SENATE—*Monday, March 7, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by the Honorable DONALD W. RIEGLE, Jr., a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

The Lord shall preserve thy going out and thy coming in from this time forth, and even for evermore.—Psalm 121:8.

Sovereign God, Lord of the universe, Ruler of the nations, we are speechless when we hear this remarkable promise from the Psalms. To know that the sovereign Lord takes a loving, caring interest in each of us is very difficult to accept. But Your Word declares it to be so, and we take You at Your Word.

Gracious Father, may this confidence be in each of us, that "* * * our steps are ordered by the Lord, and he delights in our way." (Psalm 37:23) Through difficulties, through the inordinate pressure of critical legislation, in trials as well as in triumphs, give us grace to live, moment by moment, in the light of this truth, that God "preserves our going out and our coming in."

In the name of Jesus, incarnate Truth and Love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 7, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DONALD W. RIEGLE, Jr., a Senator from the State of Michigan, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. RIEGLE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, there will be a period for morning business which will extend until 1:30 p.m. today during which Senators will be able to speak for up to 10 minutes each. At 1:30 the Senate will proceed to the consideration of S. 4, the competitiveness bill. The bill will be managed by Senator HOLLINGS, the chairman of the Commerce Committee.

It is my hope that we can complete action on this bill promptly this week. The legislation will promote economic growth and competitiveness and job creation by increasing and strengthening Federal support of civilian technology and manufacturing. It will expand Federal support for research and development on the application of high performance computing and high-speed networking. It will expand State-led efforts to help the 38 million Americans who work in jobs related to manufacturing. And it will assist the Nation's 350,000 small and medium-sized manufacturing firms.

I hope very much the Senate will be able to complete action on this measure promptly because of its importance to continued economic growth and job creation.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. DOLE. Mr. President, like all Members of this Chamber, I was surprised last Friday by the announcement that the distinguished majority leader had decided not to seek reelection.

I have said many times before that the U.S. Senate could not operate effectively if the majority leader and the minority leader did not trust each other.

And while the majority leader and I may not share a political philosophy or a voting record, one thing we have shared these past 5 years is a friendship based on complete respect and trust.

For some, politics is a game of secret strategies and attempting to confuse and surprise your opponents.

For GEORGE MITCHELL, however, politics and public service are not games—they are opportunities to make a difference in the life of our Nation and her people.

As we sought to make that difference, GEORGE MITCHELL never told me anything but the truth. I may have disagreed, but I knew that his word was his absolute bond.

The values exhibited by GEORGE MITCHELL every day—values of honesty, decency, and civility—are values he learned from his father, an orphan who worked as a janitor at Maine's Colby College, and his mother, a Lebanese immigrant.

I was privileged to deliver the commencement address at Colby College last year, and I can say with confidence that the respect in which Senator MITCHELL is held in this Chamber is matched by the respect in which he is held by the people of Maine.

As executive assistant to former Senator Ed Muskie, as a U.S. attorney, as a U.S. district judge, and as a U.S. Senator, GEORGE MITCHELL has given his best for the people of Maine and America.

And no doubt about it, when the majority leader retires from the Senate, his record of service will be far from complete.

Whether he becomes baseball commissioner, a Supreme Court Justice, or something else, I am confident that GEORGE MITCHELL will continue to make a difference.

The Senate has some big issues ahead of it in the coming months, and I look forward to working with the majority leader in reaching solutions that will move America forward.

I suspect that our votes will often cancel each other's out, but I know that my trust, respect, and admiration for a man I am proud to call my colleague and friend will only get stronger and stronger.

RESERVATION OF LEADER TIME

Mr. DOLE. Mr. President, I reserve the remainder of my leader time.

The ACTING PRESIDENT pro tempore. The remainder of the Republican leader's leadership time is also reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for morning business which will extend until 1:30 p.m. The Senator from Alabama is recognized to speak for up to 10 minutes. If that is the Senator's desire, he is recognized.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The Senator from Alabama.

Mr. HEFLIN. I thank the Chair.

