

Competitiveness Technology Transfer Act of 1989" which amended the "Stevenson-Wydler Technology Innovation Act of 1980". This legislation focuses on technology transfer from U.S. government labs to the private sector and on patent rights for technologies. However, it was observed that limitations on manufacturing arising from this legislation may restrict the participation of Canadian companies in government-funded R&D contracts.

Another "competitiveness clause" recently appeared in a case involving a U.S. air force contract. The contract contained the following evaluation factor: "the extent to which the proposal meets the congressional intent to maintain U.S. worldwide leadership in civil satellite land remote sensing." Additionally, contracting of one agency may refer to regulations of another agency for R&D contracting. For example, certain R&D contracting under the Clean Air Act, administered by the Environmental Protection Agency, refers to provisions for acquisition, construction or furnishing of test facilities and equipment in R&D military contracting, which contain limitations on the location of facilities outside of the United States(10 U.S.C 2353).

Since almost 90% of U.S. government procurement is not covered by any trade disciplines under the GATT, FTA or NAFTA, it can be used effectively as a means to restrict participation in R&D consortia where the products or services arising from the technology developed are to be sold to a federal department or agency. For example, suppose a federal department or agency seeks to procure a piece of equipment to fulfil a particular operational requirement. The procurement officer may contract the work in stages requesting a proposal on the design of a prototype which, following approval, will be tested in government laboratories and so on. If the consortium submitting a bid has a foreign member by virtue of their technological expertise in some related area, the consortium could become ineligible because the procurement regulations governing that procurement may not be subject to international trade disciplines. This could effectively bar the Canadian firm not only from participating in a potentially lucrative contract, but also from the opportunity to derive benefits from participating in the joint research project. Preliminary estimates of U.S. federal R&D procurement dollars going to Canadian-based companies derived from General Accounting Office figures indicate that the Canadian share is approximately 0.1%.

## B. Europe

### i) EC-wide

The Framework Programs (FPs) for RTD were initiated in 1984 when the EC felt that it had been falling behind in high technology and the national R&D efforts of