

Union Calendar No. 197

104TH CONGRESS
1ST Session

H. R. 2196

[Report No. 104-390]

A BILL

To amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

DECEMBER 7, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Mrs. MORELLA (for herself, Mr. WALKER, Mr. BROWN of California, and Mr. TANNER) introduced the following bill; which was referred to the Committee on Science

DECEMBER 7, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on August 4, 1995]

A BILL

To amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “National Technology*
3 *Transfer and Advancement Act of 1995”.*

4 **SEC. 2. FINDINGS.**

5 *The Congress finds the following:*

6 *(1) Bringing technology and industrial innova-*
7 *tion to the marketplace is central to the economic, en-*
8 *vironmental, and social well-being of the people of the*
9 *United States.*

10 *(2) The Federal Government can help United*
11 *States business to speed the development of new prod-*
12 *ucts and processes by entering into cooperative re-*
13 *search and development agreements which make*
14 *available the assistance of Federal laboratories to the*
15 *private sector, but the commercialization of tech-*
16 *nology and industrial innovation in the United*
17 *States depends upon actions by business.*

18 *(3) The commercialization of technology and in-*
19 *dustrial innovation in the United States will be en-*
20 *hanced if companies, in return for reasonable com-*
21 *penensation to the Federal Government, can more easily*
22 *obtain exclusive licenses to inventions which develop*
23 *as a result of cooperative research with scientists em-*
24 *ployed by Federal laboratories.*

1 **SEC. 3. USE OF FEDERAL TECHNOLOGY.**

2 *Subparagraph (B) of section 11(e)(7) of the Stevenson-*
3 *Wylder Technology Innovation Act of 1980 (15 U.S.C.*
4 *3710(e)(7)(B)) is amended to read as follows:*

5 *“(B) A transfer shall be made by any Federal agency*
6 *under subparagraph (A), for any fiscal year, only if the*
7 *amount so transferred by that agency (as determined under*
8 *such subparagraph) would exceed \$10,000.”.*

9 **SEC. 4. TITLE TO INTELLECTUAL PROPERTY ARISING FROM**
10 **COOPERATIVE RESEARCH AND DEVELOP-**
11 **MENT AGREEMENTS.**

12 *Subsection (b) of section 12 of the Stevenson-Wylder*
13 *Technology Innovation Act of 1980 (15 U.S.C. 3710a(b))*
14 *is amended to read as follows:*

15 *“(b) ENUMERATED AUTHORITY.—(1) Under an agree-*
16 *ment entered into pursuant to subsection (a)(1), the labora-*
17 *tory may grant, or agree to grant in advance, to a collabo-*
18 *rating party patent licenses or assignments, or options*
19 *thereto, in any invention made in whole or in part by a*
20 *laboratory employee under the agreement, for reasonable*
21 *compensation when appropriate. The laboratory shall en-*
22 *sure, through such agreement, that the collaborating party*
23 *has the option to choose an exclusive license for a field of*
24 *use for any such invention under the agreement or, if there*
25 *is more than one collaborating party, that the collaborating*
26 *parties are offered the option to hold licensing rights that*

1 *collectively encompass the rights that would be held under*
2 *such an exclusive license by one party. In consideration for*
3 *the Government’s contribution under the agreement, grants*
4 *under this paragraph shall be subject to the following ex-*
5 *plicit conditions:*

6 “(A) *A nonexclusive, nontransferable, irrevocable,*
7 *paid-up license from the collaborating party to the*
8 *laboratory to practice the invention or have the in-*
9 *vention practiced throughout the world by or on be-*
10 *half of the Government. In the exercise of such license,*
11 *the Government shall not publicly disclose trade se-*
12 *crets or commercial or financial information that is*
13 *privileged or confidential within the meaning of sec-*
14 *tion 552(b)(4) of title 5, United States Code, or which*
15 *would be considered as such if it had been obtained*
16 *from a non-Federal party.*

17 “(B) *If a laboratory assigns title or grants an*
18 *exclusive license to such an invention, the Government*
19 *shall retain the right—*

20 “(i) *to require the collaborating party to*
21 *grant to a responsible applicant a nonexclusive,*
22 *partially exclusive, or exclusive license to use the*
23 *invention in the applicant’s licensed field of use,*
24 *on terms that are reasonable under the cir-*
25 *cumstances; or*

1 “(i) if the collaborating party fails to grant
2 such a license, to grant the license itself.