(The remarks of Mr. HEFLIN pertaining to the introduction of S. 1890 are located in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

GEORGE MITCHELL—AN IMPECCABLE ETHICAL LEADER

Mr. HEFLIN. Mr. President, the announcement by the majority leader, GEORGE MITCHELL, that he will not seek reelection came as a surprise to all of us. The Senate will certainly be losing an impeccable ethical leader who is greatly respected by Democrats and Republicans alike. The Democrats in the Senate will lose a unifying force that has brought our many and varied elements together.

Several years ago, when ROBERT BYRD was thinking about not running for majority leader, I went to him and told him that I thought he was the sole and only unifying force that could bring all of the elements of the Democratic Party together—the conservatives, the liberals, and the moderates. I had my doubts when GEORGE MITCHELL took over as majority leader whether he would have that ability. But I soon found that to be one of his many strengths. His unifying ability to bring all of the elements of the Democratic Party together have been tremendous.

He has other tremendous strengths. He has great traits of intelligence, industry, and integrity. He has a reputation as being a superb debater, and he is a great orator. Later, I will speak further on Senator MITCHELL's announcement, but I would like to state at this particular time that America will lose a great Senate leader. We will lose in the Senate a person who is highly respected for his ethical background and for his true leadership. The Democratic Party will lose a great leader, but we are still very fortunate to have him continue with us during the remainder of this year when many important pieces of legislation will be considered. He will leave a tremendous mark of distinction on the U.S. Senate, and certainly will rank among the giants that history has given to the leadership of the Senate.

I will want to speak on this further at a later time.

At this time, I yield the floor.

Mr. COATS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

TRIBUTE TO SENATOR GEORGE MITCHELL

Mr. COATS. Mr. President, I want to add my voice to the others relative to Senator MITCHELL's announcement over the weekend about his retiring from the Senate after this session.

79-059 O—97 Vol. 140 (Pt. 3) 31

I first came here in 1988 as an appointed Senator, something that I shared in common with Senator MITCHELL and a few others in this body. Because of the resignation by then Senator Dan Quayle, who had just been elected to the Vice Presidency, an opening was created in Indiana and I was fortunate enough to be selected by the Governor of the State to fill that opening.

When I arrived, Senator MITCHELL was one of the first, if not the first, to greet me and he publicly, on the floor, indicated that there is a special understanding that exists between those of us who have arrived here initially through appointment rather than through election. We jokingly talked about forming a caucus, but what I learned early on is probably what Senator MITCHELL learned, and that is you need to earn your place here, and earning your place is securing not just the support of the Governor who selected you to fill a vacancy, but earning the support of the people that you represent in your particular State.

I was fortunate enough to do that through both a special election in 1990 and a general election in 1992. Senator MITCHELL, however, has more than earned his place, not only gaining the support of the people of Maine, but rising in a very short period of time to the highest position in this Senate, that position of majority leader.

I was surprised, as many were, by Senator MITCHELL's announcement but, in another sense, not surprised. This is a difficult business. It requires some extraordinary sacrifices, but it requires of none of us as much as it requires of the majority leader.

We have essentially 100 independent contractors here, all with our own egos and own agendas. Pulling those 100 together in some semblance of unity and teamwork and managing those 100 individuals is what most would describe as an impossible job. Yet, GEORGE MITCHELL, through patience, perseverance, tenacity, and, most of all, through his personal integrity has managed to somehow keep this ship moving forward to get the Nation's business accomplished, all as I said under extraordinarily difficult circumstances.

GEORGE MITCHELL's word was good every time, whether it was his word to Members of his own party or word to Members of the opposition. On a number of occasions, Senator MITCHELL made commitments to me and never waivered from those commitments despite pressure from those who opposed what I was attempting to do, and I respect that and I respect him.

He has been extraordinarily effective. I like to describe him as dangerously effective because his agenda often is different from my agenda. I respect the way in which he approaches, however, his business and his colleagues, and I know that will not slacken in the last several months of his tenure here as majority leader.

