

STATEMENT OF CONSIDERATIONS

REQUEST BY CUMMINS POWER GENERATION, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC26-01NT41244; W(A)-04-017, CH-1186

The Petitioner, Cummins Power Generation (Cummins) was awarded this cooperative agreement for the performance of work entitled, "Development and Commercialization of 10kW Solid Oxide Fuel Cell." Teaming with SOFCo-EFS Holdings LLC, Cummins proposes to develop a 10 kWe net generator system for use in recreational vehicles (RVs), commercial vehicles, and telecommunications emergency power applications using propane (LP) and natural gas as fuel. Further details of the work are described in response to question 2 of the waiver petition. The work is being performed under the Solid State Energy Conversion Alliance (SECA) initiative. This waiver is for inventions of Cummins.

The total estimated cost of the cooperative agreement is \$150,422,682, with the DOE share being \$74,947,490, or 49.8%, while the remaining cost share of 50.2%, or \$75,475,192, will be provided by Cummins. The period of performance is from October 1, 2001 through December 31, 2011.

In its response to question 5 of the attached waiver petition, Cummins has described its technical competence in the field of power generation systems and fuel cell power systems. Cummins designs, develops, and manufactures engines, generators, micro-processor based controls and network equipment, power electronics for conditioning and inversion, transfer switches, and turn-key powerplant installations. Cummins has substantial technology bases in controls and power electronics, fuel systems, combustion systems, thermal management and heat transfer, airflow, packaging and integration, and low-cost manufacturing, all of which are directly applicable to the development and commercialization of fuel cell power systems. Cummins lists seventy-seven (77) patents and four (4) patent applications it owns that are applicable to its work in the fuel cell power system area. Cummins' response demonstrates its technical competency in the field of fuel cell power systems.

In its response to question 10 of the attached waiver petition, Cummins states that the power generation market is very large. Over 100 companies market and/or develop distributed generation power systems, and advances in technology are lowering the cost of all the distributed technologies to a more competitive level. Development of Cummins' technology in this program will add to the cost effective distributed generation product mix, giving the customer more competitive choices with more competitive prices to choose from. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Cummins has agreed to the provisions of 35 U.S.C §§ 202, 203, and 204. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Cummins agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Cummins agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements. The petitioner has further agreed to modification of the data clause of the subject cooperative agreement (48 C.F.R. 952.227-14) by adding paragraph (k), Alternative VI, concerning contractor licensing of data.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest resources in the commercialization of the results of the


agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.


Mark P. Dvorscak
Assistant Chief Counsel
Intellectual Property Law Division

Date: Dec 15, 2004


Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE: 7


George Rudins
Deputy Assistant Secretary
Office of Fossil Energy
Coal and Power Systems

Date: April 19, 2005

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property, GC-62

Date: 4-22-05


agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. In addition, it would appear that grant of the above requested waiver would not result in an adverse effect on competition nor result in excessive market concentration. Therefore, in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.


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WAIVER ACTION - ABSTRACT

W(A)-04-017 (CH-1186)

REQUESTOR

Cummins Power
Generation, Inc.
Under DOE
Cooperative Agreement
No. DE-FC26-01NT41244

CONTRACT SCOPE OF WORK

Development and Commercialization
of 10kw Solid Oxide Fuel Cell (SOFC)
Power Systems

RATIONALE FOR DECISION

50.2% cost sharing

DISPOSITION