

## STATEMENT OF CONSIDERATIONS

**Request by Honeywell International Inc. Honeywell Laboratories for an  
Advance Waiver of Domestic and Foreign Invention Rights under DOE  
Cooperative Agreement No. DE-OE000544  
W(A)-2011-036, CH-1615**

The Petitioner, Honeywell International Inc., Honeywell Laboratories (Honeywell) was awarded this cooperative agreement for the performance of work entitled "Role-Based Access Control (RBAC) Driven Least Privilege Architecture for Control Systems". According to its response to question 2 of the attached waiver petition, Honeywell states that it will develop and commercialize a Role-Based Control (RBAC) Driven Least Privilege Architecture for control systems. Honeywell will also develop a System Security Architecture that addresses the key remote-access-control research issues. This architecture will be designed so that it can easily be adopted by Supervisory Control and Data Acquisition (SCADA) users with legacy equipment. This will improve the security of remote access to SCADA thus significantly reducing the vulnerability of our critical infrastructure. Further details of the projective objectives are provided in response to this question 2. The waiver is to apply only to Honeywell's employee subject inventions.


The total estimated cost of the cooperative agreement is \$2,691,894, with the DOE share being \$1,935,208, or 72%. Cost sharing of the project by Honeywell is \$756,686 or 28%. The period of performance of the agreement is from January 26, 2011 to January 25, 2014.

In its response to questions 5 and 6 of the attached waiver petition, Honeywell has described its technical competence in the field of process controls and SCADA. Specifically, Honeywell states that it is a leader in this market with the Experion SCADA product family and the Honeywell intelligent load management system (ILMS). Honeywell states that it is an active participant in the development of standards related to the security of SCADA and process control systems, and that it has long been considered a leader in the development and deployment of secure SCADA and process control systems. Honeywell has provided a partial list of its U.S. patents relevant to the development team and the Honeywell Experion platform. Honeywell has demonstrated its technical competence in the field of process controls and SCADA.

From its response to question 10, Honeywell states that the systems in the field today and those anticipated in the foreseeable future will be composed of components from many vendors. Interoperability of products from multiple vendors is critical to both customer and vendor success in highly networked environments such as SCADA. Honeywell anticipates moving the RBAC architecture into the standards process so that end users will be able to buy interoperable products. Thus, market forces will provide a strong incentive for Honeywell to share the basic RBAC technology. It is therefore unlikely that competition will be adversely affected by grant of the waiver.


Accordingly, DOE will waive title to all subject inventions made by Honeywell's employees. The subject cooperative agreement will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12. This waiver clause will also include a paragraph entitled U.S. Competitiveness, in which Honeywell agrees to substantial U. S. manufacture of subject inventions (attached hereto). Additionally, Honeywell agrees not to transfer subject inventions to any other entity unless that other entity agrees to these same requirements.

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.

  
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Mark P. Dvorscak  
Deputy Chief Counsel  
Office of Intellectual Property Law

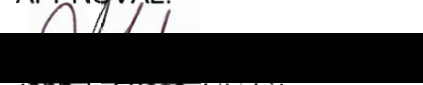
Date May 5, 2011

CONCURRENCE:

  
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Office of Electricity Delivery and Energy Reliability

Date 10/18/2011

APPROVAL:

  
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John T. Lucas, GC-62  
Assistant General Counsel for  
Technology Transfer and Intellectual Property

Date 10/19/2011

(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.