3 “(C) The Government may exercise its right re-
4 tained under subparagraphs (B) (ii) and (iii) only if
5 the Government finds that—

6 “(i) the action is necessary to meet health
7 or safety needs that are not reasonably satisfied
8 by the collaborating party;

9 “(ii) the action is necessary to meet require-
10 ments for public use specified by Federal regula-
11 tions, and such requirements are not reasonably
12 satisfied by the collaborating party; or

13 “(iii) the collaborating party has failed to
14 comply with an agreement containing provisions
15 described in subsection (c)(4)(B).

16 “(2) Under agreements entered into pursuant to sub-
17 section (a)(1), the laboratory shall ensure that a collaborat-
18 ing party may retain title to any invention made solely
19 by its employee in exchange for normally granting the Gov-
20 ernment a nonexclusive, nontransferable, irrevocable, paid-
21 up license to practice the invention or have the invention
22 practiced throughout the world by or on behalf of the Gov-
23 ernment for research or other Government purposes.

24 “(3) Under an agreement entered into pursuant to sub-
25 section (a)(1), a laboratory may—

1 “(A) accept, retain, and use funds, personnel,
2 services, and property from a collaborating party and
3 provide personnel, services, and property to a collabo-
4 rating party;

5 “(B) use funds received from a collaborating
6 party in accordance with subparagraph (A) to hire
7 personnel to carry out the agreement who will not be
8 subject to full-time-equivalent restrictions of the agen-
9 cy;

10 “(C) to the extent consistent with any applicable
11 agency requirements or standards of conduct, permit
12 an employee or former employee of the laboratory to
13 participate in an effort to commercialize an invention
14 made by the employee or former employee while in the
15 employment or service of the Government; and

16 “(D) waive, subject to reservation by the Govern-
17 ment of a nonexclusive, irrevocable, paid-up license to
18 practice the invention or have the invention practiced
19 throughout the world by or on behalf of the Govern-
20 ment, in advance, in whole or in part, any right of
21 ownership which the Federal Government may have
22 to any subject invention made under the agreement by
23 a collaborating party or employee of a collaborating
24 party.

1 “(4) A collaborating party in an exclusive license in
2 any invention made under an agreement entered into pur-
3 suant to subsection (a)(1) shall have the right of enforce-
4 ment under chapter 29 of title 35, United States Code.

5 “(5) A Government-owned, contractor-operated labora-
6 tory that enters into a cooperative research and develop-
7 ment agreement pursuant to subsection (a)(1) may use or
8 obligate royalties or other income accruing to the laboratory
9 under such agreement with respect to any invention only—

10 “(A) for payments to inventors;

11 “(B) for purposes described in clauses (i), (ii),
12 (iii), and (iv) of section 14(a)(1)(B); and

13 “(C) for scientific research and development con-
14 sistent with the research and development missions
15 and objectives of the laboratory.”.

