

the Commerce Committee for their efforts in bringing this bill to the floor today. It is the result of extensive talks between members of both committees and industry groups, and I believe we have reached a very satisfactory conclusion. This measure protects the safety of the citizens of this country while not impeding economic development, and does so in time to meet the June 1 deadline that was enacted during the last Congress.

For those that are not familiar with this issue, fasteners are nuts, bolts, screws used in manufacturing and construction. The fastener industry has a major impact on the economy operating 380 major manufacturing facilities with 44,000 employees and total U.S. sales of \$7.5 billion. This activity is strongly tied to the automobile, aircraft, appliance, construction, agricultural machinery and equipment, and the commercial building industries. For example, more than 200 billion fasteners are consumed annually in this country, 26 billion by the auto industry alone, which has a significant impact in my home state of Michigan. Given that the estimated cost to business of the Fastener Quality Act of 1999 was \$1 billion, it is appropriate that the original act has been updated to reflect changes in the fastener industry.

Mr. Speaker, this legislation promotes safety in a common-sense manner. It addresses the problems of substantial fasteners, requiring testing to be conducted by accredited laboratories and making it unlawful for a fastener manufacturer or distributor to knowingly misrepresent whether a product meets industry-set quality standards. Again, I support this bill and urge my colleagues to the same.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 1183, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TECHNOLOGY TRANSFER COMMERCIALIZATION ACT OF 1999

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 209) to improve the ability of Federal agencies to license federally owned inventions, as amended.

The Clerk read as follows:

H.R. 209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Transfer Commercialization Act of 1999".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the importance of linking our unparalleled network of over 700 Federal laboratories and our Nation's universities with United States industry continues to hold great promise for our future economic prosperity;

(2) the enactment of the Bayh-Dole Act in 1980 was a landmark change in United States technology policy, and its success provides a framework for removing bureaucratic barriers and for simplifying the granting of licenses for inventions that are now in the Federal Government's patent portfolio;

(3) Congress has demonstrated a commitment over the past 2 decades to fostering technology transfer from our Federal laboratories and to promoting public/private sector partnerships to enhance our international competitiveness;

(4) Federal technology transfer activities have strengthened the ability of United States industry to compete in the global marketplace; developed a new paradigm for greater collaboration among the scientific enterprises that conduct our Nation's research and development—government, industry, and universities; and improved the quality of life for the American people, from medicine to materials;

(5) the technology transfer process must be made "industry friendly" for companies to be willing to invest the significant time and resources needed to develop new products, processes, and jobs using federally funded inventions; and

(6) Federal technology licensing procedures should balance the public policy needs of adequately protecting the rights of the public, encouraging companies to develop existing government inventions, and making the entire system of licensing government technologies more consistent and simple.

SEC. 3. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 12(b)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) is amended by inserting "or, subject to section 209 of title 35, United States Code, may grant a license to an invention which is federally owned, for which a patent application was filed before the signing of the agreement, and directly within the scope of the work under the agreement," after "under the agreement."

SEC. 4. LICENSING FEDERALLY OWNED INVENTIONS.

(a) AMENDMENT.—Section 209 of title 35, United States Code, is amended to read as follows:

"§ 209. Licensing federally owned inventions

"(a) AUTHORITY.—A Federal agency may grant an exclusive or partially exclusive license on a federally owned invention under section 207(a)(2) only if—

"(1) granting the license is a reasonable and necessary incentive to—

"(A) call forth the investment capital and expenditures needed to bring the invention to practical application; or

"(B) otherwise promote the invention's utilization by the public;

"(2) the Federal agency finds that the public will be served by the granting of the license, as indicated by the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public, and that the proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical application, as proposed by the applicant, or otherwise to promote the invention's utilization by the public;

"(3) the applicant makes a commitment to achieve practical application of the invention within a reasonable time, which time

may be extended by the agency upon the applicant's request and the applicant's demonstration that the refusal of such extension would be unreasonable;

"(4) granting the license will not tend to substantially lessen competition or create or maintain a violation of the Federal antitrust laws; and

"(5) in the case of an invention covered by a foreign patent application or patent, the interests of the Federal Government or United States industry in foreign commerce will be enhanced.

"(b) MANUFACTURE IN UNITED STATES.—A Federal agency shall normally grant a license under section 207(a)(2) to use or sell any federally owned invention in the United States only to a licensee who agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

"(c) SMALL BUSINESS.—First preference for the granting of any exclusive or partially exclusive licenses under section 207(a)(2) shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time.