I have to acknowledge that when I first heard the news that Senator MITCHELL was retiring at the end of this term and would be in line for Baseball Commissioner—at least that is how it was reported in the wires that came across on Friday—my first reaction was, "Gosh, why couldn't that be me." GEORGE MITCHELL is getting to leave an extraordinarily difficult situation for what many describe and what I think is the best job in America, although on further reflection, the job of Baseball Commissioner, while glamorous on the outside, may have many of the same difficulties and problems as the job of majority leader. You are not dealing with 100 egos, but you are dealing with 28 zillionaire owners, each of whom has a substantial opinion of himself or herself. And bringing those 28 together may be as difficult, if not more difficult, than bringing 100 Senators together. So I am not sure that Senator MITCHELL is going to necessarily, if he chooses that opportunity if available to him, find himself free from the extraordinary management problems of running the Senate.

I was asked over the weekend on one of the talk shows whether or not Senator MITCHELL's announced retirement would jeopardize the President's health care plan. And certainly Senator MITCHELL has proven extraordinarily effective in handling the agenda of the White House. But my answer was, "Well, not necessarily," because I would guess that Senator MITCHELL will devote a great deal of his energy and considerable skills to leaving as perhaps his last accomplishment in the Senate a major piece of health care reform legislation.

From that standpoint, he is going to bring his skilled tactician qualities and attributes to this process. And again, we do not see eye to eye on the form in which this reform should take, but he is going to be a worthy adversary as we deal with this issue.

HEALTH CARE REFORM

Mr. COATS. Mr. President, the Republicans met in Annapolis late last week in a conference to discuss health care and where we were going as a party. I thought I would report briefly on that. I certainly was not the one in charge, nor did I lead the effort. But as someone who was there, I have some observations.

I went with a considerable amount of skepticism about our ability to pull our disparate views together and unite around any consensus as to where we ought to go on this subject. But I was very pleasantly surprised that through some vigorous debate and discussion, through a working dinner, a working breakfast, a working lunch, listening to the experts, talking to ourselves,

and through three private sessions with Members only, at Senator GREGG's suggestion, which proved extraordinarily effective, we hammered out some unity on a number of issues relative to the health care issue, and I think all of us came away with a feeling that we had made some very substantial progress in dealing with an extraordinarily complex issue.

Thirty-seven Senators, 37 of the 44 Republican Senators, were in Annapolis. You do not get 37 Senators together ever unless there is a free lunch involved, and we had to pay for this. Six House Members joined us, all key members of either leadership or committees which deal with the health care issue. We had three Republican Governors. So we had, along with experts that we invited in to speak to us, a broad array of opinions and diversity there on the particular issue.

I think the Republicans are much closer to a unified position than the Democrats, who seem to be all over the lot in terms of where they want to go with this. But we did come away with some conclusions. Again, I do not speak for the group; these are my own observations. But I think conclusion number one is it was clear that Republicans agree with the concerns of many Americans relative to their ability to find accessible health care at a cost that they can afford; that those concerns are real. Those are concerns that we identify with, and those are concerns that we want to address. We agree that we do need to make some changes and some reforms in our health care system so that health care is available and is affordable for every American.

But what we also agree on is that the Clinton plan will not accomplish that. The Clinton plan is so appropriately diagramed by Senator SPECTER's Clinton health care chart of the new bureaucracy that will result if that plan were enacted, and so ably demonstrated by our leader, Senator DOLE, in his response to the President that our conclusion is it is dead, and we are glad it is dead. It appears that it is dead not just on the basis of Republicans saying so but, frankly, many Democrats, many of them key leaders in the health care debate, have pretty much declared the Clinton proposal as a nonstarter. It is far too complex. It is far too bureaucratic. It is far too heavy-handed Government control.

The idea that you could take one-seventh of our economy and put it into one neat plan is preposterous, and it is almost arrogant to think that any individual or group of individuals could come together and tie this all into one neat little package and say Government can run this more effectively and more efficiently than it is currently being run. It does not mean that we do not need reform. It simply means that what we have been presented by the Clinton administration is a bureaucratic nightmare and the more the American people know about it, the less they like it.

So they can take out all the ads they want at the White House. We think more disclosure of what is in this plan clearly dooms it to failure. Any plan that makes Government the solution, any plan that is mandate driven is bound for failure.

Why? Because the American people instinctively know, through years and years of experience, that it is based on false assumptions. The Clinton plan is based on the assumption—and many of the Democrat plans are based on the assumption—that Government is more efficient than the private sector. Anyone who has dealt with any agency of Government knows that is not true. If you absolutely have to get the package there the next morning, do you take it to the Post Office or do you take it to the private sector, to UPS or Airborne or American Express? If you absolutely have to get something done, you do not give it to a Government agency to get it done.

