



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,

Mason Ailstock  
President, AURP

Carol Stewart  
CEO, AURP

**AURP**

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