

R&D Contracting by Non-traditional Defense Contractors

Integrated
Dual-use
Commercial
Companies

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Background

Mid 80's CEO: 3M has technologies that our government needs

- Government R&D Contracting to develop ways to make 3M technologies available to Government without jeopardizing their value?
- Hired experienced Government Contract Attorneys and Contract Managers.
- Consultants: must separate businesses.
- Contacted the heads of R&D of like companies

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IDCC

Formed in 1991 by large technology rich commercial companies:

- Perform “relatively small” amount of government contract R&D.
- Much of their R&D is currently unavailable to the Military due to contractual requirements
- Current primary focus: R&D

IDCC Members

Corning, Inc.

Dow Chemical Company

Dow Corning

Eastman Chemical Company

Eaton Corp.

Energizer Battery Manufacturing, Inc.

Honeywell International, Inc.

Rohm & Haas

Sherwin Williams

W.L. Gore and Associates

Previous Members

3M	Cummins
Alcoa	Motorola
Air Products	IBM
DuPont	Eastman Kodak

IDCC **Integrated Dual-use Commercial** **Companies**

- Large Global Firms
- 2006 Sales \$131 Billion
- Fortune 1000 & Forbes Global 2000 Public firms
- Average firm founded —107 years
- Total Employees — 329,000

IDCC

- Invest Significant \$\$ in R&D — 2006 \$4.3 B
- Est. Total Technology Reservoir — **\$100 B**
- Patents awarded 1963 to 2006 — 34,740
- Primarily Materials and Components
- Research is investment for future products

IDCC firms have 1 or 2 labs, **out of many labs**, that accept **Dual-use** Government R&D contracts and/or agreements

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“Patent Board track global activity relating to companies' innovation, technology and Science strengths.”

17 industries; “Multi-industry companies are ranked on patents related to the featured industry.”
Technology Strength, Industry Impact, Patents Granted, Science Strength, Research Intensity and Innovation Cycle Time.

Chemicals Global Rank

- Rohm & Haas 3
- Honeywell 9, Also #10 in Aero Space and Defense
- Dow Chemical 16

Industrial Materials

- Corning 1
- WL Gore 9

Semiconductors

- Intel (Guest) 1

Industrial Components & Fixtures

- Eaton 10

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2008 IDCC Long Term Goals

- 1. Work for R&D to be classified as a commercial item, commercial service or commercial R&D when provided by a commercial entity, commercial business unit or non-traditional contractor.
- 2. Work to develop flexibility in federal principles involving intellectual property ownership and rights.
 - a. Rights in data (i.e., modernize Bayh-Dole and its implementing regulations).
- 3. Work to assure that the government continues to benefit from the original Acquisition Reform improvements proposed by the Section 800 panel and legislated by FASA/FARA.
- 4. Enable members to use a durable mechanism for sharing commercial R&D that potentially fits agency needs.
- 5. Familiarize IDCC members with Prime contractor's current practices as they relate to conducting business with the Federal government and ensure a mechanism to remain current.

HOW WELL IS DOD ACCESSING TECHNOLOGY IN COMMERCIAL LABS?

\$166 Billion in R&D in 2006

DoD's "Managers Guide to Technology Transition" Non-Traditional Large Firms--

- "commercial technology is increasingly important."
- "The companies responsible for the worldwide technology revolution in recent years typically are non-traditional large firms that do little or no business with DoD."

