

Revised

DISCUSSION DRAFT  
May 2, 1984

98th CONGRESS  
2d Session

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IN THE SENATE OF THE UNITED STATES  
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Mr. Tsongas introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_  
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A BILL

To establish the Agency for Technological Innovation.

1 Be it enacted by the Senate and House of Representatives  
2 of the United States of America in Congress assembled, That  
3 this Act may be cited as the "Agency for Technological  
4 Innovation Act of 1984".

TITLE I--GENERAL PROVISIONS

FINDINGS

7 Sec. 101. The Congress finds and declares that--

8 (1) the ability of many American industries to  
9 compete in international markets has declined in the last  
10 ten years;

11 (2) increased technological innovation is a  
12 prerequisite for increased economic competitiveness;

13 (3) technological innovation is only indirectly  
14 responsive to macroeconomic factors, such as capital  
15 investments and tax credits, as well as regulatory  
16 reforms;

17 (4) the United States has no integrated or coherent  
18 policy to promote technological innovation, and has  
19 little knowledge concerning the effects of current or  
20 potential programs for innovation; and

1 (5) in order to stimulate technological innovation,  
2 the United States must--

3 (A) enhance the transfer and utilization of  
4 scientific and technological information between  
5 employees, management, educational institutions,  
6 Federal, State, and local governments, business and  
7 industrial concerns, and other organizations involved  
8 in technological development;

9 (B) make optimal use of human resources,  
10 including efforts to improve labor management  
11 relations;

12 (C) encourage research and development of new and  
13 improved manufacturing processes; and

14 (D) promote the creation and growth of small  
15 business concerns and new enterprises.

16 PURPOSES

17 Sec. 102. It is the purpose of this Act--

18 (1) to provide the private sector with an environment  
19 which fosters innovation, productivity, and international  
20 competitiveness; and

21 (2) to provide a coherent Federal approach toward the  
22 stimulation of technological innovation by establishing  
23 an independent agency which--

24 (A) consolidates existing Federal programs with  
25 the purpose of stimulating technological innovation;

26 (B) conducts research to identify problems  
27 relating to technological innovation and formulates  
28 effective solutions for such problems;

29 (C) provides a forum for employees, management,  
30 educational institutions, State and local  
31 governments, business and industrial concerns, and  
32 other organizations involved in technological  
33 innovation to express their concerns and influence  
34 the policies and programs of the Federal Government;

1 (D) ensures effective dissemination and transfer  
2 of scientific information and technology in order to  
3 increase the commercialization of technology, as well  
4 as to enhance the use of general scientific and  
5 technical information;

6 (E) demonstrates and develops new technologies  
7 for manufacturing processes;

8 (F) coordinates Federal, State, and local efforts  
9 to promote new enterprise development; and

10 (G) encourages and conducts research and  
11 development in human resource aspects of  
12 technological innovation, including the retraining  
13 and training of workers and improved managerial  
14 practices.

#### 15 DEFINITIONS

16 Sec. 103. For purposes of this Act--

17 (1) the term "Agency" means the Agency for  
18 Technological Innovation established under section 201;

19 (2) the term "Board" means the National Innovation  
20 Board established under section 204;

21 (3) the term "Council" means the Interagency  
22 Coordinating Council on Innovation established under  
23 section 205;

24 (4) the term "Director" means the Director of the  
25 Agency appointed under section 201 (b);

26 (5) the term "Deputy Director" means the Deputy  
27 Director of the Agency appointed under section 201 (c);

28 (6) the term "Federal agency" has the same meaning  
29 as in section 551 (1) of title 5, United States Code;

30 (7) the term "function" includes any duty,  
31 obligation, power, authority, responsibility, right,  
32 privilege, activity, or program;

33 (8) the term "office" includes any office,  
34 administration, agency, institute, unit, division,

1 directorate, organizational entity, or any component  
2 thereof;

3 (9) the term "small business concern" has the same  
4 meaning as in section 3 of the Small Business Act; and

5 (10) the term "technological innovation" means the  
6 process whereby knowledge derived from basic science is  
7 transformed to marketable technology.

8 ESTABLISHMENT

9 Sec. 201. (a) There is established the Agency for  
10 Technological Innovation. The Agency shall be composed of--

11 (1) the Office of Innovation Policy established by  
12 section 202;

13 (2) the Office of Program Evaluation and Development  
14 established by section 203;

15 (3) the National Innovation Board established by  
16 section 204;

17 (4) the Interagency Coordinating Council on  
18 Innovation established by section 205;

19 (5) the Directorate for Human and Organizational  
20 Resources established by section 206;

21 (6) the Directorate for Enterprise Development  
22 established by section 207;

23 (7) the Directorate for Production Research and  
24 Development established by section 208; and

25 (8) the Directorate for Information and Technology  
26 Transfer established by section 209.

27 (b) The Agency shall be headed by a Director, who shall  
28 be appointed by the President, by and with the advice and  
29 consent of the Senate. The Director shall be responsible for  
30 the administration of all functions transferred to, and  
31 specified for, the Agency by this Act.

32 (c) (1) There shall be in the Agency a Deputy Director,  
33 who shall be appointed by the President, by and with the  
34 advice and consent of the Senate. The Deputy Director shall--

1 (A) administer the Office of Program Evaluation and  
2 Development established by section 203;

3 (B) be Chairman of the Interagency Coordinating  
4 Council on Innovation established by section 205; and

5 (C) perform such additional functions as the  
6 Secretary may prescribe.

7 (2) The Deputy Director shall act for and exercise the  
8 functions of the Director during the absence or disability if  
9 the office of the Director becomes vacant. The Deputy  
10 Director shall act for and exercise the functions of the  
11 Director until the absence or disability of the Director no  
12 longer exists or until a successor to the Director has been  
13 appointed by the President and confirmed by the Senate.

