

104TH CONGRESS  
1ST SESSION

# H. R. 2196

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IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 1995

Received; read twice and referred to the Committee on Commerce, Science,  
and Transportation

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## AN ACT

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,  
8 environmental, and social well-being of the people of  
9 the United States.

10 (2) The Federal Government can help United  
11 States business to speed the development of new  
12 products and processes by entering into cooperative  
13 research and development agreements which make  
14 available the assistance of Federal laboratories to  
15 the 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 pensation to the Federal Government, can more eas-  
22 ily obtain exclusive licenses to inventions which de-  
23 velop as a result of cooperative research with sci-  
24 entists employed by Federal laboratories.

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

2 Subparagraph (B) of section 11(e)(7) of the Steven-  
3 son-Wydler 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  
8 under such subparagraph) would exceed \$10,000.”.

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

12 Subsection (b) of section 12 of the Stevenson-Wydler  
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  
16 agreement entered into pursuant to subsection (a)(1), the  
17 laboratory may grant, or agree to grant in advance, to  
18 a collaborating party patent licenses or assignments, or  
19 options thereto, in any invention made in whole or in part  
20 by a laboratory employee under the agreement, for reason-  
21 able compensation when appropriate. The laboratory shall  
22 ensure, through such agreement, that the collaborating  
23 party has the option to choose an exclusive license for a  
24 field of use for any such invention under the agreement  
25 or, if there is more than one collaborating party, that the  
26 collaborating parties are offered the option to hold licens-

1 ing rights that collectively encompass the rights that  
2 would be held under such an exclusive license by one party.  
3 In consideration for the Government's contribution under  
4 the agreement, grants under this paragraph shall be sub-  
5 ject to the following explicit conditions:

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

17          “(B) If a laboratory assigns title or grants an  
18          exclusive license to such an invention, the Govern-  
19          ment 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  
23                 the invention in the applicant's licensed field of  
24                 use, on terms that are reasonable under the cir-  
25                 cumstances; or

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

3           “(C) The Government may exercise its right re-  
4           tained under subparagraph (B) only if the Govern-  
5           ment 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 re-  
10          quirements for public use specified by Federal  
11          regulations, and such requirements are not rea-  
12          sonably 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 collabo-  
18          rating party may retain title to any invention made solely  
19          by its employee in exchange for normally granting the  
20          Government a nonexclusive, nontransferable, irrevocable,  
21          paid-up license to practice the invention or have the inven-  
22          tion practiced throughout the world by or on behalf of the  
23          Government for research or other Government purposes.

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

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

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

17          “(D) waive, subject to reservation by the Gov-  
18          ernment of a nonexclusive, irrevocable, paid-up li-  
19          cense to practice the invention or have the invention  
20          practiced throughout the world by or on behalf of  
21          the Government, in advance, in whole or in part, any  
22          right of ownership which the Federal Government  
23          may have to any subject invention made under the  
24          agreement by a collaborating party or employee of a  
25          collaborating 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 lab-  
6 oratory that enters into a cooperative research and devel-  
7 opment agreement pursuant to subsection (a)(1) may use  
8 or obligate royalties or other income accruing to the lab-  
9 oratory under such agreement with respect to any inven-  
10 tion only—

11               “(A) for payments to inventors;

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

14               “(C) for scientific research and development  
15 consistent with the research and development mis-  
16 sions and objectives of the laboratory.”.

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

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

22               (1) by amending subsection (a)(1) to read as  
23 follows:

24       “(1) Except as provided in paragraphs (2) and (4), any  
25 royalties or other payments received by a Federal agency

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

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

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

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

22           “(B) The balance of the royalties or other pay-  
23          ments shall be transferred by the agency to its lab-  
24          oratories, with the majority share of the royalties or  
25          other payments from any invention going to the lab-

1 oratory where the invention occurred. The royalties  
2 or other payments so transferred to any laboratory  
3 may be used or obligated by that laboratory during  
4 the fiscal year in which they are received or during  
5 the succeeding fiscal year—

6 “(i) to reward scientific, engineering, and  
7 technical employees of the laboratory, including  
8 developers of sensitive or classified technology,  
9 regardless of whether the technology has com-  
10 mercial applications;

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

13 “(iii) for education and training of employ-  
14 ees consistent with the research and develop-  
15 ment missions and objectives of the agency or  
16 laboratory, and for other activities that increase  
17 the potential for transfer of the technology of  
18 the laboratories of the agency;

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

1 intellectual property management and licensing  
2 services; or

3 “(v) for scientific research and develop-  
4 ment consistent with the research and develop-  
5 ment missions and objectives of the laboratory.