"Studies indicate that non-traditional firms are reluctant to enter the defense market, primarily because of IP issues"

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DoD's "Managers Guide to Technology Transition in an Evolutionary Acquisition Environment" - 2003

Business Segment	Small Business	Large Business
\$ Billions in R&D investment	\$33	\$148
% of Industrial R&D	18%	82%

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US Industrial Firms Allowing DoD Access to Their Technology Based on DoD RDT&E awards

1995 DoD RDT&E VS. FORTUNE 500	9%	45
1997 DoD RDT&E VS. BUS'WEEK 900	8%	72
2006 DoD RDT&E VS. dti 541 (81%)	14%	76

**Our Government does NOT have timely access to
More than \$166 Billion of R&D annually!**

2006 R&D: \$343, 65% Ind, 28% Fed & 7% non-profit

		US Firm	B\$ Non-Fed R&D	% Non-Fed R&d	Total DoD R&D \$B	% of Total DoD R&D
Total USA			\$246	100.0%	\$37.0	100.0%
DTI Study	2006 R&D \$33M plus	541	\$177	72.0%	\$26.2	70.8%

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DTI Study	2006 R&D \$33M plus	541	\$177	72%	\$26.2	70.8%
DoD Contractors	DoD R&D over 10%	30	\$11	4%	\$26.0	70.3%

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Lockheed Martin	\$1,043.94	\$9,530.205	912.91%
L-3 Communications	\$65.82	\$399.783	607.35%
Northrop Grumman	\$539.00	\$2,874.671	533.34%
Oshkosh Truck	\$33.45	\$141.704	423.58%
Raytheon	\$503.94	\$2,130.384	422.74%
General Dynamics	\$344.64	\$1,390.463	403.46%
Alliant Techsystems	\$51.60	\$177.471	343.94%
Boeing	\$2,209.12	\$6,882.332	311.54%
Teledyne Technologies	\$44.98	\$100.461	223.36%
ITT Industries	\$177.93	\$330.000	185.46%
DRS Technologies	\$47.70	\$67.459	141.44%
Esterline Technologies	\$42.31	\$37.540	88.72%
United Technologies	\$1,369.55	\$1,080.966	78.93%
FLIR Systems	\$51.62	\$33.809	65.50%
Coherent	\$57.65	\$25.154	43.63%
Harris	\$137.55	\$58.202	42.31%
Textron	\$326.61	\$117.409	35.95%
Cray	\$41.80	\$14.998	35.88%
Gentex	\$35.12	\$10.225	29.11%
Rockwell Collins	\$243.45	\$64.601	26.54%
Rockwell Automation	\$138.86	\$31.532	22.71%
Curtiss-Wright	\$39.75	\$5.040	12.68%
General Electric	\$3,431.38	\$381.372	11.11%
Cree	\$42.85	\$4.338	10.12%

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DoD Contractors	DoD R&D over 10%	30	\$11	4%	\$26.0	70.3%
Com'l firms	Non-traditional	511	\$166	68%	\$0.2	0.5%

2006 R&D: \$343, 65% Ind, 28% Fed & 7% non-profit

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Smaller Firms	Plus U's & non-profits	???	\$69	28%	\$10.8	29.2% Good!!

2006 R&D: \$343, 65% Ind, 28% Fed & 7% non-profit
SUMMARY

	FIRMS	% of Non-Fed R&D \$	% of DOD R&D \$
DOD Contractors	30	4%	70.3%
Smaller, Us Non-profits		28%	29.2%
Non-Traditional	511	68%	0.5%

**WHY SHOULD DOD TRY TO ACCESS
PART OF THE VAST RESERVOIR
OF TECHNOLOGY IN THESE
LARGER COMMERCIAL LABS?**

Global Patent Board, 17 Industries, ipig.com

Industrial Materials	Semiconductors	Information Technology
Corning, Inc	Intel Corp	Microsoft Corp
3M Co.	Micron Technology	IBM
Hitachi Ltd.	IBM	Hewlett-Packard
NGK Insulators	Samsung Group	Canon
Campagnie de Saint-Gobain	Texas Instruments	Hitachi Ltd

Patent Board, 17 Industries

Electronics & Instruments	Consumer Electronics	Aerospace & Defense
Hon Hai Precision Instru.	Sony	Boeing
E-Ink Corp	Fuji Film	Lockheed Martin
Canon Inc	Matsushita Electric	General Electric
Seiko Epson	Samsung	EADS
#8 Agilent	# 7 International Game	Northrop Grumman