Second, it is based on the assumption that Government is more cost effective in delivering services than the private sector. We can stand here all day and talk about the cost effectiveness of Government programs. All we know is that whatever program is enacted, whatever Congress says it is going to cost you, you can multiply that by a factor of 5, 7, 9, or 15 because Government cannot control costs. Bureaucracy cannot control costs. There is no competition in the system. When there is no competition, you get a substandard product at a higher price.

The Clinton plan is based on the assumption that Government knows best, that Government can make a better choice of a health care provider when you are sick, when your family is sick or your loved ones are sick; Government can make a better choice for you than you can; and that a Government gatekeeper, a Government bureaucrat will be the first person you will call to determine what kind of medicine you receive, what kind of treatment you receive, which hospital you go into, and which services you are going to get.

It is just so ironic to me that virtually every other nation's health system in the world is trying to privatize their system because they have learned that they cannot afford Government medicine, that the people do not want Government medicine because it does not work. Yet, while every other health care system in the world is trying to privatize, along comes the administration and many of the Democrat plans with an attempt to bureaucratize, turn the process over to Government. So if Republicans are united, we are united around the principle that Government is not the solution to the problem.

The Clinton plan is also based on the assumption that they can keep politics out of this plan, that politics will not rear its ugly head and inject a political decision rather than an objective decision, so that the components of the basic health plan will not be influenced by Members of Congress up for reelection trying to add new benefits regardless of the cost or that different schemes will not be maneuvered around to favor one particular area, perhaps the area of a chairman of an important committee. I think we know that politics injects its head into about every process that we have, and you cannot have a Government-run plan without a political component, and that political component can potentially skew any kind of objectivity you would have in putting it together.

Mr. President, we also, I think, acknowledge that there is a lot of good things about our health care system that ought to be preserved.

The ACTING PRESIDENT pro tempore. If the Senator will suspend for a moment, he has used his time. I know the Senator from Kansas is there. I do not know whether she is waiting to speak or not. But, in any event, I want to call the Senator's attention to the fact that his 10 minutes has expired.

Mrs. KASSEBAUM. Mr. President, I am going to speak but I am happy to yield any time to the Senator from Indiana that he would like. I do not think anyone else wants to speak right now.

Thank you.

Mr. COATS. I would ask for 2 additional minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 2 additional minutes.

Mr. COATS. Mr. President, I think the Republicans also understand that there is a lot about our health care system that is worth preserving. We acknowledge that there are things that need fixing. But we want to fix what is broken. We do not want to redo the whole system. Like your car is not quite running properly, and you take it in. The mechanic says, "Well, I think it needs a tuneup here, we need a new part there, and perhaps we need a new set of tires." Someone else rushes out, and says, "The way to fix that is to reinvent a whole new car. We are not going to fix what is broken. Let us just throw the whole thing out and we will reinvent a new car for you."

Well, the Clintons reinvented a new car. That is kind of what the blueprint looks like. That staggers the imagination. Clearly, I think it dooms the plan to failure because it is a State-run, Government-run system that Senator DOLE says we are somewhere down here and we are going to work through this maze in order to get our health care provided to us.

We have a ways to go. We clearly do not have all the answers yet. We do not

have a one package tied up with a bow on it saying here is the answer. But we know that there are some basic principles upon which any changes in the health care system ought to be rested, that they ought to be the foundation for change, and that those principles are important when we consider the various plans and the various components of those plans.

We stand ready as a party, as Senator DOLE said, to get together again and again and again, and no matter how long it takes, to fix what is broken in the system and preserve what is right about this system. We are going to base our reform proposals on solutions that work and solutions that target the problems and fix the problems.

We invite, obviously, Democrats, and those from across the aisle, who I think if they will go home and listen to their people, which I know they have been doing, will come back saying no to one-size-fits-all, Government-run plan, this is not the answer, and who will come across the aisle and say we agree with those principles, and the people we represent agree with those principles. And let us work to fashion a plan and fashion a reform that will accomplish those ends.

