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United States General Accounting Office  
Washington, DC 20548

May 10, 2002

The Honorable Carl Levin  
Chairman  
The Honorable John W. Warner  
Ranking Minority Member  
Committee on Armed Services  
United States Senate

The Honorable Bob Stump  
Chairman  
The Honorable Ike Skelton  
Ranking Minority Member  
Committee on Armed Services  
House of Representatives

Subject: Technology Transfer: NNSA Did Not Implement the Technology Infrastructure Pilot Program

Section 3161 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 directed the Department of Energy's administrator for nuclear security to establish a technology infrastructure pilot program to improve technology partnership activities. The act authorized the administrator to spend up to \$5 million of fiscal years 2001 and 2002 funds. Section 3161 also directed that (1) the administrator submit to the Senate and House Committees on Armed Services a report on the implementation and management of the pilot program by February 1, 2002, and (2) the Comptroller General provide these committees with an assessment of the administrator's report within 30 days after its submission.

In April 2002, the National Nuclear Security Administration (NNSA) reported that it was unable to implement the technology infrastructure pilot program in fiscal year 2001, citing higher programming priorities.<sup>1</sup> NNSA further stated that it did not have any immediate plans to implement the pilot program in fiscal year 2002. While it has not funded the pilot program, NNSA stated that it supports technology partnerships with private entities that fulfill mission requirements and agreed that the "cluster" type of infrastructure that the pilot program would promote is important for its facilities because community and economic development are enhanced. NNSA noted

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<sup>1</sup>*Report to Congress on the Technology Infrastructure Pilot Program Within the National Nuclear Security Administration, Fiscal Year 2001* (Apr. 18, 2002).

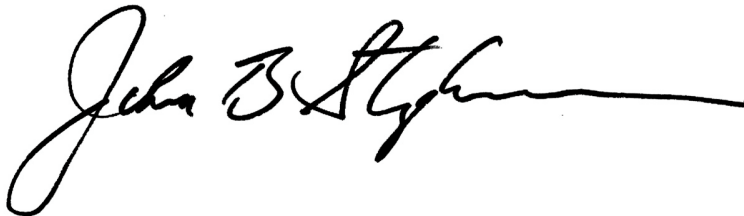
that each of the three nuclear security laboratories—Lawrence Livermore, Los Alamos, and Sandia National Laboratories—has adjacent sites and facilities for new or existing businesses to collaborate with laboratory scientists.

We recently reported on technology transfer activities at the 12 Energy laboratories that have historically been most active in transferring technology to U.S. businesses, including the 3 nuclear security laboratories.<sup>2</sup> Overall, we found that the 12 laboratories have substantially reduced their technology partnerships with private entities. Specifically, during fiscal year 2001, the number of cooperative research and development agreements dropped from 800 to 606 and the number of technical assistance projects with small businesses dropped from 348 to 246. These reductions are part of a downward trend since fiscal year 1996 that reflects a decline in dedicated funding for technology partnerships at Energy's laboratories. While we assessed the Energy laboratories' overall technology transfer activities, we did not examine issues specifically related to the technology infrastructure pilot program because NNSA did not implement the program.

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We are sending copies of this letter to the secretary of energy, the director of the Office of Management and Budget, and other interested parties. We will also make copies available to others on request. In addition, the letter is **available at no charge** on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this letter, please contact me at (202) 512-3841. Key contributors to this letter were Richard Cheston and Kerry Hawranek.



John B. Stephenson  
Director, Natural Resources  
and Environment

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<sup>2</sup>U.S. General Accounting Office, *Technology Transfer: Several Factors Have Led to a Decline in Partnerships at DOE's Laboratories*, [GAO-02-465](#) (Washington, D.C.: Apr. 19, 2002).