RICK SCOTT
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United States Senate

ARMED SERVICES
BUDGET
FOREIGN RELATIONS
HOMELAND SECURITY
SPECIAL COMMITTEE
ON AGING
CHAIRMAN

May 2, 2025

The Honorable Sean Duffy
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue S.E.
Washington, D.C. 20590

Dear Secretary Duffy:

Thank you for the work you are doing to fulfill the promise made by President Trump to make our federal government more accountable and responsive to the American people, and to rein in waste, fraud, and abuse within our agencies. As a U.S. Senator and a member of the U.S. Senate Committee on Homeland Security and Governmental Affairs, I have a commitment to hold the federal government accountable to the American people, and look forward to working with you to promote transparency within your agency.

Various federal laws allow government agencies and employees listed as the inventor or coinventor of a patented product to receive royalty payments for the use of that invention.[7] For far too long, there has been a lack of transparency surrounding licensing agreements and royalty payments within the federal government. Under current law, federal employees are not required to report the source or amount of royalty payments they receive for their government-related work. This lack of transparency prevents taxpayers from holding individuals accountable within the federal government for potential conflicts of interest and other abuse.

In order to increase transparency on the matter, I ask that you please provide answers to the following questions:

1. How many employees within your agency receive royalty payments for agency patents?
    a. Of that number, how many employees receive the maximum payment of $150,000 annually in royalties authorized by federal law?[8]
    b. What is the average royalty payment an employee receives?
    c. What is the median royalty payment an employee receives?

[7] *See* Patent and Trademark Amendments ("Bayh-Dole") Act, Pub. L. 96-517, Dec. 12, 1980; *see also* "Enhanced Transfer of Technology Developed at Department of Defense Laboratories," codified as 10 U.S.C. §4832 note.
[8] *See* 15 U.S.C. §3710c(a)(3).

1. For the patents currently held by your agency—
   a. How many licensing agreements have been executed to authorize the use of a patent by third-parties?
   b. How many licensing agreements are currently active?
   c. How many new licenses were granted in each of the years for 2019, 2020, 2021, 2022, 2023, and 2024?
   d. How much annual revenue has been generated through the agency's licensing agreements in each of the years for 2019, 2020, 2021, 2022, 2023, and 2024?
2. What is the average amount of revenue generated by each of the agency's active licensing agreements?
3. What is the median amount of revenue generated by each of the agency's active licensing agreements?
4. How does the agency ensure that it is receiving maximum value for the taxpayer for any licensing agreement?
5. What does the agency do with revenue generated from its licensing agreements?
   a. Does the agency have control over these funds, or are they transferred to the U.S. Treasury?
   b. For any revenue retained and controlled by the agency, how is that money used?
6. What conflict review mechanisms and/or processes are used by the agency to assess whether an agency employee has an impermissible conflict of interest with the evaluation and approval of research grant awards from which he or she may derive a financial benefit?

Thank you for your attention to the matter. Transparency and accountability within the federal government, agencies, and employees are critical to public trust. I look forward to your response and working together in the future.

Sincerely,

Rick Scott
United States Senator