Patent Board, top 2 US firms with DoD Contracts

	Internal R&D \$M	DoD R&D	DoD R&D /commercial R&D
3M Co	\$799	\$3.0	0.38%
Agilent Technologies	\$739	\$0.3	0.04%
Boeing Co	\$2,209	\$6,882.0	311.54%
Caterpillar Inc	\$1,086	\$27.2	2.51%
Deere & Co	\$679	\$0.2	0.03%
DuPont	\$1,338	\$3.6	0.27%
General Motors Corp	\$6,712	\$0.3	0.00%
IBM	\$5,155	\$12.7	0.22%
Lockheed Martin	\$1,044	\$9,530.2	912.91%
Micron Technology	\$605	\$0.3	0.05%
Microsoft Corp	\$9,586	\$1.9	0.02%

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Patent Board, Top 2 US firms without DoD Contracts

	Internal R&D \$M		
Amgen Inc	\$2,318	Illinois Tool Works	\$128
AT&T Inc	\$130	Intel Corp	\$5,154
Black & Decker	\$134	International Game	\$138
Boston Scientific	\$681	Invitrogen Corp	\$99
Cisco Systems	\$3,328	Kraft Foods Inc	
Corning Inc	\$443	Leviton Mfg Co Inc	
E-Ink Corp		Medtronic Inc	\$1,114
Ford Motor Co	\$8,014	Pfizer Inc	\$7,455
Halliburton Co	\$241	Procter & Gamble	\$1,943
		Stine Seed Co	
		Wyeth	\$2,754
		Total	\$34,081

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US #1 or #2 Globally (26 out of 34)

Corning, 3M, Dupont, Intel, Micron,
Cisco, AT&T, Microsoft, IBM,
Medtronic, Boston Scientific, Wyeth,
Pfizer, Black & Decker, E-Ink,
Halliburton, Weatherford, Introrogen,
Caterpillar, Deere, Leviton, Illinois
Tool Works, Boeing, Lockheed,
General Motors

Smaller Firms

Those firms that invested less than
\$33M/per annum, DTI study (plus
nonprofits and universities):

- ❖ Invested \$69 Billion in R&D (28% of Not Federal R&D investment).
- ❖ Received \$10.8B in DoD Contracts (29.2%)

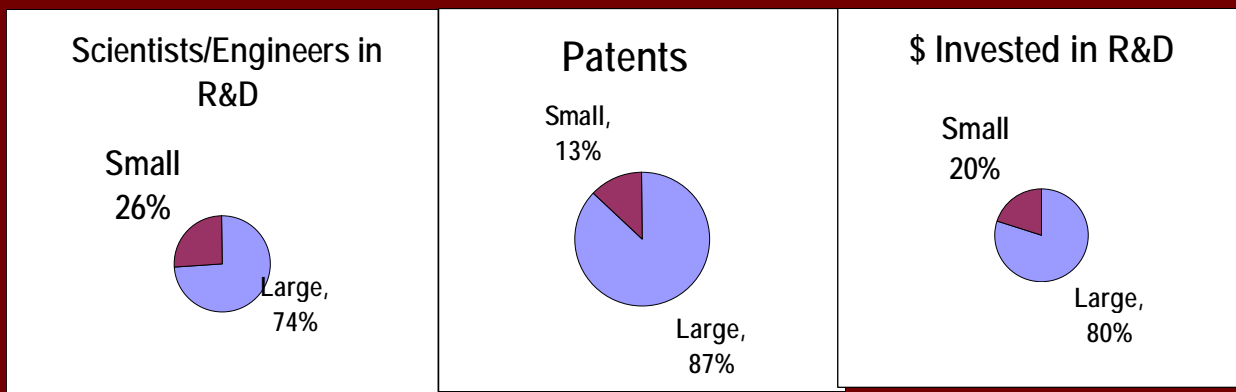
HOW DID THE BEST OF THE BEST COMMERCIAL FIRMS FAIR WITH DOD R&D?