So, in conclusion, we had a very productive 24 hours with almost all work and very little sleep. But it was very effective in getting our ideas on the table. Not everyone agreed. There may be some people who want to go in a different direction, though the vast majority of us, including the Governors, including Members of the House of Representatives, share a lot of common ground. And we look forward to making a very substantial contribution to this debate on health care.

With that, Mr. President, I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

TRIBUTE TO SENATOR GEORGE MITCHELL, THE MAJORITY LEADER

Mrs. KASSEBAUM. Mr. President, I would first like to add to what the Senator from Indiana said regarding the majority leader, Senator MITCHELL. In his leadership he has always been fair, always patient, and always intellectually challenging. I am sure when he decides to step down he will have 99 Senators who wish him well. I think he has provided extraordinary leadership for us through some difficult issues, and, as the minority leader said, his word is his bond.

(The remarks of Mrs. KASSEBAUM pertaining to the introduction of S. 1891 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, may I ask that I be recognized for morning business?

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. FEINSTEIN. Thank you very much.

A TRIBUTE TO SENATOR MITCHELL

Mrs. FEINSTEIN. Mr. President, I speak as a freshman Member of this body and I know I speak on behalf of Senator BOXER as well. We will both be forever grateful to the majority leader for all of the help and assistance we have received.

I might say, Mr. President, that in the last 15 months I cannot think of any one incident that has taken me more by surprise than the announcement by our majority leader that he will not run for reelection.

GEORGE MITCHELL is respected. I have known a lot of public leaders during my day. I have never known one with more credibility, more integrity, and certainly more perseverance than Senator MITCHELL. And I want to say that I believe he will be sorely missed.

It is difficult for me to really believe that he wants to be baseball commissioner. I have worked with National Football League owners and baseball owners, and they too are rugged individualists and often difficult to work with.

But I want him to know how much this freshman has respected his counsel, his advice, and, most importantly, his leadership.

Last year was an important one in the U.S. Senate, and our majority leader saw this body pass an unprecedented amount of legislation, much of it major in scope—the crime bill, family leave, and national service to name a few.

GEORGE MITCHELL has been a very special majority leader because he is good on his feet on the floor and good in his chair at the conference table. In my experience this does not happen often when someone has both qualities.

I have heard him sound with anger. I have heard his humor. And I have watched his leadership. I have seen those frustrating moments in the caucus. I must say he is an unparalled leader. He leaves very big shoes that will be very hard to fill.

I just want to say I am so looking forward to working with him on health care reform, welfare reform, and other issues this year. I only wish there was something I could do to change his mind because when he leaves this body he will be very sorely missed.

Thank you very much, Mr. President, and I yield the floor.

The PRESIDING OFFICER (Mr. DORGAN). The Chair recognizes the Senator from Minnesota.

A TRIBUTE TO SENATOR MITCHELL

Mr. DURENBERGER. Mr. President, I rise, too, to add my sense of the passing leadership in this organization, that GEORGE MITCHELL's decision not to run for reelection makes me feel like I have been here a long time because I was here when he came and we will both be leaving at about the same time.

I heard the wonderful statement made by our colleague from California, Senator FEINSTEIN, and I must disagree with just one part of it. I would not do anything to persuade him to stay. I am pleased with GEORGE'S decision. I think it is the best decision for GEORGE MITCHELL. It may not be the best decision for us or for the people that will be here and need that kind of leadership in the future. I think that is probably what she was expressing, that GEORGE'S kind of leadership, whether to the Democratic side or Senate as a whole, is invaluable. But from the standpoint of a leader making a decision to use his talents in a variety of other ways, I would say GEORGE made the right decision for GEORGE MITCHELL. He made the right decision for a lot of other people that I am sure will be obvious to a lot of us as time goes on.

HONORING BOB BERGLAND

Mr. DURENBERGER. Mr. President, I rise today to commemorate the career of Bob Bergland, one of Minnesota's favorite sons. Bob has served as manager of the National Rural Electric Cooperative Association since 1983. He retired March 4, and with his wife Helen, will return home to Roseau, MN.

Bob Bergland has had a long and distinguished career representing the people of Minnesota and rural America. He was elected in 1970 to represent Minnesota's old Seventh Congressional District. He was returned to office four times, the last time garnering over 70 percent of the votes cast.