14 OFFICE OF INNOVATION POLICY

15 Sec. 202. (a) There shall be in the Office of the  
16 Director the Office of Innovation Policy. The Office of  
17 Innovation Policy shall be administered by the Assistant  
18 Director, who shall be appointed by the President, by and  
19 with the advice and consent of the Senate.

20 (b) The Director, through the Assistant Director, shall--

21 (1) conduct research, studies, and analyses  
22 concerning policy trends, policy alternatives, and  
23 current issues relating to technological innovation,  
24 including issues relating to antitrust, patents,  
25 taxation, procurement, regulation, human resources  
26 utilization, research and development, and domestic and  
27 international trade;

28 (2) publish in appropriate publications the findings  
29 and results of research, studies, and analyses conducted  
30 pursuant to paragraph (1); and

31 (3) prepare and transmit to the Congress, by January  
32 1 of each year, a report concerning important current  
33 issues relating to technological innovation in the United  
34 States.

## 1 OFFICE OF PROGRAM EVALUATION AND DEVELOPMENT

2 Sec. 203. (a) There is established in the Agency the  
3 Office of Program Evaluation and Development, which shall be  
4 administered by the Deputy Director.

5 (b) The Director, through the Office, shall--

6 (1) develop, evaluate, and assess programs and  
7 studies conducted and supported by the Agency; and

8 (2) conduct and support basic research on the process  
9 of technological innovation, including research on the  
10 effect of economic factors, management practices, and  
11 employee utilization on technological innovation.

## 12 NATIONAL INNOVATION BOARD

13 Sec. 204. (a) There is established in the Agency the  
14 National Innovation Board, which shall provide advice and  
15 assistance to the Director concerning the policies and  
16 programs of the Agency.

17 (b) The Board shall be composed of ten members, who shall  
18 be appointed by the President from among individuals who  
19 represent business and industrial concerns, employees,  
20 educational institutions, and State and local governments. In  
21 appointing members to the Board, the President shall select  
22 members in a manner which assures a balanced representation  
23 of the concerns, employees, institutions, and governments  
24 described in the preceding sentence.

25 (c) Each member of the Board shall be appointed for a  
26 four-year term, except that the term of office of the members  
27 first appointed shall expire, as designated by the President  
28 at the time of appointment, two at the end of one year, two  
29 at the end of two years, three at the end of three years, and  
30 three at the end of four years.

31 (d) The Board shall elect one of its members as Chairman  
32 of the Board.

33 (e) Six members of the Board shall constitute a quorum for  
34 the transaction of business, but a lesser number may hold

1 hearings. A vacancy in the Board shall not impair its powers.

2 (f) The Board shall meet at least twice each year, and  
3 shall meet at the call of the Chair or the Director.

4 (g) Members of the Board shall not hold any other Federal  
5 office or be a full-time employee of the United States while  
6 serving as a member of the Board.

7 (h) Each member of the Board shall receive compensation  
8 at a rate equal to the daily rate prescribed for GS-18 under  
9 the General Schedule under section 5332 of title 5, United  
10 States Code, for each day, including traveltime, such member  
11 is engaged in the actual performance of duties as a member of  
12 the Board, and shall be reimbursed for travel, subsistence,  
13 and other necessary expenses incurred in the performance of  
14 the duties as a member of the Board.

15 (i) To carry out the provisions of this section, the  
16 Board is authorized to--

17 (1) hold such hearings and sit and act at such times  
18 and places, either as a whole or by subcommittee, and  
19 request the attendance and testimony of such witnesses  
20 and the production of such books, records,  
21 correspondence, memorandums, papers, and documents as the  
22 Board or such subcommittee may deem advisable; and

23 (2) request the cooperation and assistance of Federal  
24 agencies in carrying out the provisions of this section,  
25 and such Federal agencies are authorized to provide such  
26 cooperation and assistance.

27 (j) The Director shall provide the Board with such  
28 support, staff, and facilities as may be necessary to enable  
29 the Board to carry out this section.

30 INTERAGENCY COORDINATING COUNCIL ON INNOVATION

31 Sec. 205. (a) There is established the Interagency  
32 Coordinating Council on Innovation. The Council shall be  
33 composed of--

34 (1) the Deputy Director, who shall be Chairman of the

1 Council;

2 (2) the Secretaries of Commerce, Defense, Education,  
3 Energy, and Labor (or the designee of each such  
4 Secretary);

5 (3) the Director of the National Science Foundation  
6 (or the designee of the Director);

7 (4) the Administrators of the National Aeronautics  
8 and Space Administration and the Small Business  
9 Administration (or the designee of each such  
10 Administrator); and

11 (5) the heads of such other Federal agencies as the  
12 Deputy Director considers appropriate (or the designees  
13 of such agency heads).

14 (b) The Council shall meet at least once each month, and  
15 at the call of the Deputy Director.

16 (c) Every three months, the Council shall prepare and  
17 transmit to the Director a report concerning its activities.  
18 Each report shall contain recommendations for legislation and  
19 administrative action to coordinate and consolidate programs  
20 carried out by Federal agencies which affect policies and  
21 practices relating to technological innovation.

22 (d) The Director shall provide the Council with such  
23 support, staff, and facilities as may be necessary to enable  
24 the Council to carry out this section.

25 DIRECTORATE FOR HUMAN AND ORGANIZATIONAL RESOURCES

26 Sec. 206. (a) There is established in the Agency the  
27 Directorate for Human and Organizational Resources. The  
28 Directorate shall be composed of--

29 (1) the Division of Technical Education established  
30 by subsection (c);

31 (2) the Division of Manpower Training established by  
32 subsection (d); and

33 (3) the Division of Managerial Innovation established  
34 by subsection (e).



