

## Memorandum on Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses October 28, 2011

*Memorandum for the Heads of Executive Departments and Agencies*

*Subject:* Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses

*Section 1. Policy.* Innovation fuels economic growth, the creation of new industries, companies, jobs, products and services, and the global competitiveness of U.S. industries. One driver of successful innovation is technology transfer, in which the private sector adapts Federal research for use in the marketplace. One of the goals of my Administration's "Startup America" initiative, which supports high-growth entrepreneurship, is to foster innovation by increasing the rate of technology transfer and the economic and societal impact from Federal research and development (R&D) investments. This will be accomplished by committing each executive department and agency (agency) that conducts R&D to improve the results from its technology transfer and commercialization activities. The aim is to increase the successful outcomes of these activities significantly over the next 5 years, while simultaneously achieving excellence in our basic and mission-focused research activities.

I direct that the following actions be taken to establish goals and measure performance, streamline administrative processes, and facilitate local and regional partnerships in order to accelerate technology transfer and support private sector commercialization.

*Sec. 2. Establish Goals and Measure Progress.* Establishing performance goals, metrics, and evaluation methods, as well as implementing and tracking progress relative to those goals, is critical to improving the returns from Federal R&D investments. Therefore, I direct that:

(a) Agencies with Federal laboratories shall develop plans that establish performance goals to increase the number and pace of effective

technology transfer and commercialization activities in partnership with non-federal entities, including private firms, research organizations, and non-profit entities. These plans shall cover the 5-year period from 2013 through 2017 and shall contain goals, metrics, and methods to evaluate progress relative to the performance goals. These goals, metrics, and evaluation methods may vary by agency as appropriate to that agency's mission and types of research activities, and may include the number and quality of, among other things, invention disclosures, licenses issued on existing patents, Cooperative Research and Development Agreements (CRADAs), industry partnerships, new products, and successful self-sustaining spinoff companies created for such products. Within 180 days of the date of this memorandum, these plans shall be submitted to the Office of Management and Budget (OMB) which, in consultation with the Office of Science and Technology Policy (OSTP) and the Department of Commerce, shall review and monitor implementation of the plans.

(b) The Interagency Workgroup on Technology Transfer, established pursuant to Executive Order 12591 of April 10, 1987, shall recommend to the Department of Commerce opportunities for improving technology transfer from Federal laboratories, including: (i) current technology transfer programs and standards for assessing the effectiveness of these programs; (ii) new or creative approaches to technology transfer that might serve as model programs for Federal laboratories; (iii) criteria to assess the effectiveness and impact on the Nation's economy of planned or future technology transfer efforts; and (iv) an assessment of cooperative research and development venture programs.

(c) The Secretary of Commerce, in consultation with other agencies, including the National Center for Science and Engineering Statistics, shall improve and expand, where appropriate, its collection of metrics in the Department of

Commerce's annual technology transfer summary report, submitted pursuant to 15 U.S.C. 3710(g)(2).

(d) The heads of agencies with Federal laboratories are encouraged to include technology transfer efforts in overall laboratory evaluation.

*Sec. 3. Streamline the Federal Government's Technology Transfer and Commercialization Process.* Streamlining licensing procedures, improving public availability of federally owned inventions from across the Federal Government, and improving the executive branch's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs based on best practices will accelerate technology transfer from Federal laboratories and other facilities and spur entrepreneurship. Some agencies have already implemented administrative changes to their SBIR and STTR programs on a pilot basis and achieved significant results, such as reducing award times by 50 percent or more. Over the past year, some agencies have also initiated pilot programs to streamline the SBIR award timeline and licensing process for small businesses. In addition, some agencies have developed new short-term exclusive license agreements for startups to facilitate licensing of inventions to small companies. Therefore:

(a) Agencies with Federal laboratories shall review their licensing procedures and practices for establishing CRADAs with the goal of reducing the time required to license their technologies and establish CRADAs to the maximum practicable extent.

(b) The Federal Chief Information Officer and the Assistant to the President and Chief Technology Officer shall, in coordination with other agencies: (i) list all publicly available federally owned inventions and, when available, licensing agreements on a public Government database; (ii) develop strategies to increase the usefulness and accessibility of this data, such as competitions, awards or prizes; and (iii) report their initial progress to OMB and OSTP within 180 days of the date of this memorandum.