"(d) TERMS AND CONDITIONS.—Any licenses granted under section 207(a)(2) shall contain such terms and conditions as the granting agency considers appropriate, and shall include provisions—

"(1) retaining a nontransferrable, irrevocable, paid-up license for any Federal agency to practice the invention or have the invention practiced throughout the world by or on behalf of the Government of the United States;

"(2) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee, but only to the extent necessary to enable the Federal agency to determine whether the terms of the license are being complied with, except that any such report shall be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code; and

"(3) empowering the Federal agency to terminate the license in whole or in part if the agency determines that—

"(A) the licensee is not executing its commitment to achieve practical application of the invention, including commitments contained in any plan submitted in support of its request for a license, and the licensee cannot otherwise demonstrate to the satisfaction of the Federal agency that it has taken, or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(B) the licensee is in breach of an agreement described in subsection (b);

"(C) termination is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license, and such requirements are not reasonably satisfied by the licensee; or

"(D) the licensee has been found by a court of competent jurisdiction to have violated the Federal antitrust laws in connection with its performance under the license agreement.

"(e) PUBLIC NOTICE.—No exclusive or partially exclusive license may be granted under section 207(a)(2) unless public notice of the intention to grant an exclusive or partially exclusive license on a federally owned invention has been provided in an appropriate manner at least 15 days before the license is granted, and the Federal agency has considered all comments received before the end of the comment period in response to that public notice. This subsection shall not

apply to the licensing of inventions made under a cooperative research and development agreement entered into under section 12 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a).

"(f) PLAN.—No Federal agency shall grant any license under a patent or patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development or marketing of the invention, except that any such plan shall be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code."

(b) CONFORMING AMENDMENT.—The item relating to section 209 in the table of sections for chapter 18 of title 35, United States Code, is amended to read as follows:

"209. Licensing federally owned inventions."
SEC. 5. MODIFICATION OF STATEMENT OF POLICY AND OBJECTIVES FOR CHAPTER 18 OF TITLE 35, UNITED STATES CODE.

Section 200 of title 35, United States Code, is amended by striking "enterprise;" and inserting "enterprise without unduly encumbering future research and discovery;"

SEC. 6. TECHNICAL AMENDMENTS TO BAYH-DOLE ACT.

Chapter 18 of title 35, United States Code (popularly known as the "Bayh-Dole Act"), is amended—

(1) by amending section 202(e) to read as follows:

"(e) In any case when a Federal employee is a coinventor of any invention made with a nonprofit organization, a small business firm, or a non-Federal inventor, the Federal agency employing such coinventor may, for the purpose of consolidating rights in the invention and if it finds that it would expedite the development of the invention—

"(1) license or assign whatever rights it may acquire in the subject invention to the nonprofit organization, small business firm, or non-Federal inventor in accordance with the provisions of this chapter; or

"(2) acquire any rights in the subject invention from the nonprofit organization, small business firm, or non-Federal inventor, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction and no other transaction under this chapter is conditioned on such acquisition.";

(2) in section 207(a)—

(A) by striking "patent applications, patents, or other forms of protection obtained" and inserting "inventions" in paragraph (2); and

(B) by inserting "including acquiring rights for and administering royalties to the Federal Government in any invention, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction, to facilitate the licensing of a federally owned invention" after "or through contract" in paragraph (3).

SEC. 7. TECHNICAL AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980.

The Stevenson-Wylder Technology Innovation Act of 1980 is amended—

(1) in section 4(4) (15 U.S.C. 3703(4)), by striking "section 6 or section 8" and inserting "section 7 or 9";

(2) in section 4(6) (15 U.S.C. 3703(6)), by striking "section 6 or section 8" and inserting "section 7 or 9";

(3) in section 5(c)(11) (15 U.S.C. 3704(c)(11)), by striking "State of local governments" and inserting "State or local governments";

(4) in section 9 (15 U.S.C. 3707), by—

(A) striking "section 6(a)" and inserting "section 7(a)";

(B) striking "section 6(b)" and inserting "section 7(b)"; and

(C) striking "section 6(c)(3)" and inserting "section 7(c)(3)";

(5) in section 11(e)(1) (15 U.S.C. 3710(e)(1)), by striking "in cooperation with Federal Laboratories" and inserting "in cooperation with Federal laboratories";

(6) in section 11(i) (15 U.S.C. 3710(i)), by striking "a gift under the section" and inserting "a gift under this section";

(7) in section 14 (15 U.S.C. 3710c)—

(A) in subsection (a)(1)(A)(i), by inserting "other than payments of patent costs as delineated by a license or assignment agreement," after "or other payments";

(B) in subsection (a)(1)(A)(i), by inserting "if the inventor's or coinventor's rights are assigned to the United States" after "inventor or coinventors";

(C) in subsection (a)(1)(B), by striking "succeeding fiscal year" and inserting "2 succeeding fiscal years";

(D) in subsection (a)(2), by striking "Government-operated laboratories of the"; and

(E) in subsection (b)(2), by striking "inventor" and inserting "invention"; and

(8) in section 22 (15 U.S.C. 3714), by striking "sections 11, 12, and 13" and inserting "sections 12, 13, and 14".