1 (b) The Director, through the Directorate for Human and  
2 Organizational Resources, shall--

3 (1) promote improvements in the productivity of the  
4 American work force and in managerial methods that  
5 enhance technological innovation;

6 (2) study and evaluate programs conducted by Federal  
7 agencies, State and local governments, business and  
8 industrial concerns, and educational institutions  
9 concerning--

10 (A) employee training and retraining practices;  
11 and

12 (B) employer organizational arrangements which  
13 affect technological innovation; and

14 (3) make grants or enter into contracts to carry out  
15 projects to demonstrate methods to improve--

16 (A) employee training and retraining practices;  
17 and

18 (B) employer organizational arrangements which  
19 affect technological innovation.

20 (c) There is established in the Directorate for Human and  
21 Organizational Resources the Division of Technical Education.  
22 The Director, through the Division of Technical Education,  
23 shall--

24 (1) study and evaluate programs providing technical  
25 training to entry level employees and the impact of such  
26 programs on promoting the adjustment of such employees to  
27 technological innovation, including programs conducted by  
28 secondary schools, vocational and technical schools,  
29 junior colleges, colleges and universities, and  
30 employers; and

31 (2) make grants to secondary schools, junior  
32 colleges, colleges and universities, and employers for  
33 projects to demonstrate technical training programs for  
34 entry level employees that will improve the adjustment of

1 such employees to technological innovation.

2 (d) There is established in the Directorate for Human and  
3 Organizational Resources the Division of Manpower Retraining.  
4 The Director, through the Division of Manpower Retraining,  
5 shall--

6 (1) study and evaluate the effectiveness of all types  
7 of programs to retrain employees who are displaced by  
8 technological innovation and foreign competition;

9 (2) assess and identify needs for new programs to  
10 retrain such employees, including an assessment of types  
11 of occupational retraining needed, appropriate  
12 institutions which may conduct such retraining, and  
13 alternative approaches for retraining programs; and

14 (3) make grants to appropriate public and private  
15 nonprofit institutions for the conduct of projects to  
16 demonstrate alternative approaches to improve the quality  
17 and availability of educational programs for the  
18 retraining of employees who are displaced by  
19 technological innovation and foreign competition,  
20 including a program under which--

21 (A) such employees are provided with vouchers to  
22 be used by such employees to pay providers of  
23 educational retraining for education and training  
24 received by such employees; and

25 (B) such providers present such vouchers for  
26 redemption for cash payments for the provision of  
27 such education and training.

28 (e) There is established in the Directorate for Human and  
29 Organizational Resources the Division of Managerial  
30 Innovation. The Director, through the Division of Managerial  
31 Innovation, shall study and evaluate management practices and  
32 innovations which enhance technological innovation,  
33 productivity, labor-management relations, and the quality of  
34 the work place.

## 1 DIRECTORATE FOR ENTERPRISE DEVELOPMENT

2 Sec. 207. (a) There is established in the Agency the  
3 Directorate for Enterprise Development. The Directorate for  
4 Enterprise Development shall be composed of--

5 (1) the Division of Cooperative Research and  
6 Development established by subsection (c);

7 (2) the Division of State and Local Initiatives  
8 established by subsection (d);

9 (3) the Division of Small Business Innovation  
10 established by subsection (e); and

11 (4) the Division of Capital Resources for Innovation  
12 established by subsection (f).

13 (b) The Director through the Directorate for Enterprise  
14 Development, shall--

15 (1) study the development and formation of new  
16 enterprises;

17 (2) make grants to appropriate public and private  
18 nonprofit institutions for projects to demonstrate models  
19 for the development and formation of cooperative  
20 enterprises; and

21 (3) promote successful models for the development and  
22 formation of new enterprises, including the dissemination  
23 of information concerning such models and the provision  
24 of grants for the planning, development, and initial  
25 operation of new enterprises which use such models.

26 (c) There is established in the Directorate for  
27 Enterprise Development the Division of Cooperative Research  
28 and Development. The Director, through the Division of  
29 Cooperative Research and Development, shall--

30 (1) evaluate and disseminate information on existing  
31 and potential models of cooperative research and  
32 development arrangements, including models of  
33 arrangements among business and industrial concerns and  
34 models of arrangements between business and industrial

1 concerns and educational institutions;

2 (2) assess potential and existing governmental  
3 barriers to such cooperative research and development  
4 arrangements, such as the provisions of antitrust laws  
5 and tax policies, and suggest methods to eliminate such  
6 barriers; and

7 (3) make grants to appropriate institutions and  
8 organizations to support demonstrations of cooperative  
9 research and development arrangements, including grants  
10 to support--

11 (A) research programs at university centers  
12 concerning specific technologies relevant to business  
13 and industrial concerns;

14 (B) cooperative research projects between  
15 business and industrial concerns and educational  
16 institutions which focus on fundamental research of  
17 potential industrial relevance; and

18 (C) cooperative arrangements among business and  
19 industrial concerns which include financial  
20 participation by such concerns, such as limited  
21 partnerships for research and development.

22 (d) There is established in the Directorate for  
23 Enterprise Development the Division of State and Local  
24 Initiatives. The Director, through the Division of State and  
25 Local Initiatives, shall--

26 (1) evaluate the role of State and local governments  
27 in the promotion of technological innovation and new  
28 enterprise development, including an assessment of  
29 existing State and local programs to promote such  
30 development and innovation;

31 (2) make grants to appropriate institutions and  
32 organizations for projects to demonstrate potential  
33 models of cooperative research and development  
34 arrangements between State and local governments and

1 business and industrial concerns which include  
2 significant financial participation by such governments  
3 and concerns; and

4 (3) facilitate information dissemination and the  
5 development of networks among programs supported by State  
6 and local governments to promote technological  
7 innovation.

8 (e) There is established in the Directorate for  
9 Enterprise Development the Division of Small Business  
10 Innovation. The Director, through the Division of Small  
11 Business Innovation, shall--

12 (1) coordinate and monitor small business innovation  
13 research programs conducted under the Small Business Act,  
14 and, in consultation with the Office of Program  
15 Evaluation and Development, evaluate activities by  
16 Federal agencies to carry out such programs;

17 (2) study and evaluate methods (other than such small  
18 business innovation research programs) by which Federal  
19 programs for the procurement of research and development  
20 services can more effectively promote innovation by small  
21 business concerns; and

22 (3) provide, in cooperation with the Division of  
23 State and Local Initiatives, technical assistance to  
24 State governments and regional organizations to enable  
25 such governments and organizations to establish State and  
26 regional programs similar to the small business  
27 innovation research programs established under the Small  
28 Business Act.