(c) The heads of agencies participating in the SBIR and STTR programs shall implement administrative practices that reduce the time

from grant application to award by the maximum practicable extent; publish performance timelines to increase transparency and accountability; explore award flexibility to encourage high quality submissions; engage private sector scientists and engineers in reviewing grant proposals; encourage private sector co-investment in SBIR grantees; partner with external organizations such as mentoring programs, university proof of concept centers, and regional innovation clusters; and track scientific and economic outcomes. The OMB, OSTP, and the Small Business Administration shall work with agencies to facilitate, to the extent practicable, a common reporting of these performance measures.

*Sec. 4. Facilitate Commercialization through Local and Regional Partnerships.* Agencies must take steps to enhance successful technology-innovation networks by fostering increased Federal laboratory engagement with external partners, including universities, industry consortia, economic development entities, and State and local governments. Accordingly:

(a) I encourage agencies with Federal laboratories to collaborate, consistent with their missions and authorities, with external partners to share the expertise of Federal laboratories with businesses and to participate in regional technology innovation clusters that are in place across the country.

(b) I encourage agencies, where appropriate and in accordance with OMB Circular A-11, to use existing authorities, such as Enhanced Use Leasing or Facility Use Agreements, to locate applied research and business support programs, such as incubators and research parks, on or near Federal laboratories and other research facilities to further technology transfer and commercialization.

(c) I encourage agencies with Federal laboratories and other research facilities to engage in public-private partnerships in those technical areas of importance to the agency's mission with external partners to strengthen the commercialization activities in their local region.

*Sec. 5. General Provisions.* (a) For purposes of this memorandum, the term "Federal laboratories"

shall have the meaning set forth for that term in 15 U.S.C. 3703(4).

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) Nothing in this memorandum shall be construed to impair or otherwise affect the functions of the Director of OMB relating to budgetary, administrative, and legislative proposals.

(d) Independent agencies are strongly encouraged to comply with this memorandum.

(e) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA

## The President's Weekly Address

*October 29, 2011*

This week, a new economic report confirmed what most Americans already believe to be true: Over the past three decades, the middle class has lost ground while the wealthiest few have become even wealthier. In fact, the average income for the top 1 percent of Americans has risen almost seven times faster than the income of the average middle class family. And this has happened during a period where the cost of everything from health care to college has skyrocketed.

Now, in this country, we don't begrudge anyone wealth or success. We encourage it. We celebrate it. But America is better off when everyone had the chance to get ahead, not just those at the very top of the income scale. The more Americans who prosper, the more America prospers.

Rebuilding an economy where everyone has the chance to succeed will take time. Our economic problems were decades in the making, and they won't be solved overnight. But there are steps we can take right now to put people back to work and restore some of the security that middle class Americans have lost over the last few decades.

Right now Congress can pass a set of commonsense jobs proposals that independent economists tell us will boost the economy right away. Proposals that will put more teachers, veterans, construction workers, and first-responders back on the job. Proposals that will cut taxes for virtually every middle class family and small business in America. These are the same kinds of proposals that both Democrats and Republicans have

supported in the past. And they should stop playing politics and act on them now.

These jobs proposals are also paid for by asking folks who are making more than a million dollars a year to contribute a little more in taxes. These are the same folks who've seen their incomes go up so much, and I believe this is a contribution they're willing to make. One survey found that nearly 7 in 10 millionaires are willing to step up and pay a little more in order to help the economy.

Unfortunately, Republicans in Congress aren't paying attention. They haven't gotten the message. Over and over, they have refused to even debate the same kinds of jobs proposals that Republicans have supported in the past, proposals that today are supported not just by Democrats, but by Independent and Republican voters all across America. Somehow, though, they found time this week to debate things like whether or not we should mint coins to celebrate the Baseball Hall of Fame. And meanwhile, they're only scheduled to work three more weeks between now and the end of the year.

The truth is, we can no longer wait for Congress to do its job. The middle class families who have been struggling for years are tired of waiting. They need help now. So where Congress won't act, I will.

This week, we announced a new policy that will help families whose home values have fallen to refinance their mortgages and save thousands of dollars. We're making it easier for veterans to get jobs putting their skills to