STATEMENT OF CONSIDERATIONS

REQUEST BY GENERAL ELECTRIC COMPANY FOR AN ADVANCE WAIVER OF PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-02GO11100 ENTITLED "DEVELOPMENT AND TEST OF A PROTOTYPE 100 MVA SUPERCONDUCTING GENERATOR"; W(A)-02-033; CH-1113

As set out in the attached waiver petition and in subsequent discussions with DOE Patent Counsel, General Electric company (GE) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified cooperative agreement by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories.

Referring to item 2 of GE's waiver petition, the purpose of this agreement encompasses the design, manufacture, and testing of a prototype superconducting motor for a 100 MVA electric power generator. The initial goal of the project is to install and test the generator in a utility grid, and then scale up the design to a 250 MVA generator.

The work under this agreement is expected to take place over a period of forty-two (42) months at a total cost of $25,999,953. GE is obligated to cost share $14,000,000, or in excess of 50 percent of the total cost of the project.

In view of the cost sharing and other equities between GE and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by GE's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to GE or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute GE's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advanced waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 4-8 of GE's waiver petition, GE is a leading manufacturer of high efficiency power generation equipment. This, coupled with GE's cost sharing, clearly demonstrates the likelihood that GE will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions, and the government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity
acquiring rights to any waived invention, including subsequent assignees or licensees. Should
the contractor or other such entity receiving rights in any waived invention undergo a change in
ownership amounting to a controlling interest, then the waiver, assignment, license, or other
transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 9 of the waiver petition, granting this waiver is not anticipated to have
any adverse impact on competition. If anything, the technology forming the subject matter of
this agreement can be expected to improve U.S. competitiveness relative to off-shore
competition.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner
with the necessary incentive to invest its resources in the commercialization of the results of the
agreement in a fashion which will make the technology available to the public in the shortest
practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives
and considerations set forth in 10 CFR Part 784, all of which have been considered, it is
recommended that the requested waiver be granted.

Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date 1/30/03

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

CONCURRENCE:

William P. Parks, Program Manager
Office of Distributed Energy and
Electricity, Reliability Program, EE-2D

Date: 2/25/03

APPROVAL:

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

Date: 3-4-03
(t) U. S. COMPETITIVENESS
The Contractor agrees that any products embodying any waived invention or produced through
the use of any waived invention will be manufactured substantially in the United States unless
the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do
so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the
Government's support of the technology be recognized in some appropriate manner, e.g.,
recoupment of the Government's investment, etc. The Contractor agrees that it will not license,
assign or otherwise transfer any waived invention to any entity unless that entity agrees to
these same requirements. Should the Contractor or other such entity receiving rights in the
invention undergo a change in ownership amounting to a controlling interest, then the waiver,
assignment, license, or other transfer of rights in the waived invention is suspended until
approved in writing by the DOE.
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