In 1977, President Jimmy Carter appointed Bob Bergland to be Secretary of Agriculture. He was the first farmer to hold this prestigious post since 1940. Bob served his country as Secretary until early 1981, when he was named president of Farmland World Trade.

Bob's stewardship of the interests of the nearly 1,000 rural electric cooperatives, including the 55 which serve our

home State, has been quite rightly heralded. Bob's legacy went beyond his impressive representation of the co-ops' interest before Congress. He successfully encouraged the electric cooperatives to broaden their agenda, and provide even more services for their communities.

Because of Bob's keen interest in the rural agenda, thousands of well-paying rural jobs have been created by the member-owned electric cooperatives. Bob's 11-year tenure saw electric cooperatives provide rural television, because cable companies saw no profit in serving the backroads of rural America.

He promoted programs at REA designed to provide better educational opportunities for rural young people and to improve health care for rural residents. And he successfully ensured that electric cooperatives were positioned to provide water and waste water projects to unserved areas of our country.

Bob Bergland's efforts did more than keep the lights of rural America burning—he made our future brighter as well.

Bob and Helen Bergland are going home. I ask my colleagues to join me in wishing all the best to this terrific couple—and expressing our thanks to a man who did so much to make our rural homes a better place to live.

HONORING DR. WALTER H. JUDD

Mr. DURENBERGER. Mr. President, I rise today to commemorate the passing of one of the greatest statesmen of the American century, my former Congressman and dear friend Dr. Walter H. Judd. Last month, Walter Judd died of cancer at the Collington Life Care Community in Mitchellville, MD.

It was my great honor and privilege to know this truly historic Minnesotan. He represented the Fifth Congressional District of Minnesota in the U.S. House of Representatives from 1943 to 1963, and he performed very ably the daily tasks of a Member of Congress.

But the importance of Walter Judd extends far beyond the boundaries of the Fifth Congressional District, indeed far beyond the borders of the United States. Because Walter Judd was a key voice for human liberty at a time when America was most in need of that kind of moral leadership.

In the late 1930's, when a surprisingly large number of Americans chose to remain blind to the threat of Japanese militarism, Walter Judd made literally over a thousand speeches to wake up the American people. His alarm about that danger proved to be well-founded.

Equally well-founded was his concern about the expansion of global communism in the post-World War II era. Because of the truly immoral excesses of some notorious anti-Communists of that era, it has become very common to dismiss 1950's anticommunism as a hysterical descent into national paranoia. But the anticommunism of Walter Judd was not the anticommunism of Joseph McCarthy.

His anticommunism was not a partisan posture, or what our spin doctors of today would call a wedge issue. He did not attack communism as just another way to beat up Democrats. He attacked communism with every fiber of his being, because he saw that millions of people around the globe were being deprived of their chance for liberty by this seemingly unstoppable ideological force.

He was against communism because he cared about people. Verne Johnson, his one-time administrative assistant, said that Walter was a "preacher—and his gospel was the menace of communism." He was a man of "integrity * * * he never asked 'what's in it for me?'"

Indeed, his whole career is cut from the same cloth. He started out as a medical missionary in China in 1925—serving for roughly 10 years in that turbulent posting.

He was a doctor because he cared about people. And that level of human concern never deserted him—whether he was in China, or at the Mayo Clinic in Rochester, MN, or at his Minneapolis practice at the corner of Lake and Hennepin, or in the halls of the U.S. Congress.

Walter was born and raised in Nebraska, 1 of 7 children of a lumberman. It was a tough place, and taught Walter about the need for self-reliance and the importance of family. Three of his brothers failed to reach the age of 20.

In 1981, President Reagan conferred on Dr. Judd the highest civilian honor of the United States—the Presidential Medal of Freedom. Reagan pointed out that Judd was—and I quote Reagan's remarks at that ceremony:

> An articulate spokeman for all those who cherish liberty and a model for all Americans who aspire to serve mankind as physicians, spiritual leaders, and statesmen.

That is the Walter Judd that so many of us back home in Minnesota knew, loved, and admired.