16 **SEC. 5. DISTRIBUTION OF INCOME FROM INTELLECTUAL**
17 **PROPERTY RECEIVED BY FEDERAL LABORA-**
18 **TORIES.**

19 Section 14 of the Stevenson-Wydler Technology Inno-
20 vation Act of 1980 (15 U.S.C. 3710c) is amended—

21 (1) by amending subsection (a)(1) to read as fol-
22 lows:

23 “(1) Except as provided in paragraphs (2) and (4),
24 any royalties or other payments received by a Federal agen-
25 cy from the licensing and assignment of inventions under

1 *agreements entered into by Federal laboratories under sec-*
2 *tion 12, and from the licensing of inventions of Federal lab-*
3 *oratories under section 207 of title 35, United States Code,*
4 *or under any other provision of law, shall be retained by*
5 *the laboratory which produced the invention and shall be*
6 *disposed of as follows:*

7 “(A)(i) *The head of the agency or laboratory, or*
8 *such individual’s designee, shall pay each year the*
9 *first \$2,000, and thereafter at least 15 percent, of the*
10 *royalties or other payments to the inventor or*
11 *coinventors.*

12 “(ii) *An agency or laboratory may provide ap-*
13 *propriate incentives, from royalties, or other pay-*
14 *ments, to laboratory employees who are not an inven-*
15 *tor of such inventions but who substantially increased*
16 *the technical value of such inventions.*

17 “(iii) *The agency or laboratory shall retain the*
18 *royalties and other payments received from an inven-*
19 *tion until the agency or laboratory makes payments*
20 *to employees of a laboratory under clause (i) or (ii).*

21 “(B) *The balance of the royalties or other pay-*
22 *ments shall be transferred by the agency to its labora-*
23 *tories, with the majority share of the royalties or*
24 *other payments from any invention going to the lab-*
25 *oratory where the invention occurred. The royalties or*

1 *other payments so transferred to any laboratory may*
2 *be used or obligated by that laboratory during the fis-*
3 *cal year in which they are received or during the suc-*
4 *ceeding fiscal year—*

5 *“(i) to reward scientific, engineering, and*
6 *technical employees of the laboratory, including*
7 *developers of sensitive or classified technology, re-*
8 *gardless of whether the technology has commer-*
9 *cial applications;*

10 *“(ii) to further scientific exchange among*
11 *the laboratories of the agency;*

12 *“(iii) for education and training of employ-*
13 *ees consistent with the research and development*
14 *missions and objectives of the agency or labora-*
15 *tory, and for other activities that increase the*
16 *potential for transfer of the technology of the lab-*
17 *oratories of the agency;*

18 *“(iv) for payment of expenses incidental to*
19 *the administration and licensing of intellectual*
20 *property by the agency or laboratory with re-*
21 *spect to inventions made at that laboratory, in-*
22 *cluding the fees or other costs for the services of*
23 *other agencies, persons, or organizations for in-*
24 *tellectual property management and licensing*
25 *services; or*

1 “(v) for scientific research and development
2 consistent with the research and development
3 missions and objectives of the laboratory.

4 “(C) All royalties or other payments retained by
5 the agency or laboratory after payments have been
6 made pursuant to subparagraphs (A) and (B) that is
7 unobligated and unexpended at the end of the second
8 fiscal year succeeding the fiscal year in which the
9 royalties and other payments were received shall be
10 paid into the Treasury.”;

11 (2) in subsection (a)(2)—

12 (A) by inserting “or other payments” after
13 “royalties”; and

14 (B) by striking “for the purposes described
15 in clauses (i) through (iv) of paragraph (1)(B)
16 during that fiscal year or the succeeding fiscal
17 year” and inserting in lieu thereof “under para-
18 graph (1)(B)”;

19 (3) in subsection (a)(3), by striking “\$100,000”
20 both places it appears and inserting “\$150,000”;

21 (4) in subsection (a)(4)—

22 (A) by striking “income” each place it ap-
23 pears and inserting in lieu thereof “payments”;

1 (B) by striking “the payment of royalties to
2 inventors” in the first sentence thereof and in-
3 serting in lieu thereof “payments to inventors”;

4 (C) by striking “clause (i) of paragraph
5 (1)(B)” and inserting in lieu thereof “clause (iv)
6 of paragraph (1)(B)”;

7 (D) by striking “payment of the royalties,”
8 in the second sentence thereof and inserting in
9 lieu thereof “offsetting the payments to inven-
10 tors,”; and

11 (E) by striking “clauses (i) through (iv)
12 of”;

13 (5) by amending paragraph (1) of subsection (b)
14 to read as follows:

15 “(1) by a contractor, grantee, or participant, or
16 an employee of a contractor, grantee, or participant,
17 in an agreement or other arrangement with the agen-
18 cy, or”.