SEC. 8. REVIEW OF COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT PROCEDURES.

(a) REVIEW.—Within 90 days after the date of the enactment of this Act, each Federal agency with a federally funded laboratory that has in effect on that date of enactment one or more cooperative research and development agreements under section 12 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a) shall report to the Committee on National Security of the National Science and Technology Council and the Congress on the general policies and procedures used by that agency to gather and consider the views of other agencies on—

(1) joint work statements under section 12(c)(5) (C) or (D) of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(5)(C) or (D)); or

(2) in the case of laboratories described in section 12(d)(2)(A) of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(2)(A)), cooperative research and development agreements under such section 12, with respect to major proposed cooperative research and development agreements that involve critical national security technology or may have a significant impact on domestic or international competitiveness.

(b) PROCEDURES.—Within one year after the date of the enactment of this Act, the Committee on National Security of the National Science and Technology Council, in conjunction with relevant Federal agencies and national laboratories, shall—

(1) determine the adequacy of existing procedures and methods for interagency coordination and awareness with respect to cooperative research and development agreements described in subsection (a); and

(2) establish and distribute to appropriate Federal agencies—

(A) specific criteria to indicate the necessity for gathering and considering the views of other agencies on joint work statements or cooperative research and development agreements as described in subsection (a); and

(B) additional procedures, if any, for carrying out such gathering and considering of agency views with respect to cooperative research and development agreements described in subsection (a).

Procedures established under this subsection shall be designed to the extent possible to use or modify existing procedures, to mini-

mize burdens on Federal agencies, to encourage industrial partnerships with national laboratories, and to minimize delay in the approval or disapproval of joint work statements and cooperative research and development agreements.

(c) LIMITATION.—Nothing in this Act, nor any procedures established under this section shall provide to the Office of Science and Technology Policy, the National Science and Technology Council, or any Federal agency the authority to disapprove a cooperative research and development agreement or joint work statement, under section 12 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a), of another Federal agency.

SEC. 9. INCREASED FLEXIBILITY FOR FEDERAL LABORATORY PARTNERSHIP INTERMEDIARIES.

Section 23 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3715) is amended—

(1) in subsection (a)(1) by inserting "institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), or educational institutions within the meaning of section 2194 of title 10, United States Code" after "small business firms"; and

(2) in subsection (c) by inserting "institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), or educational institutions within the meaning of section 2194 of title 10, United States Code," after "small business firms".

SEC. 10. REPORTS ON UTILIZATION OF FEDERAL TECHNOLOGY.

(a) AGENCY ACTIVITIES.—Section 11 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710) is amended—

(1) by striking the last sentence of subsection (b);

(2) by inserting after subsection (e) the following:

"(f) AGENCY REPORTS ON UTILIZATION.—

"(1) IN GENERAL.—Each Federal agency which operates or directs one or more Federal laboratories or which conducts activities under sections 207 and 209 of title 35, United States Code, shall report annually to the Office of Management and Budget, as part of the agency's annual budget submission, on the activities performed by that agency and its Federal laboratories under the provisions of this section and of sections 207 and 209 of title 35, United States Code.

"(2) CONTENTS.—The report shall include—

"(A) an explanation of the agency's technology transfer program for the preceding fiscal year and the agency's plans for conducting its technology transfer function, including its plans for securing intellectual property rights in laboratory innovations with commercial promise and plans for managing its intellectual property so as to advance the agency's mission and benefit the competitiveness of United States industry; and

"(B) information on technology transfer activities for the preceding fiscal year, including—

"(i) the number of patent applications filed;

"(ii) the number of patents received;

"(iii) the number of fully-executed licenses which received royalty income in the preceding fiscal year, categorized by whether they are exclusive, partially-exclusive, or non-exclusive, and the time elapsed from the date on which the license was requested by the licensee in writing to the date the license was executed;

"(iv) the total earned royalty income including such statistical information as the

total earned royalty income, of the top 1 percent, 5 percent, and 20 percent of the licenses, the range of royalty income, and the median, except where disclosure of such information would reveal the amount of royalty income associated with an individual license or licensee;

"(v) what disposition was made of the income described in clause (iv);

"(vi) the number of licenses terminated for cause; and

"(vii) any other parameters or discussion that the agency deems relevant or unique to its practice of technology transfer.

"(3) COPY TO SECRETARY; ATTORNEY GENERAL; CONGRESS.—The agency shall transmit a copy of the report to the Secretary of Commerce and the Attorney General for inclusion in the annual report to Congress and the President required by subsection (g)(2).