29 (f) There is established in the Directorate for  
30 Enterprise Development the Division of Capital Resources for  
31 Innovation. The Director, through the Division of Capital  
32 Resources for Innovation, shall--

33 (1) study and evaluate capital markets for the  
34 establishment of new enterprises and for the

1 commercialization and development of products of small  
2 business concerns and individual inventors; and

3 (2) assess the cost and availability of capital for  
4 such enterprises and products.

5 DIRECTORATE FOR PRODUCTION RESEARCH AND DEVELOPMENT

6 Sec. 208. (a) There is established in the Agency the  
7 Directorate for Production Research and Development. The  
8 Directorate for Production Research and Development shall be  
9 composed of--

10 (1) the Division of Manufacturing Technology  
11 established by subsection (c);

12 (2) the Division of Process Technology established by  
13 subsection (d); and

14 (3) the Division of Sociotechnical Design established  
15 by subsection (e).

16 (b) The Director, through the Directorate for Production  
17 Research and Development, shall--

18 (1) study and evaluate the state of the American  
19 manufacturing technologies and process technologies;

20 (2) provide guidance and financial assistance to  
21 universities, colleges, and vocational and technical  
22 schools for curriculum development and equipment  
23 acquisition in order to improve manufacturing  
24 technologies and process technologies;

25 (3) support cooperative arrangements among  
26 universities, colleges, business concerns, the Federal  
27 Government, and State and local governments for the  
28 conduct of research concerning manufacturing technologies  
29 and process technologies, especially technologies  
30 applicable to a wide range of industries; and

31 (4) make grants to appropriate public and private  
32 nonprofit institutions to support field experiments with  
33 a high potential for commercial success in the  
34 development of process technologies and the successful

1 implementation of such technologies.

2 (c) There is established in the Directorate for  
3 Production Research and Development the Division of  
4 Manufacturing Technology. The Director, through the Division  
5 of Manufacturing Technology, shall--

6 (1) support and stimulate redevelopment of the  
7 scientific and technical infrastructure in manufacturing  
8 research and development, including the dissemination of  
9 the latest developments in applied research and  
10 technology to all participants in the manufacturing  
11 process;

12 (2) study the factors involved in the successful  
13 implementation of new manufacturing technologies,  
14 including factors such as managerial practices, and  
15 develop strategies to improve the utilization of such  
16 technologies; and

17 (3) provide measurement services, test procedures,  
18 and reliable technical data with respect to automated  
19 manufacturing processes.

20 (d) There is established in the Directorate for  
21 Production Research and Development the Division of Process  
22 Technology. The Director, through the Division of Process  
23 Technology, shall support research concerning the development  
24 of improved manufacturing processes in new and developing  
25 product areas such as biotechnology and microelectronics.

26 (e) There is established in the Directorate for  
27 Production Research and Development the Division of  
28 Sociotechnical Design. The Director, through the Division of  
29 Sociotechnical Design and in cooperation with the Division of  
30 Managerial Innovation, shall conduct research on  
31 organizational arrangements, designs, and methods which  
32 will--

33 (1) prevent the dislocation of employees which may  
34 result from technological innovation; and

1 (2) enable employees affected by technological  
2 innovation to be integrated in business and industrial  
3 concerns which have benefited from technological  
4 innovation.

5 DIRECTORATE FOR INFORMATION AND TECHNOLOGY TRANSFER  
6 Sec. 209. (a) There is established in the Agency the  
7 Directorate for Information and Technology Transfer. The  
8 Directorate for Information and Technology Transfer shall be  
9 composed of--

10 (1) the Division of Mission-Oriented Transfer  
11 established by subsection (c); and

12 (2) the Division of Information Systems established  
13 by subsection (d).

14 (b) The Director, through the Directorate for Information  
15 and Technology Transfer, shall conduct a program to  
16 disseminate information concerning, and to promote the  
17 successful use of, new products and technology. Such program  
18 shall--

19 (1) evaluate the factors which contribute to the  
20 failure of processes for the transfer of information  
21 concerning new products and technologies to employees,  
22 educational institutions, business and industrial  
23 concerns, and State and local governments; and

24 (2) develop new mechanisms for the transfer of such  
25 information and methods to improve existing mechanisms to  
26 transfer such information.

27 (c) There is established in the Directorate of  
28 Information and Technology Transfer the Division of Mission-  
29 Oriented Transfer. The Director, through the Division of  
30 Mission-Oriented Transfer, shall--

31 (1) identify products and processes developed by  
32 Federal agencies such as the Department of Defense, the  
33 National Aeronautics and Space Administration, and the  
34 Department of Energy, which have potential for commercial



1 applications;

2 (2) operate a center to make inventions and technical  
3 information which are developed from federally funded  
4 research available to business and industrial concerns;  
5 and

6 (3) evaluate, promote, and license to business and  
7 industrial concerns Government patents which have  
8 potential commercial applications, especially patents for  
9 exemplary inventions relating to the development,  
10 production, and conservation of energy.

11 (d) (1) There is established in the Directorate for  
12 Information and Technology Transfer the Division of  
13 Information Systems. The Director, through the Division of  
14 Information Systems, shall--

15 (A) operate a national technical information service  
16 to make Federal technological, scientific, economic, and  
17 engineering information readily accessible to business  
18 and industrial concerns, State and local governments,  
19 educational institutions, and other interested  
20 individuals and organizations;

21 (B) act as a repository of all scientific and  
22 technical information collected by Federal agencies,  
23 including information on processes of technological  
24 innovation and foreign manufacturing technologies;

25 (C) operate a clearinghouse for data relating to  
26 technological innovation by using a computerized network  
27 to coordinate available informational resources in the  
28 private sector;

29 (D) promote the identification and dissemination of  
30 important findings and successful technologies which  
31 relate to technological innovation; and

32 (E) establish a national technology extension center  
33 program in accordance with paragraph (2).