	Internal R&D B\$	DoD R&D B\$	DoD R&D as % of Internal R&D
2 Defense Contractors	\$3.3	\$16.6	503.00%
31 non Defense Contractors	\$61.0 (28% of US Ind. R&D)	\$0.05	.08%

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Innovation in the USA?



All Data from US Government reports: NSF and USPTO

WHY??

- Small, Universities and Non-profits receive 29% of DoD's R&D?
- The best of the best USA Commercial firms only receive 0.08% of DoD R&D?
- The 511 Commercial firms that perform 68% (\$166B) of Industrial R&D receive 0.5% of DoD R&D?

WHAT ARE THE BARRIERS?

2006 IDCC Barriers Survey

Top Barriers

1. Background Rights
2. Trade Secrets
3. Cost Disclosure
4. March in Rights
5. Rights in Technical Data

Eight of the top 15 Barriers are IP related
Three of top 15 Barriers are cost related

DUSD(A&T) Industry Roundtable Discussions with Non-Traditional Defense Suppliers

General Purpose: To strengthen effective communications between industry and the Department of Defense.

Specific Objectives: generate and receive feedback from a spectrum of industry representatives on:

- ❖ why some firms choose not to do business with the US Government, and
- ❖ what the government could do to make itself a more attractive customer.

Time and Location: January 2008, Washington DC area.

Host: Council on Competitiveness, outreach through neutral third party. CoC has offered to help identify companies and tailor meetings around the Department's specific areas of interest.

Chairman: Hon. James Finley, Deputy Under Secretary of Defense for Acquisition and Technology

2008 IDCC DoD Barriers Survey

Top Barriers

1. Rights in Technical Data
2. Cost Disclosure
3. CAS Full
4. Trade Secrets
5. Prime Flowdown of FAR Clauses

Seven of the top 15 Barriers are IP related

Two, maybe four, of top 15 Barriers are cost related

DoD Perspective: Potential Issues with doing business with DoD, 1 of 3

Competitive and Global Issues

- Intellectual property rights/proprietary data concerns
- International Trafficking in Arms Regulation (ITAR)
- Export Administration Regulation (EAR)
- Buy-American laws (e.g. specialty metals)
- Security concerns with foreign technology/production

DoD Perspective: Potential Issues with doing business with DoD, 2 of 3

Unique Government Contracting Process Issues

- Cost Accounting Standards
- Pass through requirements
- Profit policy
- Overhead policy
- Cost or pricing data requirements
- Documentation
- Audit rights
- Contract dispute resolution

DoD Perspective: Potential Issues with doing business with DoD, 3 of 3

General Contracting Process Issues

- Lack of different practices/regulations for services vs. supplies
- Awareness of opportunities to do business
- Work specification problems
- Contract/order size: too small, too large
- Contract types: Indefinite Delivery Vehicles, Multiple Award
- Government oversight problems
- Billing problems

IDCC's Evaluation of DoD Potential Issues on FAR/DFAR covered R&D Contracts.

Intellectual Property rights/proprietary data concerns	1
Cost Accounting Standards	1
International Trafficking in Arms Regulations (ITAR)	3
Cost or Pricing data requirements	4
Pass through requirements	5
Export Administration Regulation (EAR)	5
Buy-American laws (e.g. specialty metals)	7
Profit policy	8

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ASKED

- Pharmaceutical Firms rated Profit Policy near or at the top.

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WHY LEADING EDGE COMMERCIAL FIRMS CONSIDER DOD R&D?

- Support our troops!
- Provide potential user input during R&D.
- Provide potential customer for final product.
- Stimulating interaction with leading government scientist.
- Provide leveraging funds that enable getting to the market faster, possibly with a potential customer.
- Government funds provide needed additional support for the development and scale up of technologies/products for which the market size and/or market timing is unclear.