"(4) PUBLIC AVAILABILITY.—Each Federal agency reporting under this subsection is also strongly encouraged to make the information contained in such report available to the public through Internet sites or other electronic means.";

(3) by striking subsection (g)(2) and inserting the following:

"(2) REPORTS.—

"(A) ANNUAL REPORT REQUIRED.—The Secretary, in consultation with the Attorney General and the Commissioner of Patents and Trademarks, shall submit each fiscal year, beginning one year after enactment of the Technology Transfer Commercialization Act of 1999, a summary report to the President, the United States Trade Representative, and the Congress on the use by Federal agencies and the Secretary of the technology transfer authorities specified in this Act and in sections 207 and 209 of title 35, United States Code.

"(B) CONTENT.—The report shall—

"(i) draw upon the reports prepared by the agencies under subsection (f);

"(ii) discuss technology transfer best practices and effective approaches in the licensing and transfer of technology in the context of the agencies' missions; and

"(iii) discuss the progress made toward development of additional useful measures of the outcomes of technology transfer programs of Federal agencies.

"(C) PUBLIC AVAILABILITY.—The Secretary shall make the report available to the public through Internet sites or other electronic means."; and

(4) by inserting after subsection (g) the following:

"(h) DUPLICATION OF REPORTING.—The reporting obligations imposed by this section—

"(1) are not intended to impose requirements that duplicate requirements imposed by the Government Performance and Results Act of 1993 (31 U.S.C. 1101 nt);

"(2) are to be implemented in coordination with the implementation of that Act; and

"(3) are satisfied if an agency provided the information concerning technology transfer activities described in this section in its annual submission under the Government Performance and Results Act of 1993 (31 U.S.C. 1101 nt).";

(b) ROYALTIES.—Section 14(c) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c(c)) is amended to read as follows:

"(c) REPORTS.—The Comptroller General shall transmit a report to the appropriate committees of the Senate and House of Representatives on the effectiveness of Federal technology transfer programs, including findings, conclusions, and recommendations for improvements in such programs. The report shall be integrated with, and submitted at the same time as, the report required by section 202(b)(3) of title 35, United States Code.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 209.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the past two decades, Congress, through legislation considered by the Committee on Science, has established a system to transfer and commercialize unclassified technology from our Federal laboratories to ensure that United States citizens receive the full benefit from our government's investment in research and development.

To help further these goals, the Committee on Science first reported the Stephenson-Wydler Technology Innovation Act of 1980. The committee expanded on that landmark legislation with the passage of the Federal Technology Transfer Act of 1986, the National Competitive Technology Transfer Act of 1989, the American Technology Preeminence Act of 1991, and the National Technology Transfer and Advancement Act of 1995, among others.

As a result, the Committee on Science has strengthened and improved the process of technology transfer from our Federal labs. Technology transfer has resulted in products which are currently being used to enhance our quality of life.

A few examples include biomedical products, such as the AIDS home testing kit; transportation innovations, such as the global positioning system; and new materials technology that make automobiles lighter and more fuel-efficient.

H.R. 209 continues the Committee on Science's long and rich history of advancing technology transfer to help boost our Nation's standard of living. The bill improves and streamlines the ability of Federal agencies to license federally-owned inventions.

Under the Technology Transfer Commercialization Act, Federal agencies would be provided with two important new tools for effectively commercializing on-the-shelf government-owned inventions. First, the bill's revised authorities of Section 209 of the Bayh-Dole Act; and second, the ability to license technology as part of a cooperative research and development agreement.

Both mechanisms make Federal technology transfer programs much more attractive to American private industries that seek to form partnerships with the Federal labs.

I congratulate the chairwoman of the Subcommittee on Technology, the gentlewoman from Maryland (Mrs. MORELLA) for introducing H.R. 209, and for her very capable efforts in working cooperatively with members of the minority, the administration, and the other body to reach an agreement on this important bipartisan bill.

Mr. Speaker, H.R. 209 was reported by the committee without objection by voice vote and has been discharged by the Committee on the Judiciary, to which the bill was sequentially referred.

I appreciate the cooperation of the chairman and ranking member of the Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE) and the gentleman from Michigan (Mr. CONYERS), for their cooperation in expeditiously bringing this bill to the floor. H.R. 209 is yet another important step in refining our Nation's technology transfer laws to remove existing impediments to enhance government and industry collaboration, and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 209, the Technology Transfer Commercialization Act of 1999. H.R. 209 is the product of 2 years of hard work on the part of the Committee on Science, the Senate Committee on Commerce, the Senate Committee on the Judiciary, and the administration.

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We seem finally to have developed a version of the legislation that is acceptable to all these parties.

This is no small feat in the world of patent policy, and I want to thank the gentleman from Wisconsin (Chairman SENSENBRENNER), the gentleman from California (Mr. BROWN), the gentlewoman from Maryland (Mrs. MORELLA), the subcommittee chair, and the gentleman from Michigan (Mr. BARCIA), the subcommittee ranking Democrat, for their hard work which has put us in this enviable position.