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

13 (2) in subsection (a)(2)—

14 (A) by inserting “or other payments” after  
15 “royalties”; and

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

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

23 (4) in subsection (a)(4)—

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

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

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

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

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

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

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

20 **SEC. 6. EMPLOYEE ACTIVITIES.**

21 Section 15(a) of the Stevenson-Wydler Technology  
22 Innovation Act of 1980 (15 U.S.C. 3710d(a)) is amend-  
23 ed—

24 (1) by striking “the right of ownership to an in-  
25 vention under this Act” and inserting in lieu thereof

1 “ownership of or the right of ownership to an inven-  
2 tion made by a Federal employee”; and

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

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

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

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

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

13 (1) in section 10(a)—

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

16 (B) by striking “five” and inserting in lieu  
17 thereof “10”;

18 (2) in section 15—

19 (A) by striking “Pay Act of 1945; and”  
20 and inserting in lieu thereof “Pay Act of  
21 1945;”; and

22 (B) by inserting “; and (h) the provision of  
23 transportation services for employees of the In-  
24 stitute between the facilities of the Institute  
25 and nearby public transportation, notwithstand-

1 ing section 1344 of title 31, United States  
2 Code” after “interests of the Government”; and  
3 (3) in section 19—

4 (A) by inserting “, subject to the availabil-  
5 ity of appropriations,” after “post-doctoral fel-  
6 lowship program”; and

7 (B) by striking “nor more than forty” and  
8 inserting in lieu thereof “nor more than 60”.

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

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

12 (1) by inserting “loan, lease,” after “depart-  
13 ment, may”; and

14 (2) by inserting “Actions taken under this sub-  
15 section shall not be subject to Federal requirements  
16 on the disposal of property.” after “education and  
17 research activities.”.

18 **SEC. 10. PERSONNEL.**

19 The personnel management demonstration project es-  
20 tablished under section 10 of the National Bureau of  
21 Standards Authorization Act for Fiscal Year 1987 (15  
22 U.S.C. 275 note) is extended indefinitely.

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

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

1           (1) by striking subsection (a)(4), and redesignig-  
2 nating paragraphs (5) through (9) as paragraphs  
3 (4) through (8), respectively;

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

7           (3) in subsection (b), by striking “used in criti-  
8 cal applications” and inserting in lieu thereof “in  
9 commerce”.

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

12           (1) in paragraph (1)(B) by striking “having a  
13 minimum tensile strength of 150,000 pounds per  
14 square inch”;

15           (2) in paragraph (2), by inserting “consensus”  
16 after “or any other”;

17           (3) in paragraph (5)—

18               (A) by inserting “or” after “standard or  
19 specification,” in subparagraph (B);

20               (B) by striking “or” at the end of subpara-  
21 graph (C);

22               (C) by striking subparagraph (D); and

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

1           (4) in paragraph (6) by striking “other person”  
2           and inserting in lieu thereof “government agency”;

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

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

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

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

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

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

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

1           (2) in subsection (c)(2) by striking “or, where  
2           applicable” and all that follows through “section  
3           7(c)(1)”;

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

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

10          (5) by adding at the end the following new sub-  
11          section:

12          “(d) ALTERNATIVE PROCEDURE FOR CHEMICAL  
13          CHARACTERISTICS.—Notwithstanding the requirements of  
14          subsections (b) and (c), a manufacturer shall be deemed  
15          to have demonstrated, for purposes of subsection (a)(1),  
16          that the chemical characteristics of a lot conform to the  
17          standards and specifications to which the manufacturer  
18          represents such lot has been manufactured if the following  
19          requirements are met:

20                 “(1) The coil or heat number of metal from  
21                 which such lot was fabricated has been inspected  
22                 and tested with respect to its chemical characteris-  
23                 tics by a laboratory accredited in accordance with  
24                 the procedures and conditions specified by the Sec-  
25                 retary under section 6.

1           “(2) Such laboratory has provided to the manu-  
2           facturer, either directly or through the metal manu-  
3           facturer, a written inspection and testing report,  
4           which shall be in a form prescribed by the Secretary  
5           by regulation, listing the chemical characteristics of  
6           such coil or heat number.

7           “(3) The report described in paragraph (2) in-  
8           dicates that the chemical characteristics of such coil  
9           or heat number conform to those required by the  
10          standards and specifications to which the manufac-  
11          turer represents such lot has been manufactured.

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

16 In prescribing the form of report required by subsection  
17 (c), the Secretary shall provide for an alternative to the  
18 statement required by subsection (c)(4), insofar as such  
19 statement pertains to chemical characteristics, for cases  
20 in which a manufacturer elects to use the procedure per-  
21 mitted by this subsection.”.

