Information Technology and Innovation Foundation (ITIF)

...is a Washington, D.C.-based think tank at the cutting edge of designing innovation policies and exploring how innovation will create new opportunities to boost economic growth and improve quality of life. ITIF focuses on:

- **Innovation “verticals”:** energy, life sciences, telecom, manufacturing, and Internet and IT transformation
- **Innovation “horizontals”:** trade, tax, talent, and tech policy
- “Innovation economics” as an alternative to mainstream economics
What I’m Bringing to the Table

- A brief overview of the *Turning the Page* report and some of its recommendations

- A brief overview of the legislative discussions surrounding these recommendations

- Leaving a deeper discussion on each for after the presentations
Non-partisan report authored by ITIF, Heritage, and CAP

Scope: Potential high-level reforms to lab management and operation to spur more innovation from publicly-funded research

No consensus: Funding levels, priorities, or the specific role of government in innovation
A 15 Month Process

- Project started with a roundtable on technology transfer
- Due diligence: Toured Labs; meetings with DOE, Lab management/researchers, industry, and academia
- Months of good old-fashioned debate
High-Level Areas of Agreement

- Federally-funded research:
  - Can play a positive role in U.S. economic future
  - Should not replace or crowd-out private sector or university research
  - Should be driven by science and national needs

- Washington should oversee the Labs, not micromanage
- Minimize barriers to moving research to market
- Taxpayer resources should be used efficiently
- Market forces can help bring efficiency to Lab system
- The current system needs substantial reform
Areas of Agreement on National Labs

- **Hubs of mission-driven research**
  - Addresses unique national imperatives in public and gov interest
  - Captures positive externalities from innovation
  - Conducts scientific research with long time horizons

- **Centers of multidisciplinary research**
  - 13 of 17 Labs are multi-purpose, conduct interconnected research

- **GOCO management model best of both worlds**
  - Provides opportunity for flexible management
  - While conducting high-risk research

- **Potential bridge to market place**
Three Broad Issues in Need of Reform

- Troubled relationship between DOE and the Labs
- Research and strategy stovepiping
- Weak link between the Labs and market

Report Goal:

- To instill a more flexible management system that not only unravels these issues, but changes DOE/Lab policy discussion
- Don’t want to tinker around the edges
Micromanaging Lab Governance

Issue: Duplicative layers of DOE bureaucratic rules and regulations

Proposal: Taskforce on DOE-Lab mgmt reform
  - Transition to a contractor accountability model
  - Expanded PEMP process

Policy Hook: Make permanent Laboratory Operations Board
  - National Academies Study
Weak Links between Labs and Market

Issue: Weak incentives for Labs to work with industry

Proposal: Allow Labs to charge flexible pricing/reduce barriers to Lab partnership

Policy Hook:
- Tie SBIR funding w/ User Facilities?
- CRADA fund?
- Long-term goal of flexible pricing
Weak Links between Labs and Market

- **Issue:** Inconsistent Lab-Industry agreements
- **Proposal:** Strengthen ACT agreements to allow for collaboration with those that receive federal funding
- **Policy Hook:** Remove ‘pilot’ title from ACT and expand to include federally-funded partners
  - Flourish over time?
Weak Links between Labs and Market

- **Issue:** Lab evaluation metrics don’t strongly encourage technology transfer

- **Proposal:** Add a “Technology Impact” category to PEMP process

- **Policy Hook:** Potential for this if...
  - Weight of new category not broadly dictated
  - Make category important to Lab contractor re-compete/renewals
Response to Report

- Congress very open to reforms that don’t have $$ attached to them
  - COMPETES reforms
  - Stand-alone bills on DOE-Lab reform
  - Make permanent Under Sec. of S+E?
- Beware of growing movement to reduce federal research enterprise
  - Budget cuts, IG report, NDAA task force
  - Basic vs. Applied research ideology
Thank you!

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