H.R. 209 is the first comprehensive review of Federal patent policy in 15 years. The 1980 Bayh-Dole Act, which it amends, has made a major difference in the commercialization of Federal inventions. Before Bayh-Dole passed, it was relatively rare for inventions resulting from Federal research to reach their market potential.

As many as 20,000 Federal inventions were patented but not licensed. Only two or three inventions at that point had achieved royalties as high as a million dollars, and the total royalty stream for the entire Federal Government at that time was less than the royalties received by a mid-sized university today.

Bayh-Dole has opened major opportunities to research universities like the University of Colorado, which is in my

district in Colorado. It has been a major contributor to the outreach activities of contractor-operated laboratories like the National Renewable Energy Laboratory, located also in Colorado. It has led to benefits for Federally employed inventors and their laboratories, including NIST and NOAA at the Department of Commerce and throughout the government.

Over the 19 years since the enactment of the Bayh-Dole Act, we have learned of the need for some improvements. The bill before us takes advantage of the lessons learned and is intended to make the law more user friendly. It also updates the act to reflect the new ways that industry now gets and shares information.

One important section of the bill developed by the gentlewoman from California (Mrs. TAUSCHER) deserves special mention. That section provides for the Committee on National Security, part of the Office of Science and Technology Policy, to work with affected agencies, to make sure that major cooperative research and development agreements get proper interagency review.

Some of these cooperative agreements involve issues of national security, domestic competitiveness, and even international competitiveness. These clearly extend beyond the expertise of the contracting agency and interagency clearance will permit resolution of significant issues before agreements are signed.

We are pleased that the Committee on National Security has begun its work in anticipation of the passage of this provision and that they are also examining analogous situations that involve Work for Others agreements and patent licensing.

Mr. Speaker, H.R. 209 is very similar to legislation that passed the House twice last Congress. A handful of improvements have been made at the suggestion of the Senate Judiciary Committee. Jurisdictional differences in the Senate also appear to have been worked out.

So it is our hope that if we can pass this bill today, it will be considered in the near future by the Senate and cleared by the President perhaps this month. I urge passage of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I shall not exceed 10 minutes, although I could with this bill, and it has been around long enough. It was passed by the House in the last session by our Committee on Science. I appreciate the time that the gentleman from Wisconsin has yielded to me.

Mr. Speaker, as previously stated by the gentleman from Wisconsin (Chairman SENSENBRENNER) from the Committee on Science, Congress has long encouraged the transfer of unclassified technology created in our Federal laboratories to United States private industry.

Our Federal laboratories have long been considered one of our greatest scientific research and development resources, employing one out of every six scientists in the country, and encompassing one-fifth of the country's laboratory and equipment capabilities.

Effectively capturing this wealth of ideas and technology from our Federal laboratories through the transfer to the private industry for commercialization has helped to bolster our Nation's ability to compete in the global marketplace. By permitting effective collaboration between our Federal laboratories and private industry, new technologies are being rapidly commercialized.

Federal technology transfer stimulates the American economy. It enhances the competitive position of the United States industry internationally, promotes the development and use of new technologies developed under taxpayer funded research so those innovations are incorporated quickly and effectively into practice, and that is to the benefit of the American public.

By reducing the delay and the uncertainty created by existing procedural barriers, by lowering the transactional costs associated with licensing Federal technologies from the government, we could greatly increase participation by the private sector in its technology transfer programs.

This approach would expedite the commercialization of government-owned inventions; and through royalties, it could reduce the cost to the American taxpayer for the production of new technology-based products created in our Nation's Federal laboratories. That is the intention of the bill that is before us.

The goal of H.R. 209, the Technology Transfer Commercialization Act, is to remove the procedural obstacles and, to the greatest extent possible within the public interest, the uncertainty involved in the licensing of Federally patented inventions created in a government-owned, government-operated laboratory by applying the successful Bayh-Dole Act provisions to a GOGO.

As a result, the Technology Transfer Commercialization Act provides Federal laboratories with two important new tools for effectively commercializing on-the-shelf, government-owned inventions: one, the bill's revised authorities of section 209 of the Bayh-Dole Act, and, two, the ability to license technology as part of a CRADA.

Both mechanisms make Federal technology transfer programs much more attractive to United States private companies that seek to form partnerships with Federal laboratories.

H.R. 209, as amended by the committee, also makes a number of smaller adjustments to the Bayh-Dole Act and the Stevenson-Wydler Act of 1980 to improve those laws and to reflect a series of consensus lessons learned from 19 years of practical application

of our current Federal technology transfer laws.

Given the importance and benefits of technology transfer, the Committee on Science and the Subcommittee on Technology, which I chair, continue to refine the technology transfer provisions to facilitate greater government, university, and industry collaboration.

I believe it is important to note that, with the enactment of these new authorities, most recently with the National Technology Transfer and Advancement Act of 1995, and now with the Technology Transfer Commercialization Act of 1999, that Congress has gone to great lengths to provide the Federal agencies with unprecedented authorities to enter into research and development partnerships with industry.