19 **SEC. 6. EMPLOYEE ACTIVITIES.**

20 Section 15(a) of the Stevenson-Wydler Technology In-
21 novation Act of 1980 (15 U.S.C. 3710d(a)) is amended—

22 (1) by striking “the right of ownership to an in-
23 vention under this Act” and inserting in lieu thereof
24 “ownership of or the right of ownership to an inven-
25 tion made by a Federal employee”; and

1 (2) by inserting “obtain or” after “the Govern-
2 ment, to”.

3 **SEC. 7. AMENDMENT TO BAYH-DOLE ACT.**

4 Section 210(e) of title 35, United States Code, is
5 amended by striking “, as amended by the Federal Tech-
6 nology Transfer Act of 1986,”.

7 **SEC. 8. NATIONAL INSTITUTE OF STANDARDS AND TECH-**
8 **NOLOGY ACT AMENDMENTS.**

9 The National Institute of Standards and Technology
10 Act (15 U.S.C. 271 et seq.) is amended—

11 (1) in section 10(a)—

12 (A) by striking “nine” and inserting in lieu
13 thereof “15”; and

14 (B) by striking “five” and inserting in lieu
15 thereof “10”;

16 (2) in section 15—

17 (A) by striking “Pay Act of 1945; and” and
18 inserting in lieu thereof “Pay Act of 1945;”; and

19 (B) by inserting “; and (h) the provision of
20 transportation services for employees of the Insti-
21 tute between the facilities of the Institute and
22 nearby public transportation, notwithstanding
23 section 1344 of title 31, United States Code”
24 after “interests of the Government”; and

1 (3) in section 19, by striking “nor more than
2 forty” and inserting in lieu thereof “nor more than
3 60”.

4 **SEC. 9. RESEARCH EQUIPMENT.**

5 Section 11(i) of the Stevenson-Wydler Technology In-
6 novation Act of 1980 (15 U.S.C. 3710(i)) is amended—

7 (1) by inserting “loan, lease,” after “department,
8 may”; and

9 (2) by inserting “Actions taken under this sub-
10 section shall not be subject to Federal requirements on
11 the disposal of property.” after “education and re-
12 search activities.”.

13 **SEC. 10. PERSONNEL.**

14 The personnel management demonstration project es-
15 tablished under section 10 of the National Bureau of Stand-
16 ards Authorization Act for Fiscal Year 1987 (15 U.S.C. 275
17 note) is extended indefinitely.

18 **SEC. 11. FASTENER QUALITY ACT AMENDMENTS.**

19 (a) SECTION 2 AMENDMENTS.—Section 2 of the Fas-
20 tener Quality Act (15 U.S.C. 5401) is amended—

21 (1) by striking subsection (a)(4), and redesignat-
22 ing paragraphs (5) through (9) as paragraphs (4)
23 through (8), respectively;

1 (2) *in subsection (a)(7), as so redesignated by*
2 *paragraph (1) of this subsection, by striking “by lot*
3 *number”;* and

4 (3) *in subsection (b), by striking “used in criti-*
5 *cal applications” and inserting in lieu thereof “in*
6 *commerce”.*

7 (b) *SECTION 3 AMENDMENTS.—Section 3 of the Fas-*
8 *tener Quality Act (15 U.S.C. 5402) is amended—*

9 (1) *in paragraph (1)(B) by striking “having a*
10 *minimum tensile strength of 150,000 pounds per*
11 *square inch” and inserting in lieu thereof “having a*
12 *minimum Rockwell C hardness of 40 or above”;*

