Seventy-ninth Congress of the United States of America
At the Second Session

Begun and held at the City of Washington on Monday, the fourteenth
day of January, one thousand nine hundred and forty-six

AN ACT

To establish an Office of Naval Research in the Department of the
Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance
of future naval power, and the preservation of national security;
to provide within the Department of the Navy a single office, which,
by contract and otherwise, shall be able to obtain, coordinate, and
make available to all bureaus and activities of the Department of
the Navy, world-wide scientific information and the necessary
services for conducting specialized and imaginative research; to
establish a Naval Research Advisory Committee consisting of per-
sons preeminent in the fields of science and research, to consult with
and advise the Chief of such Office in matters pertaining to research.

Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled, That there is hereby
created and established in the Office of the Secretary of the Navy
an Office of Naval Research, which shall be charged with such duties
relating to (1) the encouragement, promotion, planning, initiation,
and coordination, of naval research; (2) the conduct of naval research
in augmentation of and in conjunction with the research and develop-
ment conducted by the respective bureaus and other agencies and
offices of the Navy Department; and (3) the supervision, administra-
tion, and control of activities within or on behalf of the Department
of the Navy relating to patents, inventions, trade-marks, copy-
rights, royalty payments, and matters connected therewith; as may
be prescribed by the Secretary of the Navy. All of the duties of
this Office shall be performed under the authority of the Secretary
of the Navy and its orders shall be considered as emanating from
him and shall have full force and effect as such.

Sec. 2. At the head of the Office of Naval Research there shall be a
Chief of Naval Research, appointed by the President, by and with
the advice and consent of the Senate, for a term of not to exceed three
years, from among officers not below the grade of commander on
the active list of the Navy. The Chief of Naval Research shall have
the same rank and shall be entitled to the same pay, allowances, and
privileges of retirement as are now or may hereafter be prescribed
by or in pursuance of law for chiefs of bureaus in the Navy Department.
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Sec. 3. An officer on the active list of the Navy may be detailed as Assistant Chief of Naval Research, and such officer shall receive the highest pay of his grade and in case of the death, resignation, absence, or sickness of the Chief of Naval Research, shall, until otherwise directed by the President as provided in Revised Statutes, section 179 (U. S. C., title 5, sec. 6), perform the duties of such chief until his successor is appointed or such absence or sickness shall cease.

Sec. 4. The Secretary of the Navy is hereby authorized to establish a Naval Research Advisory Committee, which shall consist of not exceeding fifteen persons to be appointed by the Secretary from those persons in civilian life who are preeminent in the fields of science, research, and development work. One member of such committee will be from the field of medicine. The members of such committee shall serve for such term or terms as the Secretary may specify, and shall meet at such times as may be specified by the Secretary to consult with and advise the Chief of Naval Operations and the Chief of the Office of Naval Research. Each member of such committee shall be entitled to compensation in the amount of $50 for each day or part of a day he shall be in attendance at any regularly called meeting of the committee, together with reimbursement for all travel expenses incidental to such attendance: Provided, That nothing contained in sections 41, 109, and 113 of the Criminal Code (U. S. C., title 18, secs. 93, 198, and 203) ; in Revised Statutes, section 190 (U. S. C., title 5, sec. 99) ; in section 19 (e) of the Contract Settlement Act of 1944 (Public Law 395, Seventy-eighth Congress) ; or in any other provision of Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim proceeding, or matter involving the United States, shall apply to such persons solely by reason of their appointment to and membership on such committee.

Sec. 5. (a) There is hereby authorized to be appropriated such amounts as may be necessary for the Office of Naval Research to carry out its functions as provided for herein, including such sums as may be required for administrative expenses, and the conduct of research and development work in Government facilities and under contracts with private individuals, corporations, and educational or scientific institutions. Sufficient information relative to estimates of appropriations for research by the several bureaus and offices shall be furnished to the Chief of the Office of Naval Research to assist him in coordinating the Navy research program and the carrying out of such other duties as outlined in section 1.
(b) Any funds appropriated to enable the Office of Naval Research to carry out its functions as provided for herein shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated. After such a four-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

Sec. 6. Within the limits of available appropriations, the Secretary of the Navy, and, by direction of the Secretary, the Chief of the Office of Naval Research and the chiefs of all bureaus of the Navy Department may enter into contracts, or amendments or modifications of contracts, for services and materials necessary for the making and securing of reports, tests, models, apparatus, and for the conducting of research, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), section 3718 of the Revised Statutes (U. S. C., title 34, sec. 561), section 3719 of the Revised Statutes (U. S. C., title 34, sec. 562), section 3720 of the Revised Statutes (U. S. C., title 34, sec. 563), section 3722 of the Revised Statutes (U. S. C., title 34, sec. 572), and may make advance, progress, and other payments with respect to such contracts without regard to the provisions of section 3648 of the Revised Statutes (U. S. C., title 31, sec. 529): *Provided, That nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting.*

Sec. 7. The Secretary of the Navy is authorized to transfer to the Office of Naval Research, as in his judgment may be necessary and appropriate, such research and development functions as are now assigned to the various bureaus and other agencies and offices of the Navy Department, together with any or all personnel, buildings, facilities, and other property used in the administration thereof, including without limitation the Special Devices Division and the Naval Research Laboratory.