34 (2) The Director, through the Division of Information

1 Systems, shall establish twelve centers in cooperation with  
2 State and local governments, business and industrial  
3 concerns, and educational institutions. Each such center  
4 shall--

5 (A) enhance the transfer to, and utilization by,  
6 business and industrial concerns of technological  
7 knowledge and information developed by educational  
8 institutions;

9 (B) with respect to one or more types of  
10 technologies, establish an intellectual center and a  
11 comprehensive clearinghouse for research and development;

12 (C) facilitate the demonstration of new technologies  
13 and enable adaptation of such technologies by industries  
14 according to the particular needs of such industries;

15 (D) provide technical assistance to business and  
16 industrial concerns which have adopted and implemented  
17 the technologies referred to in subparagraph (C);

18 (E) provide practical training for university  
19 personnel and new employee retraining for structurally  
20 unemployed individuals; and

21 (F) conduct research and collect empirical data  
22 concerning the effects of current programs or the likely  
23 effects of new programs which are designed to stimulate  
24 technological innovation.

#### 25 TITLE III--TRANSFERS

#### 26 TRANSFERS FROM THE NATIONAL SCIENCE FOUNDATION

27 Sec. 301. (a) There are transferred to the Director all  
28 functions of the National Science Foundation with respect to  
29 or administered through--

30 (1) the Division of Policy Research and Analysis of  
31 the Foundation; and

32 (2) the Division of Industrial Science and  
33 Technological Innovation of the Foundation.

34 (b) There are transferred to the Director all functions

1 of the National Science Foundation relating to--

2 (1) the enhancement of scientific and technological  
3 resources of State and local governments, including  
4 functions relating to the conduct of demonstration  
5 projects to enhance such resources, the evaluation of  
6 State and local projects to improve technological  
7 innovation, and the promotion of networks between State  
8 and local governments conducting such projects; and

9 (2) the study and evaluation of programs providing  
10 technical training to entry level employees and the  
11 impact of such programs on promoting the adjustment of  
12 such employees to technological innovation, including the  
13 study and evaluation of programs conducted by secondary  
14 schools, vocational and technical schools, junior  
15 colleges, colleges and universities, and employers.

16 TRANSFERS FROM THE DEPARTMENT OF COMMERCE

17 Sec. 302. (a) There are transferred to the Director all  
18 functions of the Secretary of Commerce with respect to or  
19 administered through--

20 (1) the Assistant Secretary of Commerce for  
21 Productivity, Technology, and Innovation;

22 (2) the Director of the National Technical  
23 Information Service; and

24 (3) the Director of the Center for the Utilization of  
25 Federal Technology.

26 (b) There are transferred to the Director all functions  
27 of the Secretary of Commerce relating to the identification,  
28 promotion, and licensing to business and industrial concerns  
29 of inventions developed by Federal agencies.

30 TRANSFER FROM THE DEPARTMENT OF ENERGY

31 Sec. 303. There are transferred to the Director all  
32 functions of the Secretary of Energy relating to the  
33 identification and promotion of exemplary inventions relating  
34 to the development, production, and conservation of energy.

## 1 TRANSFER FROM THE SMALL BUSINESS ADMINISTRATION

2 Sec. 304. There are transferred to the Director all  
3 functions of the Administrator of the Small Business  
4 Administration relating to the small business innovation  
5 research program under the Small Business Act.

## 6 TITLE IV--ADMINISTRATIVE PROVISIONS

## 7 PERSONNEL PROVISIONS

8 Sec. 401. (a) The Director may appoint and fix the  
9 compensation of such officers and employees, including  
10 investigators, attorneys, and administrative law judges, as  
11 may be necessary to carry out the functions of the Director  
12 and the Agency. Except as otherwise provided by law, such  
13 officers and employees shall be appointed in accordance with  
14 the civil service laws and compensated in accordance with  
15 title 5, United States Code.

16 (b)(1) At the request of the Director, the Director of  
17 the Office of Personnel Management shall, under section 5108  
18 of title 5, United States Code, provide for the establishment  
19 in each of the grade levels GS-16, GS-17, and GS-18, and in  
20 the Senior Executive Service, of a number of positions in the  
21 Agency equal to the number of positions in that grade level  
22 which were used primarily for the performance of functions  
23 transferred by this Act and which were assigned and filled on  
24 the day before the effective date of this Act.

25 (2) Appointments to positions provided for under this  
26 subsection may be made without regard to the provisions of  
27 section 3324 of title 5, United States Code, if the  
28 individual appointed in such position is an individual who is  
29 transferred in connection with the transfer of functions  
30 under this Act and, on the day before the effective date of  
31 this Act, holds a position and has duties comparable to those  
32 of the position to which appointed under this subsection.

33 (3) The authority under this subsection with respect to  
34 any position established at the grade level GS-16, GS-17, or

1 GS-18 shall terminate when the person first appointed to fill  
2 such position ceases to hold such position.

3 (4) For purposes of section 414(a)(3)(A) of the Civil  
4 Service Reform Act of 1978, an individual appointed under  
5 this subsection shall be deemed to occupy the same position  
6 as the individual occupied on the day before the effective  
7 date of this Act.

8 (c) The Director may obtain the services of experts and  
9 consultants in accordance with section 3109 of title 5,  
10 United States Code, and compensate such experts and  
11 consultants for each day (including traveltime) at rates not  
12 in excess of the rate of pay for grade GS-18 of the General  
13 Schedule under section 5332 of such title. The Director may  
14 pay experts and consultants who are serving away from their  
15 homes or regular place of business travel expenses and per  
16 diem in lieu of subsistence at rates authorized by sections  
17 5702 and 5703 of such title for persons in Government service  
18 employed intermittently.