It is only fair that, as public stewards, these agencies must now be held accountable for aggressively applying these mechanisms.

Too many times the private sector's perception is that the bureaucracy's main concern is avoiding criticism in making decisions, not in completing the deal. This complaint has been heard too many times to not believe there is some truth behind the charge.

Innovation is always a difficult task. It must be approached aggressively and prudently. Those are not contradictory goals. They require good judgment combined with the willingness to take risks.

So it is my expectation using our oversight powers to ensure that this will be so, that Federal agencies can now effectively utilize the expanded authorities that we in Congress have provided and which we fully expect them to use to promote partnerships with industry.

I want to also note that the bill before us represents a bipartisan and a bicameral consensus. I am pleased to have worked closely with the members of the minority, the administration, and the Senate in helping to perfect the bill since it was originally introduced.

I am especially pleased that the administration has issued a statement of administration policy stating that, "the Administration supports House passage of H.R. 209, which will significantly facilitate the licensing of government-owned inventions by Federal agencies."

I would like to thank the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. BROWN), chairman and ranking member of the Committee on Science, as well as the gentleman from Michigan (Mr. BARCIA), ranking member of the Subcommittee on Technology, for their support of H.R. 209.

I also want to commend a number of the Members of the other body, Senators ROCKEFELLER, FRIST, HATCH and LEAHY for their input and support in helping to refine the legislation.

It is my understanding that H.R. 209 will soon be placed before the Senate

for its consideration. I look forward to its expedited consideration and its eventual enactment into law in the near future.

So I urge my colleagues to support H.R. 209 and to pass this important measure.

Mr. Speaker, as previously stated by the Chairman of the Science Committee, Congress has long encouraged the transfer of unclassified technology created in our Federal laboratories to United States private industry.

Our Federal laboratories have long been considered one of our greatest scientific research and development resources—employing one of every six scientists in the country, and encompassing one-fifth of the country's laboratory and equipment capabilities.

Effectively capturing this wealth of ideas and technology from our Federal labs, through the transfer to private industry for commercialization, has helped to bolster our Nation's ability to compete in the global marketplace.

By permitting effective collaboration between our Federal laboratories and private industry, new technologies are being rapidly commercialized.

Federal technology transfer stimulates the American economy, enhances the competitive position of United States industry internationally, and promotes the development and use of new technologies developed under taxpayer funded research so those innovations are incorporated quickly and effectively into practice—to the benefit of the American public.

One of the most successful legislative frameworks for advancing Federal technology transfer has been the Bayh-Dole Act.

The Bayh-Dole Act, enacted in 1980, permits universities, not-for-profit organizations, and small businesses to obtain title to scientific inventions developed with Federal Government support.

The Bayh-Dole Act also allows Federal agencies to license Government-owned patented scientific inventions either nonexclusively, partially exclusively, or exclusively, depending upon which license is determined to be the most effective means for achieving commercialization.

Critical pressures originally prompted the passage of the Bayh-Dole Act.

Prior to its enactment, many discoveries resulting from Federally-funded scientific research were not commercialized for the American public's benefit.

Since the Federal Government lacked the resources to market new inventions, and private industry was reluctant to make high-risk investments without the protection of patent rights, many valuable innovations were left unused on the shelf of Federal laboratories.

With its success licensing Federal inventions, the Bayh-Dole Act is widely viewed as an effective framework for Federal technology transfer.

For example, the Association of University Technology Managers (AUTM) conducted a 1996 study on the effect of the Bayh-Dole Act.

AUTM concluded that the law garnered tremendous economic benefits not just for the universities and private industry directly involved in each partnership, but more importantly, for the United States economy as a whole.

The AUTM report documented that the impact of the Bayh-Dole Act represented a very real gain to Federal agencies and the Nation

since it not only encourages the commercialization of Government-owned patents that would otherwise gather dust on the shelf, but it also brings in revenues to the Federal Government through licensing fees.

Accordingly, the process for the licensing of Government-owned patents should continue to be refined by streamlining the procedures and by removing the uncertainty associated with the licensing process.

Both past and prospective private industry partners, however, have voiced their concerns regarding the Federal technology licensing process.

The private sector has already demonstrated a strong interest in the strategic advantages of partnering with a Federal laboratory through a Cooperative Research and Development Agreement (CRADA) or through the licensing of Government-owned technology, but companies are deterred by the delays and uncertainty often associated with the lengthy Federal technology transfer process.

These procedural barriers and delays can increase transaction costs and are often incompatible with the private sector's need for a swift commercialization calendar.

The present regulations governing Federal technology transfer have also made it difficult for a Government-owned, Government-operated laboratory (GOGO) to bring existing scientific inventions into a CRADA even when its inclusion would create a more complete technology package.