AND WE ARE ENCOURAGED BY:

- 1. The increased use of Other Transactions in some parts of DoD.**
- 2. The effect of DoD's Guide "Intellectual Property: Navigating Commercial Waters" where it has been implemented.**
- 3. The increased awareness among DoD Leadership of the benefits of taping into the vast technological reservoir in commercial laboratories.**

HOW CAN DOD ACCESS TECHNOLOGY RICH COMMERCIAL LABS?

Other Transactions
Non-traditional Specialists
IP Guide
NDA

DoD's "Managers Guide to Technology Transition" Non-Traditional Large Firms

- **"Because of industry's vital need to protect its proprietary data, DoD may need to use "other transaction (OT)" authority "**

Other Transactions History

- 1958 NASA : Space Act Agreements
- 1989 DARPA : OTs for R&D
- 1992 DEFENSE : OTs for R&D
- 1992 TRANSPORTATION : Other Agreements for R&D
- 1996 FAA : OTs
- 1996 DARPA : OTS for PROTOTYPES
- 1999 DEFENSE : OTS for PROTOTYPES
- 2002 HOMELAND SECURITY : OTs-both
- 2003 NIH: Flexible Research Authority for R&D
- 2003 ALL FOR ANTI TERRORISM : OTs-both
- 2003 Health & Human Services : OTs-both
- 2005 ENERGY : OTs for R&D

Other Transactions Summary

When Congress really wants something to happen they provide OTA To provide access to technologies not available under FAR contracts.

SPACE RACE

COLD WAR -- TECHNOLOGY RACE

DEFENSE CONVERSION

HOMELAND DEFENSE

ENERGY INDEPENDENCE

DoD OTs Awarded

	Total OTs Awarded	Non-traditional businesses
2003	63	58
2004	71	41
2005	81	86
2006	122	190

DTI STUDY 76 FAR CONTRACTS

-30 DEFENSE CONTRACTORS

46 NON-TRADITIONAL

OTS ATTRACTED 4 TIMES FAR COVERED

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Have we reached The Tipping Point

Government and Industry:

- 50 years experience negotiating OTAs.
 - DoD has 19 years
 - Industry understands benefits of Gov't interaction
 - Gov't understands benefits of Industry interaction
- 8 years negotiating with DOD's Guide "Intellectual Property: Navigating Through Commercial Waters"
 - Provides guidance in the negotiating flexibility that exists in the FAR to access unavailable technology.

FY04 OT CONGRESSIONAL REPORT

	R&D	845	GOV'T M\$
Air Force	1		1.5
Security	1		19.0
Intelligence	1	25	287.7
Army, not Picatinny		2	2.5
Army Picatinny		12	16.8
Navy	1	3	11.8
DARPA	7	18	1,156.4
Total	11	60	1,495.7

2006 OTs

	#		Million\$	% of DoD R&D \$
Research	6	DARPA	\$77	
845	62	ARMY TACOM	\$160	
845	20	DARPA	\$184	
845	33	NGA	\$20	
845	5	ARMY Comm-Elect	\$25	
845	7	Others	\$11	
TOTAL	125		\$400	1%

DoD 2006 Report

Cooperative Agreements and Other Transactions Entered for Fiscal Year 2006

The following charts provide a summary of the DoD's use of the three statutory reasons an agency can use to award new prototype other transactions and the level of participation of non-traditional contractors in new other transactions.

Prototype OT Reason Type Code	Number of Awards	% Total Awards	# Distinct Non-Traditional Firms Participating
"A" = Non-Traditional Significant Participation	116	91	185
"B" = Cost Sharing	10	8	1
"C" = SPE Determination of Exceptional Circumstances	2	1	4

# Non-Traditional Companies Participating	185
# Non-Traditional Companies as Prime	75

New Agreements consist only of those agreements coded as Initial Award in the Type of Action reporting block of the DD 2759, REPORT OF OTHER TRANSACTIONS FOR PROTOTYPE PROJECTS.

Major modifications (increased scope of work) and master agreements are not considered to be new agreements.