19 (d)(1)(A) The Director is authorized to accept voluntary  
20 and uncompensated services without regard to the provisions  
21 of section 1342 of title 31, United States Code, if such  
22 services will not be used to displace Federal employees  
23 employed on a full-time, part-time, or seasonal basis.

24 (B) The Director is authorized to accept volunteer  
25 service in accordance with the provisions of section 3111 of  
26 title 5, United States Code.

27 (2) The Director is authorized to provide for incidental  
28 expenses, including but not limited to transportation,  
29 lodging, and subsistence for individuals who provide  
30 voluntary services under subparagraph (A) or (B) of paragraph  
31 (1).

32 (3) An individual who provides voluntary services under  
33 paragraph (1)(A) shall not be considered a Federal employee  
34 for any purpose other than for purposes of chapter 81 of

1 title 5, United States Code, relating to compensation for  
2 work injuries, and chapter 171 of title 28, United States  
3 Code, relating to tort claims.

4 GENERAL AUTHORITY

5 Sec. 402. In carrying out any functions transferred by  
6 this Act, the Director, or any officer or employee of the  
7 Agency, may exercise any authority available by law with  
8 respect to the function to the official or agency from which  
9 the function is transferred. Any action of the Director in  
10 exercising such authority shall have the same force and  
11 effect as when exercised by the official or agency from which  
12 the function was transferred.

13 DELEGATION AND ASSIGNMENT

14 Sec. 403. Except where otherwise expressly prohibited by  
15 law or otherwise provided by this Act, the Director may  
16 delegate any function specified for or transferred to the  
17 Director by this Act and any function transferred or granted  
18 to the Director after the effective date of this Act to such  
19 officers and employees of the Agency as the Director may  
20 designate, and may authorize successive redelegations of such  
21 functions as may be necessary or appropriate. No delegation  
22 of functions by the Director under this section or under any  
23 other provision of this Act shall relieve the Director of  
24 responsibility for the administration of such functions.

25 SUCCESSION

26 Sec. 404. (a) Subject to the authority of the President,  
27 and except as provided in section 201 (c) (2), the Director  
28 shall prescribe the order by which officers of the Agency  
29 shall act for, and perform the functions of, the Director or  
30 any other officer of the Agency during the absence or  
31 disability of the Director or such other officer, or in the  
32 event of a vacancy in the office of the Director or such  
33 other officer.

34 (b) Notwithstanding any other provision of law, and

1 unless the President directs otherwise, an individual acting  
2 for the Director or another officer of the Agency pursuant to  
3 subsection (a) shall continue to serve in that capacity until  
4 the absence or disability of the Director or such other  
5 officer no longer exists or a successor to the Director or  
6 such other officer has been appointed by the President and  
7 confirmed by the Senate.

8 REORGANIZATION

9 Sec. 405. (a) Subject to subsection (b), the Director is  
10 authorized to allocate or reallocate functions among the  
11 officers of the Agency, and to establish, consolidate, alter,  
12 or discontinue such offices in the Agency as may be necessary  
13 or appropriate.

14 (b) The authority of the Director under subsection (a)  
15 does not extend to any function which this Act specifies  
16 shall be performed through a particular office or officer of  
17 the Agency, or to any office established by this Act.

18 RULES

19 Sec. 406. The Director is authorized to prescribe, in  
20 accordance with the provisions of chapters 5 and 6 of title  
21 5, United States Code, such rules and regulations as the  
22 Director determines necessary or appropriate to administer  
23 and manage the functions of the Director or the Agency.

24 CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

25 Sec. 407. (a) Subject to the provisions of the Federal  
26 Property and Administrative Services Act of 1949, the  
27 Director may make, enter into, and perform such contracts,  
28 leases, cooperative agreements, grants, or other similar  
29 transactions with public agencies, private organizations, and  
30 persons, and make payments (in lump sum or installments, and  
31 by way of advance or reimbursement, and, in the case of any  
32 grant, with necessary adjustments on account of overpayments  
33 and underpayments) as the Director considers necessary or  
34 appropriate to carry out the functions of the Director or the

1 Agency.

2 (b) Notwithstanding any other provision of this Act, the  
3 authority to enter into contracts or to make payments under  
4 this Act shall be effective only to such extent or in such  
5 amounts as are provided in advance in appropriation Acts.  
6 This subsection does not apply with respect to the authority  
7 granted under section 410.

8 PUBLICATIONS

9 Sec. 408. Subject to such procedures as the Director of  
10 the Office of Management and Budget may prescribe, the  
11 Director may disseminate in the form of reports or  
12 publications such information as the Director considers  
13 appropriate.

14 USE OF FACILITIES

15 Sec. 409. (a) With their consent, the Director, with or  
16 without reimbursement, may use the research, services,  
17 equipment, and facilities of--

18 (1) an individual;

19 (2) any public or private nonprofit agency or  
20 organization, including any agency or instrumentality of  
21 the United States or of any State, the District of  
22 Columbia, the Commonwealth of Puerto Rico, or any  
23 territory or possession of the United States;

24 (3) any political subdivision of any State, the  
25 District of Columbia, the Commonwealth of Puerto Rico, or  
26 any territory or possession of the United States; or

27 (4) any foreign government,

28 in carrying out any function of the Director or the Agency.

29 (b) The Director, under terms, at rates, and for periods  
30 that the Director considers to be in the public interest, may  
31 permit the use by public and private agencies, corporations,  
32 associations or other organizations, or by individuals, of  
33 any real property, or any facility, structure or other  
34 improvement thereon, under the custody of the Director. The



1 Director may require permittees under this section to  
2 maintain or recondition, at their own expense, the real  
3 property, facilities, structures, and improvements used by  
4 such permittees.

