



Creating Communities of
Innovation

ASSOCIATION OF UNIVERSITY RESEARCH PARKS

Senate Finance Committee
US Senate
Washington, DC 20510

Dear Chairman Hatch,

On behalf of the Association of University Research Parks (AURP), and its 300 members across the US, I would like to thank you for soliciting ideas on how to reform federal tax laws.

AURP has issued a number of policy statements in the past, including *The Power of Place 2.0: The Power of Innovation*. <http://www.aurp.net/assets/documents/AURPPowerofPlace2.pdf>

In this document we discuss a number of financial and related policy reforms. In particular we would like to draw your attention to Recommendation #9, *Keep Corporate R and D in the US by Eliminating Link between University Intellectual Property Licensing and Private Use Restrictions in University Facilities*, as called for by IRS Rev Proc 97-14.

Negotiations between universities and private sponsors of research should be negotiated in a flexible manner. Too often the uncertainty of the impact of Rev Proc 97-14 on a university causes unnecessary friction between universities and corporate research sponsors. In some cases, these private research sponsors will prefer to choose non-US universities as partners as no other country has a process that restricts a university's flexibility in negotiating intellectual property contracts as does Rev Proc 97-14. A number of attempts have been made by business groups in the past to reform this policy.

We would like to see Rev Proc 97-14 eliminated, or made clearer by raising the safe harbor provision to 20%.

There are other provisions in the *Power of Place 2.0* that might be of interest to the Finance Committee staff and we invite you to join in a conversation with us how to make the US more globally competitive with its research and development infrastructure and research parks.

Sincerely yours,

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President, AURP

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CEO, AURP

AURP

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