work undertaken in the technology transfer program:

- In order for work to be undertaken for any government organization each of the following criteria must be satisfied:
 - a. Laboratory staff will not increase as a result of the additional work.
 - b. Laboratory facilities will not be added for non-DOD work.
 - c. Proposed work should relate to a laboratory's area of particular expertise and the laboratory should be a significant resource in the particular subject area.
 - d. A determination should be made that the laboratory's background, experience and facilities are such that private industry could not perform the work except at a significantly increased cost.
- The major emphasis of the Technology Transfer Consortium should be directed to:
 - a. The transfer or adaptation of existing technology, either directly, or after being subjected to adaptive engineering.
 - b. The preparation of documentation and technical assistance in those activities unique to the mission of the DOD laboratories.
- Work will be performed for private industry only on an exception basis, such as when the laboratory possesses unique facilities that are required and which are not available in the private sector.
- Description of the work to be accomplished and the funds to be transferred will normally be specified in a formal inter-agency agreement.
- All costs shall be recovered from the receiving government organization, including realistic overhead costs, except that cooperative developments on a shared cost basis are encouraged where there is a distinct military application.
- Laboratory production of hardware shall normally be limited to prototypes or test units required to prove feasibility.
- Adaptive engineering shall not be performed on technological innovations for which a patent application has been made by a private industrial firm unless permission is received in writing from that firm. Technical, consulting, and support services will not normally be furnished another agency on a continuing basis.

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• Work in the form of analytic services shall not normally be undertaken in areas where comparable expertise exists in com-

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petitive industry. An exception to this provision is acceptable in areas of problem definition where existing Defense technology offers a unique potential solution.