#### 5 GIFTS AND BEQUESTS

6 Sec. 410. (a) The Director is authorized to accept, hold,  
7 administer, and utilize gifts and bequests of property, both  
8 real and personal, for the purpose of aiding or facilitating  
9 the work of the Agency. Gifts and bequests of money and the  
10 proceeds from sales of other property received as gifts or  
11 bequests shall be deposited in the United States Treasury in  
12 a separate fund and shall be disbursed on order of the  
13 Director. Property accepted pursuant to this paragraph, and  
14 the proceeds thereof, shall be used as nearly as possible in  
15 accordance with the terms of the gift or bequest.

16 (b) For the purpose of Federal income, estate, and gift  
17 taxes, and State taxes, property accepted under subsection  
18 (a) shall be considered a gift or bequest to or for use of  
19 the United States.

20 (c) Upon the request of the Director, the Secretary of  
21 the Treasury may invest and reinvest in securities of the  
22 United States or in securities guaranteed as to principal and  
23 interest by the United States any moneys contained in the  
24 fund provided for in subsection (a). Income accruing from  
25 such securities, and from any other property held by the  
26 Director pursuant to subsection (a), shall be deposited to  
27 the credit of the fund, and shall be disbursed upon order of  
28 the Director.

#### 29 SEAL OF AGENCY

30 Sec. 411. The Director shall cause a seal to be made for  
31 the Agency of such design as the Director shall approve.  
32 Judicial notice shall be taken of such seal.

#### 33 ANNUAL REPORT

34 Sec. 412. The Director shall, as soon as practicable

1 after the end of each fiscal year, prepare and transmit a  
2 written report to the President for transmission to the  
3 Congress on the activities of the Agency during such fiscal  
4 year.

5 TITLE V--TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS  
6 TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

7 Sec. 501. Except as otherwise provided in this Act, the  
8 personnel employed in connection with, and the assets,  
9 liabilities, contracts, property, records, and unexpended  
10 balances of appropriations, authorizations, allocations, and  
11 other funds employed, used, held, arising from, available to,  
12 or to be made available in connection with the functions  
13 transferred by this Act, subject to section 1531 of title 31,  
14 United States Code, shall be transferred to the Director.  
15 Unexpended funds transferred pursuant to this section shall  
16 be used only for the purposes for which the funds were  
17 originally authorized and appropriated.

18 INCIDENTAL TRANSFERS

19 Sec. 502. (a) The Director of the Office of Management  
20 and Budget, at such time or times as the Director shall  
21 provide, is authorized to make such determinations as may be  
22 necessary with regard to the functions transferred by this  
23 Act, and to make such additional incidental dispositions of  
24 personnel, assets, liabilities, grants, contracts, property,  
25 records, and unexpended balances of appropriations,  
26 authorizations, allocations, and other funds held, used,  
27 arising from, available to, or to be made available in  
28 connection with such functions, as may be necessary to carry  
29 out the provisions of this Act. The Director of the Office of  
30 Management and Budget shall provide for the termination of  
31 the affairs of all entities terminated by this Act and for  
32 such further measures and dispositions as may be necessary to  
33 effectuate the purposes of this Act.

34 (b) After consultation with the Director of the Office of

1 Personnel Management, the Director of the Office of  
2 Management and Budget is authorized, at such times as the  
3 Director of the Office of Management and Budget may provide,  
4 to make such determinations as may be necessary with regard  
5 to the transfer of positions within the Senior Executive  
6 Service in connection with the functions transferred by this  
7 Act.

#### 8 EFFECT ON PERSONNEL

9 Sec. 503. (a) Except as otherwise provided by this Act,  
10 the transfer pursuant to this Act of full-time personnel  
11 (except special Government employees) and part-time personnel  
12 holding permanent positions shall not cause any such employee  
13 to be separated or reduced in grade or compensation for one  
14 year after the date of transfer of such employee under this  
15 Act.

16 (b) Any person who, on the day preceding the effective  
17 date of this Act, held a position compensated in accordance  
18 with the Executive Schedule prescribed in chapter 53 of title  
19 5, United States Code, and who, without a break in service,  
20 is appointed in the Agency to a position having duties  
21 comparable to the duties performed immediately preceding such  
22 appointment shall continue to be compensated in such new  
23 position at not less than the rate provided for such previous  
24 position, for the duration of the service of such person in  
25 such new position.

#### 26 AGENCY TERMINATIONS

27 Sec. 504. Except as otherwise provided by this Act,  
28 whenever all the functions of any office of a Federal agency  
29 have been transferred by this Act from that agency, such  
30 agency shall terminate. If an office terminates pursuant to  
31 the provisions of the preceding sentence, each position and  
32 component therein which was expressly authorized by law, or  
33 the incumbent of which was authorized to receive compensation  
34 at the rates prescribed for a position at level II, III, IV,

1 or V of the Executive Schedule contained in sections 5313  
2 through 5316 of title 5, United States Code, shall terminate.

3 SAVINGS PROVISIONS

4 Sec. 505. (a) All orders, determinations, rules,  
5 regulations, permits, contracts, certificates, licenses, and  
6 privileges that--

7 (1) have been issued, made, granted, or allowed to  
8 become effective by the President, any Federal agency or  
9 official thereof, or by a court of competent  
10 jurisdiction, in the performance of functions which are  
11 transferred by this Act; and

12 (2) are in effect when this Act takes effect,  
13 shall continue in effect according to their terms until  
14 modified, terminated, superseded, set aside, or revoked in  
15 accordance with law by the President, the Director, a court  
16 of competent jurisdiction, or by operation of law.