13 (2) *in paragraph (2), by inserting “consensus”*
14 *after “or any other”;*

15 (3) *in paragraph (5)—*

16 (A) *by inserting “or” after “standard or*
17 *specification,” in subparagraph (B);*

18 (B) *by striking “or” at the end of subpara-*
19 *graph (C);*

20 (C) *by striking subparagraph (D); and*

21 (D) *by inserting “or produced in accord-*
22 *ance with ASTM F 432” after “307 Grade A”;*

23 (4) *in paragraph (6) by striking “other person”*
24 *and inserting in lieu thereof “government agency”;*

1 (5) in paragraph (8) by striking “Standard”
2 and inserting in lieu thereof “Standards”;

3 (6) by striking paragraph (11) and redesignat-
4 ing paragraphs (12) through (15) as paragraphs (11)
5 through (14), respectively;

6 (7) in paragraph (13), as so redesignated by
7 paragraph (6) of this subsection, by striking “, a gov-
8 ernment agency” and all that follows through “mark-
9 ings of any fastener” and inserting in lieu thereof “or
10 a government agency”; and

11 (8) in paragraph (14), as so redesignated by
12 paragraph (6) of this subsection, by inserting “for the
13 purpose of achieving a uniform hardness” after
14 “quenching and tempering”.

15 (c) *SECTION 4 REPEAL.*—Section 4 of the *Fastener*
16 *Quality Act (15 U.S.C. 5403)* is repealed.

17 (d) *SECTION 5 AMENDMENTS.*—Section 5 of the *Fas-*
18 *tener Quality Act (15 U.S.C. 5404)* is amended—

19 (1) in subsection (a)(1)(B) and (2)(A)(i) by
20 striking “subsections (b) and (c)” and inserting in
21 lieu thereof “subsections (b), (c), and (d)”;

22 (2) in subsection (c)(2) by striking “or, where
23 applicable” and all that follows through “section
24 7(c)(1)”;

1 (3) in subsection (c)(3) by striking “, such as the
2 chemical, dimensional, physical, mechanical, and any
3 other”;

4 (4) in subsection (c)(4) by inserting “except as
5 provided in subsection (d),” before “state whether”;
6 and

7 (5) by adding at the end the following new sub-
8 section:

9 “(d) *ALTERNATIVE PROCEDURE FOR CHEMICAL*
10 *CHARACTERISTICS.—Notwithstanding the requirements of*
11 *subsections (b) and (c), a manufacturer shall be deemed to*
12 *have demonstrated, for purposes of subsection (a)(1), that*
13 *the chemical characteristics of a lot conform to the stand-*
14 *ards and specifications to which the manufacturer rep-*
15 *resents such lot has been manufactured if the following re-*
16 *quirements are met:*

17 “(1) *The coil or heat number of metal from*
18 *which such lot was fabricated has been inspected and*
19 *tested with respect to its chemical characteristics by*
20 *a laboratory accredited in accordance with the proce-*
21 *dures and conditions specified by the Secretary under*
22 *section 6.*

23 “(2) *Such laboratory has provided to the manu-*
24 *facturer, either directly or through the metal manu-*
25 *facturer, a written inspection and testing report,*

1 *which shall be in a form prescribed by the Secretary*
2 *by regulation, listing the chemical characteristics of*
3 *such coil or heat number.*

4 “(3) *The report described in paragraph (2) indi-*
5 *cates that the chemical characteristics of such coil or*
6 *heat number conform to those required by the stand-*
7 *ards and specifications to which the manufacturer*
8 *represents such lot has been manufactured.*

9 “(4) *The manufacturer demonstrates that such*
10 *lot has been fabricated from the coil or heat number*
11 *of metal to which the report described in paragraphs*
12 *(2) and (3) relates.*