Other Transactions Suggestions

- Determine why OTs are working for the Army but not the Air Force and Navy!
 - Corrections
- Determine needed technologies in which commercial labs lead DoD and Defense Contractors.
 - Promote offering OTs for these solicitations.

Asked "How can potential non-traditional subcontractors be convinced to make available needed technologies' that they would make available under OTA terms; when the prime is a traditional Defense contractor? That is; how can a traditional prime flow down an OTA to a non-traditional sub?"

- Now that almost 59% (75 out of 128 awards) of the OTAs in 2006 were awarded to Non-traditional prime contractors we have the reverse of that challenge; how can an Non-traditional Contractor with an OTA flow down FAR/DFAR terms to traditional defense contractors?
- It would seem that, though technology planning and market research, DoD could solve the problem by:
 - Identifying those R&D activities that require advanced technologies' that are primarily available in commercial (non-traditional) labs.
 - Assuring that those activities are awarded to a Non-traditional prime as an OTA.
- However this could create a new challenge:
 - Traditional Contractors have a more intimate knowledge of DoD's needs; therefore, are possibly vital to the success of many Military programs, making them essential as subs.
 - FAR/DFAR terms should be available for subcontracts to traditional contractors.
- To assure that:
 - Subcontractors that are Non-Traditional have the opportunity to negotiate on OTA.
 - Subcontractors that are Traditional receive, when appropriate, FAR/DRAR terms.
 - The regulations may have to be revised.

Another reason Why

- Small, Universities and Non-profits receive 29% of DoD's R&D?
- The best of the best USA Commercial firms only receive 0.08% of DoD R&D?
- The 511 Commercial firms that perform 68% (\$166B) of Industrial R&D receive 0.5% of DoD R&D?

DOD PREFERRED SUPPLIERS, PER DFAR

- 208.7 THE BLIND AND OTHER SEVERELY HANDICAPPED
- 219 SMALL BUSINESS PROGRAMS
- 225 FOREIGN ACQUISITION
- 225.7 DEFENSE CONTRACTORS OUTSIDE THE U.S. STATES
- 226.1 INDIAN INCENTIVE PROGRAM
- 226.3 HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY INSTITUTIONS
- 226.7 PREFERENCE FOR LOCAL AND SMALL BUSINESSES
- 237.2 ADVISORY AND ASSISTANCE SERVICES
- 237.7 MORTUARY SERVICES
- 237.7 LAUNDRY AND DRY CLEANING SERVICES
- 237.7 EDUCATIONAL SERVICE
- 237.7 SERVICES OF STUDENTS AT R&D LABORATORIES
- 237.7 SERVICES AT INSTALLATIONS BEING CLOSED
- 239 ACQUISITION OF INFORMATION TECHNOLOGY
- 241 ACQUISITION OF UTILITY SERVICES
- 247 TRANSPORTATION

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Part 212—Acquisition of Commercial Items

- SUBPART 212.1—ACQUISITION OF COMMERCIAL ITEMS - GENERAL
 - 212.102 Applicability.
- SUBPART 212.2--SPECIAL REQUIREMENTS FOR THE ACQUISITION OF COMMERCIAL ITEMS
 - 212.211 Technical data.
 - 212.212 Computer software.
 - 212.270 Major weapon systems as commercial items.
- SUBPART 212.3--SOLICITATION PROVISIONS AND CONTRACT CLAUSES FOR THE ACQUISITION OF COMMERCIAL ITEMS
 - 212.301 Solicitation provisions and contract clauses for the acquisition of commercial items.
 - 212.302 Tailoring of provisions and clauses for the acquisition of commercial items.
- SUBPART 212.5--APPLICABILITY OF CERTAIN LAWS TO THE ACQUISITION OF COMMERCIAL ITEMS
 - 212.503 Applicability of certain laws to Executive agency contracts for the acquisition of commercial items.
 - 212.504 Applicability of certain laws to subcontracts for the acquisition of commercial items.
 - 212.570 Applicability of certain laws to contracts and subcontracts for the acquisition of commercially available off-the-shelf items.
- SUBPART 212.6--STREAMLINED PROCEDURES FOR EVALUATION AND SOLICITATION FOR COMMERCIAL ITEMS
 - 212.602 Streamlined evaluation of offers.
- SUBPART 212.70—PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTING AFTER USE OF OTHER TRANSACTION AUTHORITY
 - 212.7000 Scope.
 - 212.7001 Definitions.
 - 212.7002 Pilot program.
 - 212.7002-1 Contracts under the program.
 - 212.7002-2 Subcontracts under the program.
 - 212.7003 Technical data and computer software.