17 (b)(1) The provisions of this Act shall not affect any  
18 proceedings, including notices of proposed rule making, or  
19 any application for any license, permit, certificate, or  
20 financial assistance pending on the effective date of this  
21 Act before a Federal agency or any office thereof with  
22 respect to functions transferred by this Act; but such  
23 proceedings or applications, to the extent that they relate  
24 to functions transferred, shall be continued. Orders shall be  
25 issued in such proceedings, appeals shall be taken therefrom,  
26 and payments shall be made under such orders, as if this Act  
27 had not been enacted; and orders issued in any such  
28 proceedings shall continue in effect until modified,  
29 terminated, superseded, or revoked by the Director, by a  
30 court of competent jurisdiction, or by operation of law.  
31 Nothing in this subsection prohibits the discontinuance or  
32 modification of any such proceeding under the same terms and  
33 conditions and to the same extent that such proceeding could  
34 have been discontinued or modified if this Act had not been

1 enacted.

2 (2) The Director and the head of each Federal agency from  
3 which functions are transferred by this Act are authorized to  
4 issue regulations providing for the orderly transfer of  
5 proceedings continued under paragraph (1).

6 (c) Except as provided in subsection (e)--

7 (1) the provisions of this Act do not affect actions  
8 commenced prior to the effective date of this Act, and

9 (2) In all such actions, proceedings shall be had,  
10 appeals taken, and judgments rendered in the same manner  
11 and effect as if this Act had not been enacted.

12 (d) No action or other proceeding commenced by or against  
13 any officer in his official capacity as an officer of any  
14 Federal agency with respect to functions transferred by this  
15 Act shall abate by reason of the enactment of this Act. No  
16 cause of action by or against any Federal agency with respect  
17 to functions transferred by this Act, or by or against any  
18 officer thereof in his official capacity, shall abate by  
19 reason of the enactment of this Act. Causes of action and  
20 actions with respect to a function transferred by this Act,  
21 or other proceedings may be asserted by or against the United  
22 States or the Director, as may be appropriate, and, in an  
23 action pending when this Act takes effect, the court may at  
24 any time, on its own motion or that of any party, enter an  
25 order which will give effect to the provisions of this  
26 subsection.

27 (e) If, before the date on which this Act takes effect,  
28 any Federal agency or any officer thereof in his official  
29 capacity, is a party to an action, and under this Act any  
30 function of such Federal agency is transferred to the  
31 Director, then such action shall be continued with the  
32 Director substituted or added as a party.

33 (f) Orders and actions of the Director in the exercise of  
34 functions transferred by this Act shall be subject to

1 judicial review to the same extent and in the same manner as  
2 if such orders and actions had been by the head of the  
3 Federal agency exercising such functions immediately  
4 preceding their transfer. Any statutory requirements relating  
5 to notice, hearings, action upon the record, or  
6 administrative review that apply to any function transferred  
7 by this Act shall apply to the exercise of such function by  
8 the Director.

9 AMENDMENTS

10 Sec. 506. (a) Section 5313 of title 5, United States  
11 Code, is amended by adding at the end thereof the following  
12 new item:

“Director, Agency for Technological Innovation.”.

13 (b) Section 5314 of such title is amended--

14 (1) by striking out the item relating to the  
15 Assistant Secretaries of Commerce and inserting in lieu  
16 thereof the following:

“Assistant Secretaries of Commerce (7).”; and

17 (2) by adding at the end thereof the following new  
18 item:

“Deputy Director, Agency for Technological  
Innovation.”.

19 (c) Section 5316 of such title is amended by adding at  
20 the end thereof the following new item:

“Assistant Director, Agency for Technological  
Innovation.”.

21 SEPARABILITY

22 Sec. 507. If a provision of this Act or its application  
23 to any person or circumstance is held invalid, neither the  
24 remainder of this Act nor the application of the provision to  
25 other persons or circumstances shall be affected.

26 REFERENCE

27 Sec. 508. With respect to any functions transferred by  
28 this Act and exercised after the effective date of this Act,  
29 reference in any other Federal law to the Federal agency from

1 which such functions were transferred or the head of such  
2 Federal agency, shall be considered to refer to the Director.

3 TRANSITION

4 Sec. 509. With the consent of the head of each Federal  
5 agency from which functions are transferred by this Act, the  
6 Director is authorized to utilize--

7 (1) the services of officers, employees, and other  
8 personnel of each such Federal agency with respect to  
9 functions or offices transferred to the Agency by this  
10 Act; and

11 (2) funds appropriated to such functions for such  
12 period of time as may reasonably be needed to facilitate  
13 the orderly implementation of this Act.

14 TITLE VI--MISCELLANEOUS

15 EFFECTIVE DATE

16 Sec. 601. (a) This Act shall take effect one hundred and  
17 twenty days after the date of enactment, except that--

18 (1) section 509 shall take effect on the date of  
19 enactment; and

20 (2) at any time after the date of enactment of this  
21 Act--

22 (A) the officers provided for in title II may be  
23 nominated and appointed, as provided in such title;  
24 and

25 (B) the Director and the head of each Federal  
26 agency from which functions are transferred by this  
27 Act may promulgate regulations under section 505

28 (b)(2).

29 (b) Funds available to a Federal agency, with respect to  
30 functions transferred by this Act, may be used, with approval  
31 of the Director of the Office of Management and Budget, to  
32 pay the compensation and expenses of an officer appointed  
33 under subsection (a)(2)(A) who will carry out such functions  
34 until funds for that purpose are otherwise available.

## 1 INTERIM APPOINTMENTS

2 Sec. 602. (a) If one or more officers required by this  
3 Act to be appointed by and with the advice and consent of the  
4 Senate have not entered upon office on the effective date of  
5 this Act and notwithstanding any other provision of law, the  
6 President may designate any officer who was appointed by and  
7 with the advice and consent of the Senate, and who was such  
8 an officer on the day before the effective date of this Act,  
9 to act in the office until it is filled as provided by this  
10 Act.

11 (b) Any officer acting in an office pursuant to  
12 subsection (a) shall receive compensation at the rate  
13 prescribed by this Act for such office.

## 14 AUTHORIZATION OF APPROPRIATIONS

15 Sec. 603. To carry out this Act, there are authorized to  
16 be appropriated \$100,000,000 for fiscal year 1985 and each of  
17 the four succeeding fiscal years.