Currently, a GOGO does not have the flexibility that small businesses and non-profits have in managing their inventions under the Bayh-Dole Act.

Also, a GOGO, unlike a GOCO, currently faces statutory notification provisions when granting exclusive licenses, and more importantly, it cannot include existing inventions in a CRADA.

By reducing the delay and uncertainty created by existing procedural barriers, and by lowering the transactional costs associated with licensing Federal technologies from the Government, we could greatly increase participation by the private sector in its technology transfer programs.

This approach would expedite the commercialization of Government-owned inventions, and through royalties, could reduce the cost to the American taxpayer for the production of new technology-based products created in our Nation's Federal laboratories.

That is our intention in the bill before us.

The goal of H.R. 209, The Technology Transfer Commercialization Act, is to remove the procedural obstacles and, to the greatest extent possible within the public interest, the uncertainty involved in the licensing of Federally patented inventions created in a Government-owned, Government-operated laboratory, by applying the successful Bayh-Dole Act provisions to a GOGO.

As a result, the Technology Transfer Commercialization Act provides Federal laboratories with two important new tools for effectively commercializing on-the-shelf, Government-owned inventions:

(1) The bill's revised authorities of Section 209 of the Bayh-Dole Act; and

(2) The ability to license technology as part of a CRADA.

Both mechanisms make Federal technology transfer programs much more attractive to United States private companies that seek to form partnerships with Federal laboratories.

H.R. 209, as amended by the Committee, also makes a number of smaller adjustments to the Bayh-Dole Act and the Stevenson-Wydler Act of 1980 to improve those laws and to reflect a series of consensus "lessons learned" from 19 years of practical application of our current Federal technology transfer laws.

Given the importance and benefits of technology transfer, the Science Committee and my Technology Subcommittee have continued to refine the technology transfer process to facilitate greater Government, university, and industry collaboration.

As a result, the ability of the United States to compete globally has been strengthened and a new paradigm for greater collaboration among the scientific enterprises that conduct our nation's research and development—Government, industry, and universities—has been developed.

Federal agencies have now been provided with unparalleled authorities to promote technology transfer.

I believe it's important, however, to note that with the enactment of these new authorities, most recently with the National Technology Transfer and Advancement Act of 1995, and now with the Technology Transfer Commercialization Act of 1999, Congress has gone to great lengths to provide the Federal agencies with unprecedented authorities to enter into research and development partnerships with industry.

It is only fair that as public stewards, these agencies must now be held accountable for aggressively applying these mechanisms.

Too many times the private sector's perception is that the bureaucracy's main concern is avoiding criticism in making decisions, not in completing the deal.

This complaint has been heard too many times to not believe there is some truth behind the charge.

Innovation is always a difficult task and must be approached aggressively and prudently.

These are not contradictory goals—they require good judgment combined with the willingness to take risks.

It is my expectation, and using our oversight powers to ensure that his will be so, that Federal agencies can now effectively utilize the expanded authorities we, in Congress, have provided and which we fully expect them to use to promote partnerships with industry.

Let me close by noting that the bill before us represents a bipartisan and bicameral consensus.

I am pleased to have worked closely with the members of the Minority, the Administration, and the Senate is helping to perfect the bill since it was originally introduced.

I am especially pleased that the Administration has issued a Statement of Administration Policy stating that, "the Administration supports House passage of H.R. 209, which will significantly facilitate the licensing of Government-owned inventions by Federal agencies."

I would like to thank the Chairman and Ranking Member of the Science committee, Mr. SENSENBRENNER and Mr. BROWN, as well as the Ranking Member of my Technology Subcommittee, Mr. BARCIA, for their support of H.R. 209.

I would also like to commend a number of members of the other body, Senators ROCKEFELLER, FRIST, HATCH, and LEAHY for their

input and support in helping to refine the legislation.

It is my understanding that H.R. 209 will soon be placed before the Senate for its consideration.

I look forward to its expedited consideration and its eventual enactment into law in the very near future.

I urge all of my colleagues to support H.R. 209, the Technology Transfer Commercialization Act of 1999 and to pass this important measure.

Mr. BERRY. Mr. Speaker, Ms. MORELLA is a Member I have great respect for because of her bipartisanship.

I appreciate the efforts made in the H.R. 209, the Technology Transfer Commercialization Act of 1999, to ensure members of the public benefit from inventions created by the federal government.

However, I am concerned that this bill could lead to consumers having to pay more for prescription drugs as a result of there not being adequate notification or time to raise public objections concerning the government granting a company the exclusive right to manufacture a prescription drug developed by federal researchers.