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Wright Patterson AFB Labs

- IDCC October 2007 Meeting in the labs
- Virtually all of the people we interacted with were Small Business Specialists
 - Each of them were very knowledgeable about the technologies in their laboratories.
 - Obviously very skilled in working with labs from small commercial firms.
- Air Force has developed a workable NDA!

Contracting and contract administration activities appoint small business specialists as directed by DoDD 4205.1,

- (i) Report directly and are responsible only to their appointing authority;
- (ii) Make sure that the contracting activity takes necessary actions to **implement small business, historically black college and university/minority institution, and labor surplus area programs;**
- (iii) Advise and assist contracting, program manager, requirements personnel on matters affect small businesses, historically black colleges and universities or minority institutions, labor surplus area
- (iv) **Aid, counsel, and assist small businesses, small disadvantaged businesses, historically black colleges and universities, and minority institutions by providing—**
 - (A) Advice concerning acquisition procedures;
 - (B) Information regarding proposed acquisitions; and
 - (C) Instructions on preparation of proposals in interpretation ...;
- (v) **Maintain an outreach program** (including participation in Government-industry conferences and regional interagency small business councils) **designed to locate and develop information on the technical competence of small businesses, small disadvantaged businesses, historically black colleges and universities, and minority institutions;**
- (vi)(vii) (viii)

Army SBIR

- Show

Another way to increase DoD access to Commercial Technology

- There must be 1000's of Small Business Specialists. Each one is needed and effective as demonstrated by their helping generate \$69 Billion in DoD R&D, 29% of DoD R&D \$
- Shouldn't there be at **least one nontraditional R&D Specialist** to help increase DoD's access to the larger businesses \$166 Billion (2006) in R&D from the current 0.5%.

Ric Dunn Issue partially addressed

- Kathy Harger, ADUSD (Innovation & Tech Transition) has proposed a web site to provide the same kind of information that was available from the Army SBIR to all firms.
- Don't know if this came from my presentation to Bill Greenwalt and Brad Nelson

Implement the IP Guide

- IDCC worked with OSD during development of "Intellectual Property: Navigating through Commercial Waters."
- OSD held training sessions for both Government and civilians with IDCC quarterly meetings in New York and Minnesota.
- A computer based training program was developed but was not implemented.
- Quickly update the guide (published in 2001) **adding a section on cost**

Also to gain substantial access to Trillions of Dollars that commercial firms have invested in technology, DoD needs to (Page 1 of 2):

- Effectuate a Non Disclosure Agreement, with teeth, that will be signed by government employees, Air Force has good start.
- Create a separate section in the FAR/DFAR for interactions with Commercial Laboratories to address:
 - defining or allowing definition of "the government," "government purpose," and "government use" plus,
 - dealing with march-in rights, trade secrets and other Intellectual Property and proprietary issues.
- Establish and thoroughly train a cadre of innovative contracting officers who have, as an addendum to their warrant, the authority to waive Bayh-Dole in appropriate situations.
- Enable R&D contracts or agreements with an enforceable liquidated damages clause, which is how many industrial firms develop products for Original Equipment Manufacturers.

To gain access to Trillions of Dollars that commercial firms have invested in technology, DoD needs to (Page 2 of 2):

- Most importantly, because the commercial laboratories will normally not be prime contractors, the above changes must be structured for the potential commercial business unit or laboratory that is a subcontractor!