13 *In prescribing the form of report required by subsection (c),*
14 *the Secretary shall provide for an alternative to the state-*
15 *ment required by subsection (c)(4), insofar as such state-*
16 *ment pertains to chemical characteristics, for cases in which*
17 *a manufacturer elects to use the procedure permitted by this*
18 *subsection.”.*

19 (e) *SECTION 6 AMENDMENT.—Section 6(a)(1) of the*
20 *Fastener Quality Act (15 U.S.C. 5405(a)(1)) is amended*
21 *by striking “Within 180 days after the date of enactment*
22 *of this Act, the” and inserting in lieu thereof “The”.*

23 (f) *SECTION 7 AMENDMENTS.—Section 7 of the Fas-*
24 *tener Quality Act (15 U.S.C. 5406) is amended—*

1 (1) *by amending subsection (a) to read as fol-*
2 *lows:*

3 “(a) *DOMESTICALLY PRODUCED FASTENERS.—It shall*
4 *be unlawful for a manufacturer to sell any shipment of fas-*
5 *teners covered by this Act which are manufactured in the*
6 *United States unless the fasteners—*

7 *“(1) have been manufactured according to the re-*
8 *quirements of the applicable standards and specifica-*
9 *tions and have been inspected and tested by a labora-*
10 *tory accredited in accordance with the procedures and*
11 *conditions specified by the Secretary under section 6;*
12 *and*

13 *“(2) an original laboratory testing report de-*
14 *scribed in section 5(c) and a manufacturer’s certifi-*
15 *cate of conformance are on file with the manufac-*
16 *turer, or under such custody as may be prescribed by*
17 *the Secretary, and available for inspection.”;*

18 (2) *in subsection (c)(2) by inserting “to the*
19 *same” after “in the same manner and”;*

20 (3) *in subsection (d)(1) by striking “certificate”*
21 *and inserting in lieu thereof “test report”; and*

22 (4) *by striking subsections (e), (f), and (g) and*
23 *inserting in lieu thereof the following:*

24 “(e) *COMMINGLING.—It shall be unlawful for any*
25 *manufacturer, importer, or private label distributor to com-*

1 *mingle like fasteners from different lots in the same con-*
2 *tainer, except that such manufacturer, importer, or private*
3 *label distributor may commingle like fasteners of the same*
4 *type, grade, and dimension from not more than two tested*
5 *and certified lots in the same container during repackaging*
6 *and plating operations. Any container which contains fas-*
7 *teners from two lots shall be conspicuously marked with the*
8 *lot identification numbers of both lots.*

9 “(f) *SUBSEQUENT PURCHASER.*—*If a person who pur-*
10 *chases fasteners for any purpose so requests either prior to*
11 *the sale or at the time of sale, the seller shall conspicuously*
12 *mark the container of the fasteners with the lot number from*
13 *which such fasteners were taken.”.*

14 “(g) *SECTION 9 AMENDMENT.*—*Section 9 of the Fas-*
15 *tener Quality Act (15 U.S.C. 5408) is amended by adding*
16 *at the end the following new subsection:*

17 “(d) *ENFORCEMENT.*—*The Secretary may designate*
18 *officers or employees of the Department of Commerce to con-*
19 *duct investigations pursuant to this Act. In conducting such*
20 *investigations, those officers or employees may, to the extent*
21 *necessary or appropriate to the enforcement of this Act, ex-*
22 *ercise such authorities as are conferred upon them by other*
23 *laws of the United States, subject to policies and procedures*
24 *approved by the Attorney General.”.*

1 (h) *SECTION 10 AMENDMENTS.*—Section 10 of the Fas-
2 *tener Quality Act (15 U.S.C. 5409) is amended—*

3 (1) *in subsections (a) and (b), by striking “10*
4 *years” and inserting in lieu thereof “5 years”; and*

5 (2) *in subsection (b), by striking “any subse-*
6 *quent” and inserting in lieu thereof “the subsequent”.*