I look forward to working with members of the House of Representatives and the Senate to ensure that any legislation eventually enacted works to the benefit of the public and businesses, alike.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 209, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FIRE ADMINISTRATION AUTHORIZATION ACT OF 1999

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1550) to authorize appropriations for the United States Fire Administration for fiscal years 2000 and 2001, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fire Administration Authorization Act of 1999".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 17. Except as otherwise specifically provided with respect to the payment of

claims under section 11 of this Act, there are authorized to be appropriated to carry out the purposes of this Act—

"(1) \$30,554,000 for fiscal year 1999;

"(2) \$46,130,000 for fiscal year 2000, of which \$2,200,000 shall be used for research activities, and \$250,000 shall be used for contracts or grants to non-Federal entities for data analysis, including general fire profiles and special fire analyses and report projects, and of which \$6,000,000 shall be for anti-terrorism training, including associated curriculum development, for fire and emergency services personnel; and

"(3) \$49,500,000 for fiscal year 2001, of which \$3,000,000 shall be used for research activities, and \$250,000 shall be used for contracts or grants to non-Federal entities for data analysis, including general fire profiles and special fire analyses and report projects, and of which \$8,000,000 shall be for anti-terrorism training, including associated curriculum development, for fire and emergency services personnel.

None of the funds authorized by paragraph (3) may be obligated unless the Administrator has certified to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that the obligation of funds is consistent with the strategic plan transmitted under section 3 of the Fire Administration Authorization Act of 1999."

SEC. 3. STRATEGIC PLAN.

(a) REQUIREMENT.—Not later than April 30, 2000, the Administrator of the United States Fire Administration shall prepare and transmit to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a 5-year strategic plan of program activities for the United States Fire Administration.

(b) CONTENTS OF PLAN.—The plan required by subsection (a) shall include—

(1) a comprehensive mission statement covering the major functions and operations of the United States Fire Administration in the areas of training, research, data collection and analysis, and public education;

(2) general goals and objectives, including those related to outcomes, for the major functions and operations of the United States Fire Administration;

(3) a description of how the goals and objectives identified under paragraph (2) are to be achieved, including operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

(4) an identification of the fire-related activities of the National Institute of Standards and Technology, the Department of Defense, and other Federal agencies, and a discussion of how those activities can be coordinated with and contribute to the achievement of the goals and objectives identified under paragraph (2);

(5) a description of objective, quantifiable performance goals needed to define the level of performance achieved by program activities in training, research, data collection and analysis, and public education, and how these performance goals relate to the general goals and objectives in the strategic plan;

(6) an identification of key factors external to the United States Fire Administration and beyond its control that could affect significantly the achievement of the general goals and objectives;

(7) a description of program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations;

(8) a plan for the timely distribution of information and educational materials to State and local firefighting services, including volunteer, career, and combination services throughout the United States;

(9) a description of how the strategic plan prepared under this section will be incorporated into the strategic plan and the performance plans and reports of the Federal Emergency Management Agency; and

(10)(A) a description of the current and planned use of the Internet for the delivery of training courses by the National Fire Academy, including a listing of the types of courses and whether they provide real time interaction between instructor and students, and including the number of students enrolled, and the geographic distribution of students, for the most recent fiscal year;

(B) an assessment of the availability and actual use by the National Fire Academy of Federal facilities suitable for distance education applications, including facilities with teleconferencing capabilities; and

(C) an assessment of the benefits and problems associated with delivery of instructional courses using the Internet, including limitations due to network bandwidth at training sites, the availability of suitable course materials, and the effectiveness of such courses in terms of student performance.

SEC. 4. RESEARCH AGENDA.

(a) REQUIREMENT.—Not later than 120 days after the date of the enactment of this Act, the Administrator of the United States Fire Administration, in consultation with the Director of the Federal Emergency Management Agency, the Director of the National Institute of Standards and Technology, representatives of trade associations, State and local firefighting services, and other appropriate entities, shall prepare and transmit to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report describing the United States Fire Administration's research agenda and including a plan for implementing that agenda.

(b) CONTENTS OF REPORT.—The report required by subsection (a) shall—

(1) identify research priorities;

(2) describe how the proposed research agenda will be coordinated and integrated with the programs and capabilities of the National Institute of Standards and Technology, the Department of Defense, and other Federal agencies;

(3) identify potential roles of academic and other research institutions in achieving the research agenda;

(4) provide cost estimates, anticipated personnel needs, and a schedule for completing the various elements of the research agenda;

(5) describe ways to leverage resources through partnerships, cooperative agreements, and other means; and

(6) discuss how the proposed research agenda will enhance training, improve State and local firefighting services, impact standards and codes, increase firefighter and public safety, and advance firefighting techniques.

(c) USE IN PREPARING STRATEGIC PLAN.—The research agenda prepared under this section shall be used in the preparation of the strategic plan required by section 3.

SEC. 5. SURPLUS AND EXCESS FEDERAL EQUIPMENT.

The Federal Fire Prevention and Control Act of 1974 is amended by adding at the end the following new section: