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The National Coalition for Advanced Manufacturing

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June 8, 1994

Dr. Lionel S. Johns
Associate Director, Technology
Office of Science and Technology Policy
423 Old Executive Office Building
17th St. & Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Dr. Johns:

Since our first letter you in March, the Industrial Technology Group has formulated a number of recommendations and issues to improve the rapidly evolving public-private technology partnership programs. These results were prepared at the ITG meeting on May 13th and are summarized in the enclosed document. Leo Reddy, president of NACFAM, and his staff will continue to follow up on this report with you and other policy leaders in Washington to explore the practical integration of these recommendations into federal procedures for implementing these technology partnership programs.

This first ITG meeting successfully brought together a broad cross-section of 150 active players in these programs: one half from industry, the other half from colleges, universities, and state government, and including 68 winners of TRP or ATP awards.

We are pleased to enclose the ITG report emerging from that meeting: "Feedback to the Federal Government on Public-Private Technology Partnership Programs: List of Recommendations and Issues."

In preparing this report, the ITG first identified a list of issues in the practical implementation of these programs: the Technology Reinvestment Project (TRP), the Advanced Technology Program (ATP), the Manufacturing Extension Partnership (MEP), and the accelerated use of Cooperative Research and Development Agreements (CRADAs). The report contains 22 specific recommendations organized under three headings: Broad Technology Policy, Technology Development, and Technology Deployment.

These recommendations are intended to provide realistic, practicable suggestions for improvement. Their implementation would expedite these programs and make them more responsive to industry, state and local needs. Most importantly, these steps would underline the fact that these are true partnership programs taking fully into account the views of non-federal stakeholders.

If you have any questions regarding the ITG report or need additional copies, please contact NACFAM's action officer for the ITG, Mr. Paul Giles, tel. 202-662-8960, FAX 202-637-3182.

Cal Kirby
Vice President
Product Operations
GM Hughes Electronics
ITG Co-Chair

H. Graham Jones
Executive Director
New York State Science and Technology
Foundation
ITG Co-Chair



**FEEDBACK
TO THE
FEDERAL GOVERNMENT
ON
PUBLIC-PRIVATE TECHNOLOGY PARTNERSHIP
PROGRAMS**

- Technology Reinvestment Project (TRP)
- Advanced Technology Program (ATP)
- Manufacturing Extension Partnership (MEP)
- Cooperative Research & Development (CRADA)

List of Recommendations and Issues

Produced by the:

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N O T E

The National Coalition for Advanced Manufacturing (NACFAM) seeks industry-led, public-private partnerships to raise all tiers of the U.S. industrial base to world-class levels of productivity, quality, and competitiveness. NACFAM's agenda is focused on technology development, technology deployment, workforce education, and capital availability as critical to industrial modernization.

NACFAM is a non-profit, non-partisan association of companies, technology centers, national trade associations, and technical education associations. One of its services is the formation of NACFAM committees on public policies related to technology, technical education, and small business issues. Other services include the regular publication of analyses, position papers and testimony on issues related to NACFAM's agenda.

NACFAM's Industrial Technology Group (ITG) met on May 13-14 in Washington, D.C. to discuss issues and to draft recommendations to the federal government to improve public-private technology partnership programs. The results of that meeting are summarized in the enclosed report. NACFAM's action officer for the ITG is Paul Giles, tel. 202-662-8960.

Industrial Technology Group Meeting

Washington, D.C.
13 - 14 May 1994

Feedback to the Federal Government on Public-Private Technology Partnership Programs List of Recommendations and Issues

On May 13, members of the Industrial Technology Group (ITG), administered by the National Coalition for Advanced Manufacturing (NACFAM), met to assemble the views of a cross-section of industrial and nonprofit organizations on rapidly emerging federal public-private technology partnership programs, such as the Advanced Technology Program (ATP), the Technology Reinvestment Project (TRP), Manufacturing Extension Partnership (MEP), and the accelerated use of Cooperative Research and Development Agreements (CRADAs.)

The Co-Chairmen of this meeting were Cal Kirby, Vice President for Product Operations of GM Hughes Electronics, and Graham Jones, Executive Director of the New York State Science and Technology Foundation. Attendees were active players in these programs. For example, of the 150 registrants, 47 percent were TRP or ATP winners. 49 percent of the registrants were from industry and another 51 percent from universities, colleges and state governments. (See attachment for list of all organizations that registered).

The purpose of this meeting was to communicate stakeholder views clearly to the federal government, identify issues in the practical implementation of those programs, and assemble specific recommendations for improving the process.

There follows a list of ITG recommendations to the federal government. The recommendations are organized under three headings.

1. *Broad Technology Policy Recommendations* on cross-cutting issues affecting overall federal policy in developing public-private technology partnerships
2. *Technology Development Recommendations* on issues related to specific processes in technology development programs such as TRP Development, ATP, and CRADAs
3. *Technology Deployment Recommendations* on issues related to specific processes in technology deployment programs such as MEP, TRP deployment, and TRP Manufacturing Education and Training (MET)

Since the ITG considered these recommendations in three corresponding breakout groups, there is some level of overlap between them. We have deliberately kept these to underscore their importance to all the breakout groups.

Also attached is a list of issues developed by the ITG prior to its consideration of recommendations. At the May 13 meeting the ITG did not necessarily prepare recommendations for each of these issues but will do so over time.

In addition, a list of specific technology focus areas suggested by individual ITG members, but not examined by the ITG at this meeting, is attached.

Finally, this meeting also provided a valuable opportunity for ITG members to receive initial reactions to their recommendations from several senior federal officials. Their insights sensitized the ITG to the federal perspective and helped us to further refine our recommendations. We also benefited from an excellent briefing at the end of the day from officials from ARPA, NIST, and NASA on the forthcoming summer TRP round.

Enclosures: I. Recommendations
 II. List of Issues
 III. Technology Focus Areas
 IV. Participants

I. Recommendations

On Broad Technology Policy : Cross-cutting issues affecting overall federal policy in developing public-private technology partnerships

- Use ATP model to ensure strong non-federal stakeholder participation in the review process, including the small business community
- Include strong non-federal stakeholder participation in selection of focus areas
- Clarify principal objectives and intended beneficiaries of individual programs, especially to facilitate measurement
- Select and train federal managers to evaluate programs and report more in terms of measurable outcomes, especially economic impact
- Provide federal seed money to form these partnerships
- Simplify and expedite contracting process, for example, use of ARPA's more expeditious "other agreements" contracting authority for public-private technology partnerships across all relevant federal agencies
- Keep open opportunities for "cross-cutting" proposals to link development, deployment and manufacturing education and training
- Keep the selection process on a strictly competitive basis

On Technology Development : Issues related to specific processes in technology development programs such as TRP Development, ATP, and CRADAs

- Federal agencies should identify technology focus areas, but in close consultation with non-federal stakeholders through measures such as the following:
 - Include industry people on loan to federal technology agencies to attune those agencies to industry interests
 - Create a panel of experts from industry and academia to help select technology focus areas
 - Allocate 5% of each agency's R&D personnel budget to permit its people to spend time in relevant industries
- Technology focus areas should be identified and published well before RFP

- More time is needed between the initial announcement and the due date to form alliances under the TRP
- Ensure close communication and coordination between ATP and TRP in the definition of focus areas
- Incentivize the labs with rewards for commercial outcomes
- Evaluate CRADAs less in terms of their number and more in terms of their commercial-value added
- Develop a single, common interagency agreement format for public-private technology partnership programs, leaving flexibility for content, especially in the intellectual property rights section

On Technology Deployment: Issues related to specific processes in technology deployment programs such as MEP, TRP Deployment, and TRP Manufacturing Education and Training

- While a cooperative agreement is the appropriate contracting vehicle, TRP should preclude wholesale changes during negotiation of deployment agreements to avoid destabilizing established local partnerships
- The contracting process for TRP deployment awards should be expedited by:
 - Publishing a format ("shell") for cooperative agreements
 - Integrating and streamlining award and contract process by including the format ("shell") of an agreement as a background attachment to the initial announcement
- Return in practice to, and continue to fund, the broad-based definition of technology deployment activities used in the 1993 TRP solicitation. In other words, allow other deployment initiatives to be started that complement and strengthen manufacturing extension
- Evaluation of proposals should give primary consideration to likely economic impact on the target population, notably on productivity, quality, and competitiveness of small manufacturers receiving federally-supported technology deployment services
- Proposals should be reviewed via an ATP-like stakeholder review process, including small manufacturers
- Do not administratively prescribe specific organizational structures such as requiring independent 501(c)(3) status. Organizational arrangements must be flexible in order to marshal local and regional resources most effectively for service delivery.
- Open opportunities for existing specialized technology deployment resources, such as centers of excellence

II. List of Issues

The May 13 ITG meeting began by identifying a list of issues that participants believed reflected areas of concern or potential improvement in the implementation of public-private technology partnership programs.

Broad Technology Policy

Appropriate federal role:

- Criteria for government selection of technology focus areas
- Definition of "industry-led"
- Earmarking question

Long-term prospect:

- Conversion or reinvestment
- Definition of "Dual-use"
- Future of Man Tech Centers

Definition of Regional Technology Alliances

Small business access:

- Difficulties in partnering with large firms
- Inadequate access to information
- Lack of incentives
- Matching funds problem

Need for modernization and standardization of federal contracting procedures for these programs

Importance of "Defense Impact" on proposals

Linkages between Development, Deployment, and Manufacturing Education and Training

Clarity of program objectives to facilitate performance measurements

Broadening interagency participation

Technology Development

Uncertainty over contractual procedures:

- Audit procedures
- Intellectual property rights
- Product liability

Shortage of time between solicitation and RFP due date

Identification of technology focus areas prior to RFP

Industry-National Lab partnership issues
Confusion over cost-share guidelines
Need for expedited contract negotiations
“US Manufacturing” clause impacts
Need for feedback on unsuccessful proposals
Delays in post award funding process
Funds for university-small business R&D alliances