7 (i) *SECTION 13 AMENDMENT.*—Section 13 of the Fas-
8 *tener Quality Act (15 U.S.C. 5412) is amended by striking*
9 *“within 180 days after the date of enactment of this Act”.*

10 (j) *SECTION 14 REPEAL.*—Section 14 of the *Fastener*
11 *Quality Act (15 U.S.C. 5413) is repealed.*

12 ***SEC. 12. STANDARDS CONFORMITY.***

13 (a) *USE OF STANDARDS.*—Section 2(b) of the *National*
14 *Institute of Standards and Technology Act (15 U.S.C.*
15 *272(b)) is amended—*

16 (1) *in paragraph (2), by striking “, including*
17 *comparing standards” and all that follows through*
18 *“Federal Government”;*

19 (2) *by redesignating paragraphs (3) through (11)*
20 *as paragraphs (4) through (12), respectively; and*

21 (3) *by inserting after paragraph (2) the follow-*
22 *ing new paragraph:*

23 *“(3) to compare standards used in scientific in-*
24 *vestigations, engineering, manufacturing, commerce,*
25 *industry, and educational institutions with the stand-*

1 *ards adopted or recognized by the Federal Govern-*
2 *ment and to coordinate the use by Federal agencies*
3 *of private sector standards, emphasizing where pos-*
4 *sible the use of standards developed by private, con-*
5 *sensus organizations;”.*

6 *(b) CONFORMITY ASSESSMENT ACTIVITIES.—Section*
7 *2(b) of the National Institute of Standards and Technology*
8 *Act (15 U.S.C. 272(b)) is amended—*

9 *(1) by striking “and” at the end of paragraph*
10 *(11), as so redesignated by subsection (a)(2) of this*
11 *section;*

12 *(2) by striking the period at the end of para-*
13 *graph (12), as so redesignated by subsection (a)(2) of*
14 *this section, and inserting in lieu thereof “; and”; and*

15 *(3) by adding at the end the following new para-*
16 *graph:*

17 *“(13) to coordinate Federal, State, local, and*
18 *private sector standards conformity assessment activi-*
19 *ties, with the goal of eliminating unnecessary dupli-*
20 *cation and complexity in the development and pro-*
21 *mulgation of conformity assessment requirements and*
22 *measures.”.*

23 *(c) TRANSMITTAL OF PLAN TO CONGRESS.—The Na-*
24 *tional Institute of Standards and Technology shall, by Jan-*

1 uary 1, 1996, transmit to the Congress a plan for imple-
2 menting the amendments made by this section.

3 (d) *UTILIZATION OF CONSENSUS STANDARDS BY FED-*
4 *ERAL AGENCIES; REPORTS.*—(1) *To the extent practicable,*
5 *all Federal agencies and departments shall use, for procure-*
6 *ment and regulatory applications, standards that are devel-*
7 *oped or adopted by voluntary consensus standards bodies.*

8 (2) *Federal agencies and departments shall consult*
9 *with voluntary, private sector, consensus standards bodies,*
10 *and shall participate with such bodies in the development*
11 *of standards, as appropriate in carrying out paragraph (1).*

12 (3) *If a Federal agency or department elects to use,*
13 *for procurement or regulatory applications, standards that*
14 *are not developed or adopted by voluntary consensus stand-*
15 *ards bodies, the head of such agency or department shall*
16 *transmit to the Office of Management and Budget an expla-*
17 *nation of the reasons for adopting such standards. The Of-*
18 *fice of Management and Budget shall annually transmit to*
19 *the Congress all explanations received by it under this sub-*
20 *section.*

21 **SEC. 13. SENSE OF CONGRESS.**

22 *It is the sense of the Congress that the Malcolm*
23 *Baldrige National Quality Award program offers substan-*
24 *tial benefits to United States industry, and that all funds*

- 1 *appropriated for such program should be spent in support*
- 2 *of the goals of the program.*

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