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

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

3 (1) by amending subsection (a) to read as fol-  
4 lows:

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

9 “(1) have been manufactured according to the  
10 requirements of the applicable standards and speci-  
11 fications and have been inspected and tested by a  
12 laboratory accredited in accordance with the proce-  
13 dures and conditions specified by the Secretary  
14 under section 6; and

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

20 (2) in subsection (c)(2) by inserting “to the  
21 same” after “in the same manner and”;

22 (3) in subsection (d)(1) by striking “certificate”  
23 and inserting in lieu thereof “test report”; and

24 (4) by striking subsections (e), (f), and (g) and  
25 inserting in lieu thereof the following:

1       “(e) COMMINGLING.—It shall be unlawful for any  
2 manufacturer, importer, or private label distributor to  
3 commingle like fasteners from different lots in the same  
4 container, except that such manufacturer, importer, or  
5 private label distributor may commingle like fasteners of  
6 the same type, grade, and dimension from not more than  
7 two tested and certified lots in the same container during  
8 repackaging and plating operations. Any container which  
9 contains fasteners from two lots shall be conspicuously  
10 marked with the lot identification numbers of both lots.

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

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

19       “(d) ENFORCEMENT.—The Secretary may designate  
20 officers or employees of the Department of Commerce to  
21 conduct investigations pursuant to this Act. In conducting  
22 such investigations, those officers or employees may, to  
23 the extent necessary or appropriate to the enforcement of  
24 this Act, exercise such authorities as are conferred upon

1 them by other laws of the United States, subject to policies  
2 and procedures approved by the Attorney General.”.

3 (h) SECTION 10 AMENDMENTS.—Section 10 of the  
4 Fastener Quality Act (15 U.S.C. 5409) is amended—

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

7 (2) in subsection (b), by striking “any subse-  
8 quent” and inserting in lieu thereof “the subse-  
9 quent”.

10 (i) SECTION 13 AMENDMENT.—Section 13 of the  
11 Fastener Quality Act (15 U.S.C. 5412) is amended by  
12 striking “within 180 days after the date of enactment of  
13 this Act”.

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

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

17 (a) USE OF STANDARDS.—Section 2(b) of the Na-  
18 tional Institute of Standards and Technology Act (15  
19 U.S.C. 272(b)) is amended—

20 (1) in paragraph (2), by striking “, including  
21 comparing standards” and all that follows through  
22 “Federal Government”;

23 (2) by redesignating paragraphs (3) through  
24 (11) as paragraphs (4) through (12), respectively;  
25 and

1           (3) by inserting after paragraph (2) the follow-  
2           ing new paragraph:

3           “(3) to compare standards used in scientific in-  
4           vestigations, engineering, manufacturing, commerce,  
5           industry, and educational institutions with the  
6           standards adopted or recognized by the Federal Gov-  
7           ernment and to coordinate the use by Federal agen-  
8           cies of private sector standards, emphasizing where  
9           possible the use of standards developed by private,  
10          consensus organizations;”.

11          (b) CONFORMITY ASSESSMENT ACTIVITIES.—Section  
12          2(b) of the National Institute of Standards and Tech-  
13          nology Act (15 U.S.C. 272(b)) is amended—

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

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

21                 (3) by adding at the end the following new  
22                 paragraph:

23                 “(13) to coordinate Federal, State, local, and  
24                 private sector standards conformity assessment ac-  
25                 tivities, with the goal of eliminating unnecessary du-

1       plication and complexity in the development and pro-  
2       mulgation of conformity assessment requirements  
3       and measures.”.

4       (c) TRANSMITTAL OF PLAN TO CONGRESS.—The Na-  
5       tional Institute of Standards and Technology shall, by  
6       January 1, 1996, transmit to the Congress a plan for im-  
7       plementing the amendments made by this section.

8       (d) UTILIZATION OF CONSENSUS STANDARDS BY  
9       FEDERAL AGENCIES; REPORTS.—(1) To the extent prac-  
10      ticable, all Federal agencies and departments shall use,  
11      for procurement and regulatory applications, standards  
12      that are developed or adopted by voluntary, private sector,  
13      consensus standards bodies.

14      (2) Federal agencies and departments shall consult  
15      with voluntary, private sector, consensus standards bodies,  
16      and shall participate with such bodies in the development  
17      of standards, as appropriate in carrying out paragraph  
18      (1).

19      (3) If a Federal agency or department elects to de-  
20      velop, for procurement or regulatory applications, stand-  
21      ards that are not developed or adopted by voluntary, pri-  
22      vate sector, consensus standards bodies, the head of such  
23      agency or department shall transmit to the Office of Man-  
24      agement and Budget, via the National Institute of Stand-  
25      ards and Technology, an explanation of the reasons for

1 developing such standards. The Office of Management and  
2 Budget, with the assistance of the National Institute of  
3 Standards and Technology, shall annually transmit to the  
4 Congress explanations concerning exceptions made under  
5 this subsection.

6 **SEC. 13. SENSE OF CONGRESS.**

7 It is the sense of the Congress that the Malcolm  
8 Baldrige National Quality Award program offers substan-  
9 tial benefits to United States industry, and that all funds  
10 appropriated for such program should be spent in support  
11 of the goals of the program.

Passed the House of Representatives December 12,  
1995.

Attest:

ROBIN H. CARLE,

*Clerk.*