

## **STATEMENT OF CONSIDERATIONS**

**REQUEST BY STEBBINS ENGINEERING (STEBBINS) FOR AN  
ADVANCE WAIVER OF DOMESTIC AND FOREIGN INVENTION  
RIGHTS UNDER COOPERATIVE AGREEMENT NO. DE-FC22-92PC-  
92642, W(A)-93-019, CH-0776**

New York State Electric & Gas Co. (NYSEG) was awarded this cooperative agreement under the fourth round of the Innovative Clean Coal Technology Program pursuant to P.L. 101-512 to demonstrate a combination of cost effective emission reduction and efficiency improvement technologies which will allow utilities to comply with the Clean Air Act Amendments of 1990, at the Milliken Station in Lansing, New York. The cooperative agreement resulted from NYSEG's proposal submitted in response to a PON from DOE. Of the thirty-three proposals submitted under the PON, nine were selected for DOE funding.

Stebbins Engineering and Manufacturing Co. (Stebbins) is a large business subcontractor of NYSEG and will engineer and supply a tile line split module flue gas desulfurization absorber. As indicated in response to question 1 of the attached waiver petition, Stebbins has agreed that NYSEG shall have a non-exclusive irrevocable royalty free license to use subject inventions in the operations of its business. In addition, the cofunders of the project, EPRI, ESEERCO and NYSERDA shall have the right to obtain a nonexclusive, irrevocable, royalty free license to use or permit others to use subject inventions in the performance of projects. This approach should focus development and ultimate commercialization of this technology as well as simplify administration of the recoupment provisions of the cooperative agreement required by P.L. 98-146.

The total estimated cost of the cooperative agreement is about \$158,607,807 with NYSEG and its subcontractors cost sharing 72 percent of the total agreement cost. Stebbins is contributing \$2.9 million toward project costs. Moreover, as noted above, Stebbins will be required to provide a plan for cost recoupment including royalty sharing with the government, which is subject to approval by the contracting officer. Therefore, the grant of this waiver will facilitate NYSEG's and Stebbins' efforts to meet its recoupment obligations under the cooperative agreement with respect to royalty revenue from licensing of the technology.

Stebbins is technically competent in technology related to flue gas desulfurization. Over its one-hundred year history, it has expended large sums of money on developing unique processes for installing brick linings with organic membranes to handle corrosion/chemical attack and abrasion problems. Stebbins actively markets its technology of reinforced concrete/semplate

vessels. Stebbins intends to continue to transfer the results of its research and development to the design and installation of corrosion resistant masonry linings for the split module flue gas desulfurization absorber, and then actively market this technology. This clearly demonstrates Stebbins' commitment to the technology and indicates a likelihood of an effort to commercialize the results of the subcontract.

Stebbins has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference, and U.S. government license provided in 35 U.S.C. 202-204. Additionally, Stebbins has accepted standard background patent and data provisions of paragraphs (k), (h) and (j) to assure commercialization of the technology, and has agreed to a special provision allowing the government to complete the project in the event Stebbins is incapable of completing the subcontract.

Considering the foregoing, it is believed that granting the waiver will provide Stebbins with the necessary incentive to invest its resources in the commercialization of the results of the subcontract in a fashion which will make the subcontract's benefits available to the public in the shortest practicable time. Therefore, in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.



Mark P. Dvorscak  
Patent Attorney  
Intellectual Property Law Division

Date 12/20/93

Based on the foregoing Statement of Considerations and the representations in the attached Waiver Petition, it is determined that the interests 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 shall not apply to any modification or extension of this subcontract, where through such modification or extension, the purpose, scope, or cost of the subcontract is substantially altered.

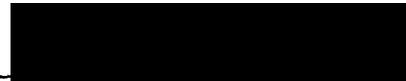
CONCURRENCE:



Jack S. Siegel  
Acting Assistant Secretary  
for Fossil Energy

Date 2/10/91

APPROVAL:



Richard E. Constant  
Assistant General Counsel  
for Intellectual Property, HQ

Date 2/10/91