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**TESTIMONY OF
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BEFORE

**THE COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES**

NOVEMBER 26, 1991

Thank you for the opportunity to comment on H.R. 3614, a bill to amend the Land Remote-Sensing Commercialization Act of 1984.

I strongly agree with the direction that you have set for amending the 1984 Act. However, I am afraid that the product you have produced in H.R. 3614 is a hybrid trying to serve two necessarily contradictory principles, trying to serve a new national and scientific imperative while maintaining at least an appearance of commercialization.

I agree most strongly with you that it is time to amend the 1984 Act. As you will recall, I was the NOAA official charged with "commercializing" Landsat at the time of the passage of the 1984 Act. In that capacity, I testified before you and your current Committee on a number of occasions with optimism regarding the "commercialization experiment". I think it is clear now that the experiment failed. It failed for a number of reasons, and it is probably not worth the ink to list them. It is adequate merely to recognize that it has failed and go on from there.

In 1984, commercialization seemed the proper course. At the time of the passage of the 1984 Act, we were all caught up in the attempt to make the system self-sustaining outside the government. The dominant concept was to move those government activities that could survive outside the government out to the private sector. The rhetoric surrounding Landsat, from its very inception, involved "practical applications" and "commercial" impact. That rhetoric involved the national good only to a small extent. Thus it seemed reasonable, even exciting, to remove Landsat from its government sponsorship and place it in the private sector with an initial

rationale for the Landsat program and a new approach to data dissemination, it seems reasonable to me to finish that job, and make the data available to all users at the marginal costs of copying and distribution.

Not only is this approach consistent with your underlying principle, but it might have other beneficial effects. Making the data cheaper for commercial users will further promote the growth of the "value added" business by making their profit margin larger and will have a stimulating effect on both research and profits in the resource business sector.

Given all of this, my concrete suggestions are as follows:

- o Make the principle articulated in finding (10), page 4, line 3, the dominant finding and consideration in revising H.R. 3614.
- o Divide Section 202 into two sections, one having to do with the outcome of successful negotiations with the current contractor and the other having to do with competitive selection of a new contractor.
- o In the first half of Section 202, regarding negotiation with the current contractor, allow a hybrid outcome with both the scientific imperative as you already have it and the limited commercial interest already available to the contractor. This is only fair to a contractor that entered into an agreement with the government with that expectation. However, demand that there be some provision that the profits be invested, by some suitable formula, in the continuation of the Landsat system, thereby offsetting the government costs.
- o In the second half of Section 202, regarding the competitive procurement of a new contractor, remove the commercial aspects of the contract. Let your first principle dominate and allow all users the same access to the data.

Thank you Mr. Chairman. I would be pleased to answer any questions.