

# Conducting Private R&D at PNNL

*Tapping valuable government resources with a unique Use Permit*

*"Need a quote...coming."*

— *Mike Kluse, Director*  
*Pacific Northwest National Laboratory*

## What it's all about

One of important missions of a national laboratory is technology transfer—driving innovative science from the bench to public or private use in a way that beneficial to the nation.

Pacific Northwest National Laboratory has been managed by Battelle for U.S. Department of Energy for more than 40 years. Through a system of aggressive programs and a network of contacts in business and government, Battelle has built a rich history of technology deployment at PNNL that reaches even beyond American borders, ensuring that industrial sectors and the public have access to applicable science and technology.

Unique to PNNL is a powerful technology development and transfer mechanism known as the Use Permit. The Use Permit allows Battelle



staff working at PNNL to use federal government facilities and equipment to conduct work for privately-funded research; in turn, Battelle lets the federal government use Battelle-owned facilities for government-funded research.

## How does the Use Permit work?

The Use Permit exists to tighten the gap between Laboratory work, industry needs, and market demands. This mechanism is tuned to the pace of business with quick and flexible contracting; it has helped facilitate the transfer

of federally-developed laboratory technologies and capabilities to non-federal partners, including private firms (large and small), universities, and other laboratories.

The Use Permit provides that, if Battelle uses any “DOE information and data” that is not available to the public, then the DOE is automatically granted the royalty free right to use any resulting inventions or the right to use any technical data that directly results from the use of it.

Since 1965, when Battelle pioneered this approach as a way of stimulating the local economy by leveraging excess Government facilities, there has never been a situation where the government has found it necessary to exercise that right. Additionally, it is Battelle’s practice not to do anything that would give rise to a claim that it used DOE information and data prior to its public availability for any of its private clients. Nevertheless, Battelle is required to protect the DOE’s rights in the unlikely event that such information was ever used.

### The advantages of contracting under the Use Permit?

- Flexible contract terms and conditions that can be tailored to meet the unique needs of a potential partner
- Ability to negotiate terms that share risk and accountability for performance to achieve partners desired outcomes allowing performance incentives and shared risk
- Ability to respond quickly to put agreement in place
- Multiple tools and contract vehicles including cost plus fee contracts, time & materials contracts, basic ordering agreements, fixed price, etc.

## Transferring technology—advancing frontiers

Through the Use Permit, Battelle has coupled the interests of government and industry by delivering an effective and efficient way to move science and technology out of the laboratory environment. In doing this, valuable intellectual assets can be leveraged by almost every segment of industry—from agriculture and human health to energy and transportation.



Bridging the gap from a national laboratory to the commercial world can be challenging, but the Use Permit mechanism at PNNL has been phenomenally successful in simplifying this journey for clients and partners. Whether it’s identifying a proper fit between a technology and a commercial organization’s needs, or in negotiating the inherent differences between the Laboratory’s focus on basic research and the catalyst for successful technology transfer, PNNL can find a way to work with you.

## When to use what

Type of Agreement	Description	When to use this mechanism
Use Permit Agreement (Direct Contract with Battelle)	Permits industry, government agencies, and nonprofits to directly fund and negotiate contract R&D work through a private contract with Battelle	Ideal for industry partners who want to leverage core Laboratory science and technology, but looking for application- or solution-specific development. Projects are client-funded under this flexible contract arrangement.
User Facilities Agreement	Provides access to certain dedicated DOE laboratory facilities	Provides access for non-PNNL researchers to use specialized equipment at PNNL.
Work For Others	Enables non-federal and federal organizations to leverage PNNL's research and development capabilities on a full cost-recovery basis.	Ideal to accomplish research or technology goals that may otherwise be unattainable, and avoid unnecessary duplication of effort.

### The Use Permit at work – Eastman

In the spring of 2005, PNNL met with Eastman to showcase the Laboratory's capabilities in applied chemistry. Shortly after, the two organizations agreed to co-fund two projects to tap into the Laboratory's catalyst research and process monitoring expertise. A Use Permit agreement was drawn up and researchers at PNNL went to work.

The initial intent of the projects was to see how well Battelle and Eastman could collaborate at PNNL. Once engaged in work, both organizations found their organizational cultures and objectives to be extraordinarily complementary. The Use Permit as a contracting mechanism, was useful to both parties, and has since provided a way for Eastman to connect with the Laboratory's world-leading research on additional projects.

**EASTMAN**

The bottom line is that working with PNNL under a Use Permit contract is not a complex process. Battelle is flexible in its approach to contracting and, depending on the nature of the services, will typically contract on a fixed price, time and material, or cost-reimbursement basis.

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