



Department of Economic and Community Development

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Matthew Kisber
Commissioner

Phil Bredesen
Governor

January 20, 2009

Mr. Paul Gottlieb
Assistant General Counsel for
Technology Transfer and Intellectual Property
U.S. Department of Energy
1000 Independence Ave., SW.
Washington, DC 20585

Dear Mr. Gottlieb,

I am writing to express my strong support for the U.S. Department of Energy's initiative to simplify rules and regulations governing contractual agreements between the state of Tennessee and Oak Ridge National Lab.

Tennessee Governor Phil Bredesen is a physicist by training and both he and I consider ORNL one of the most important assets our state possesses in our effort to garner new investment into the state and create skilled jobs for our citizens. Over the past six years, we have worked closely with ORNL to develop relationships with companies highly interested in the science and technology being developed at Oak Ridge and their potential commercial applications. We are, however, regularly stymied by federal regulations governing processes like travel and payment processes.

For example, we recently engaged in a discussion aimed at developing a Work for Others agreement with ORNL and the effort to draft an agreement complying with all federal rules and regulations took more than 12 months. We continually ran into roadblocks with USDOE regulations that were at odds with state law. Most troublesome were USDOE policies requiring the state of Tennessee to indemnify USDOE and UT-Battelle, LLC against liability and requirements that all work be paid for in advance. Other issues included compliance with specific state audit requirements and conflicting travel regulations between GSA and the state of Tennessee. I suspect Tennessee is not unique in its laws and regulations, so it would seem to be prudent to develop a Work for Others model that recognizes these conflicts and provides a process for resolution. These challenges serve as unintended impediments to partnerships between state governments and national laboratories.

Governor Bredesen and I value the critical role that ORNL plays in our state's technology-based economic development. Our goal is to be able to work with the lab on other projects where its expertise can be of benefit to technology transfer projects. I encourage the department to develop practical mechanisms flexible enough to accommodate a variety of state policies and reduce the time currently required to execute contracts with DOE's national laboratories.

Thank you for consideration of this important matter.

Sincerely,

Matthew Kisber
Commissioner