

## **STATEMENT OF CONSIDERATIONS**

### **Request by Alstom Grid, Inc. for an Advance Waiver of Domestic and Foreign Invention Rights under DOE Contract No. DE-OE000551, W(A) 2011-046, CH-1622**

The Petitioner, Alstom Grid, Inc. (Alstom) was awarded the subject cooperative agreement with DOE for the performance of work entitled, "Integrated Smart Distribution RD&D Project." The goal of this project is to develop a Distribution Management System (DMS). The DMS has several attributes, including interoperability with and seamless communication between utility management systems and associated databases and distribution engineering modeling and analysis tools accessed by the DMS. Further details regarding the attributes of the system are listed in response to question 2 of the waiver petition. The waiver will apply only to inventions made by Alstom employees.

The work under this agreement is expected to take place from April 1, 2011 through June 30, 2014. The total amount of the contract is \$10,459,495, with ABB providing 43% cost share, or \$4,497,582. DOE is providing the remaining 57% or \$5,961,912.

In its response to questions 5 of the attached waiver petition Alstom has described its technical competence in the field of electrical utilities. Alstom states that it provides leading solutions for the electric utility industry. It develops integrating technologies for substation and distribution automation, real-time power control, information management and energy market systems. Alstom's field of expertise includes turnkey energy automation and information projects; Supervisory Control and Data Acquisition (SCADA), Energy Management Systems (EMS), Market Management Systems (MMS) Distribution and Outage Management Systems (DMS/OMS) solutions; Distribution and substation automation solutions; Protection relays for industrial and T&D networks; Measurement instruments and telecom equipment; Associated application and support services. Further details of these areas are provided in response to question 5 of the waiver petition. In addition, Alstom has provided a list of recent (within the last 3 years) of issued patents in this area, along with a sample listing of technical papers presented within the last 3 years. Alstom's response demonstrates its technical competency in the field of electrical utility technologies.

In its response to question 10 of the attached waiver petition, Alstom states that grant of the waiver will not have any adverse effect on competition or otherwise purport to place Alstom in a preferred or dominant position, or to concentrate any given market in this field. Alstom that this technology is just one way of addressing the needs of the industry. Grant of the waiver will enable Alstom to develop and commercialize its technology faster and as a direct result will incentivize research and development by the competition. Therefore grant of the waiver will have a positive effect on competition and market concentration.

The subject contract will be modified to add the Patent Rights--Waiver clause in conformance with 10 CFR 784.12, wherein Alstom 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 Alstom agrees to substantial U.S. manufacture of subject inventions (attached hereto). Additionally, Alstom 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.

[REDACTED]

Mark P. Dvorscak  
Deputy Chief Counsel  
Office of Intellectual Property Law  
Date: July 21, 2011

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, 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:

[REDACTED]

Office of Electricity Delivery  
And Energy Reliability

APPROVAL:

*J. Lucas*  
[REDACTED]

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

(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.