Technology Deployment

Avoidance of post-award re-negotiation
Proposal evaluation review by stakeholders, especially small manufacturers
Expediting the contracting process
Definition of technology deployment
Stronger role for community colleges
Stronger role for universities
Administratively defined organizational structure
Small business role in the evaluation of program effectiveness
Role of existing technology deployment structures/organizations
Lengthy waiting period for funding
Responsiveness of local extension agents in day-to-day relations with small business customers

III. Technology Focus Areas

The May 13 ITG meeting did not undertake a systematic evaluation of potential technology focus areas beyond those identified in the ATP and TRP RFP's thus far in 1994. Participants were, however, invited individually to identify focus areas of particular interest to their organizations. Those identified are listed below.

Food Processing

Apparel and Textile Process Technology

Rapid Prototyping

Casting & Molding Processes/Materials

Ground Transportation Technologies

Wireless Info Networks, Access & Mgmt

Pedagogical Technology

Quick Turnaround Systems Integration

Opto-electronic Interconnect Systems

Advanced Materials

Net Shape Fabrication

Biomaterials (Implanted medical devices)

Medical Products

Photonics/Opto-electronics

IV. List of Registrants

3M, Government R&D Contracts
Advanced Power Technology
Advanced Technology Center
AlliedSignal Aerospace
American Welding Society
Amoco
Analog Devices
Argonne National Lab.
Association for Manufacturing Technology
ASU Corporate Leaders Program
Ball Corporation
Battelle - Pacific Northwest Laboratory
BBN Systems And Technologies
Ben Franklin Technology Center
Boeing Commercial Airplane Group
Boeing Computer Services
Boeing Information Services, Inc.
Business Executives for National Security
Calhoun Community College
Carol James Communications
Center For Advanced Food Technology
Computer Integrated Manufacturing Systems (CIMS)
Concurrent Technologies Corporation
Connecticut Innovations, Inc.
Cornell University
Cybernet Systems Corporation
Des Moines Area Community College
Dow Chemical Co.
Drexel University
E.J. Malek & Associates, Inc.
Eastman Kodak Company
Edison Welding Institute
Educational and Research Foundation
Electric Power Research Institute
Electronic Industries Association

Electronics Manufacturing Productivity Facility
Engineering & Environmental Research Center
F&F Associates, Inc.
FED Corporation
Ferris State University
General Electric Company
General Motors Corporation
General Science And Technology
Georgia Institute Of Technology
Government Electronic Systems
Great Lakes Industrial Technology Center
Greenville Technical College
Grumman Aerospace & Electronics Group
Hughes Missile Systems Company
Hughes Research Laboratory
IBM Corporation
IIT Research Institute
Illinois Superconductor Corp.
Industrial Gas Technology
Institute Of Gas Technology
Integra LifeSciences Corporation
Inverness International, Ltd.
Kennametal, Inc.
Kent State University
Kurzweil AI
Lansing Community College
Loral Corporation
Louisiana Productivity Center
Louisville/Jefferson County Office For Econ. Dev.
M/A COM, Inc.
MANTEC
Martin Marietta Energy Systems, Inc.
MD Dept. Of Economic & Employment Development
Meyers & Associates
Michigan Department Of Commerce
Michigan State University
Milwaukee School Of Engineering

Minnesota Technology, Inc.
Mobil Research & Development Corp.
NASULGC
Nat'l Assn. Of Mgt. & Technical Assistance Centers
Nat'l Vocational Technical Educ. Foundation
National Alliance Of Business
National Electrical Manufacturers Association
National Technology Transfer Center
NCMS
New Jersey Institute of Technology
New York City Technical College
New York State Science And Technology Foundation
Northampton Community College
Northrop Corporation ESD-RMS
Office Of The State Of Connecticut
Oregon Economic Development Department
Owens Corning
Penn State University
Photonics Research Center
Pikes Peak Community College
Pratt & Whitney - Operations
Precision Metalforming Association
Procter & Gamble
Production Technology, Inc.
Purdue University
Resource Dynamics Corporation
Rochester Institute Of Technology
Rockwell International
Salt Lake Community College
Society of Manufacturing Engineers
Software Productivity Consortium
South Seattle Community College
Storage Technology Corporation
Strategic Technology Group
Syracuse University
Telecommunications Research Center
Textile/Clothing Technology Corporation

The Bevill Center
The Modernization Forum
The Robert C. Byrd Institute
Time Spex International
Tufts University
Tulsa Junior College
United Technology Corporation
Univ. of Hawaii, Office of Tech. Transfer & Econ. Dev.
University Of Nebraska - Lincoln
University Of New Mexico
Upstate Center For Tech. Commercialization
Valencia Community College
Varian Associates
Virginia's Center For Innovative Technology
Washington Technology
Westinghouse Science & Technology Center
Work And Technology Institute
WVU Industrial Extension Service