Norm Carpenter, who married Walter's daughter Mary Lou, observed that while Walter was not a soundbite politician, his speeches succeeded nonetheless in inspiring generations of Americans. "People used to say of Adlai Stevenson, 'what a wonderful speech!' Of Hubert Humphrey, 'Where do I sign up?' Walter Judd combined both. He moved people—inspired them to action."

And the same Walter Judd was named by his congressional colleagues in 1962 as one of the five most admired and influential Members of Congress. His voice on foreign policy issues was one of the most respected of his time—and his reputation was well-deserved.

A statesman of the order of Minnesota Congressman Bill Frenzel referred to Walter as a truly "senior mentor * * * you could always call him (for advice)."

Walter Judd proves that if you care enough about people—and tell the truth about how human happiness can be protected and increased—you can make a huge difference for the better on this planet. I ask my colleagues to join me in mourning the passing of this great American, and in extending our sincerest condolences to his widow, Miriam, to whom he was married for 62 years—a remarkable woman who—in Verne Johnson's words—was the glue of the family when Walter was out leading his national crusade.

We also send warmest condolences to Walter's daughters Mary Lou Carpenter of Minneapolis, Carolyn Judd of Los Angeles, and Eleanor Quinn in Hartford; seven grandchildren, and one great-grandchild.

I ask unanimous consent that Dr. Judd's historic keynote address, delivered to the 1960 Republican National Convention on July 25, 1960, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WE MUST DEVELOP A STRATEGY FOR VICTORY * * * TO SAVE FREEDOM! FREEDOM EVERYWHERE[1]

As we meet tonight in this Republican National Convention of 1960 I do not believe you want me to indulge in the traditional keynote speech, blaming the other party for everything that is bad, taking credit to ourselves for everything that is good, and promising that if you voters will just elect us to office this fall, we will solve every problem, increase every benefit, expand every existing program, start a whole flock of new ones, give everyone everything he wants—and reduce the national debt at the same time!

The times in which we meet are too serious for that.

The problems we face are too disturbing.

Our country's safety—your safety and mine—are too gravely endangered.

What the American people want to know as they watch us here tonight is: which party has the greatest capacity to keep this country safe and sound!

Which party is the most alert to and best understands the powerful forces against us, abroad and at home?

Which party has the ablest, the most experienced, the best qualified and the finest men to lead our country through the perilous months and years ahead?

We do not pretend that our party is always right and the Democratic Party is always wrong.

We know, as do you who are listening, that both Democrats and Republicans want a strong, free and prosperous America in a peaceful and secure world. The difference between the two parties is not over those good objectives, but over the best way to achieve those good objectives—and keep them.

Some Democrats have regularly tried to make it appear that Republicans are opposed to various good ends—such as security for old age, adequate medical care, better education, better housing, protection of the

[1] Keynote Address to the 1960 Republican National Convention, July 25, 1960, Chicago, Illinois.

rights of labor, aid to agriculture—just because we do not agree with the solutions they advocate, believing they are not the right way to get what we all want. But it is not because we are against the good ends; it is precisely because we are for them that we oppose measures we believe are unsound.

It is the obligation of the Republican Party and its members to show that loose fiscal policies, while temporarily gratifying, in the end inhibit growth rather than expand it.

Sometimes we are told that to win elections, we Republicans should make more grandiose promises, like those the opposition party made at its Convention. Maybe that is a way to win elections; but we repudiate it, first because it would not be shooting square with you, the voters; and second, it would not succeed. For there is no chance of our out-promising the Democrats.

Overshadowing everything else as we meet is the hard fact that a powerful enemy threatens us on every front. It is the most dangerous assault upon us in our history, in part because it is so different from any previous threat.

And without victory in this struggle, there will be no survival of freedom for any of us—Democrats or Republicans.

The Republican Party was born in a time of crisis. It was brought into being by the strong free spirits of a century ago, to deal with the gravest issue of the nineteenth century—Human Slavery.

In 1860 in this city the Republican Party nominated as its candidate for the Presidency of the United States a man who had risen from the humblest beginnings to become a leader in the effort to end human slavery without destroying the Union.

He led the party to victory, the nation to salvation, and the people to a rededication to the sound principles on which the country had been founded and had grown great.

We want tonight, both to honor Abraham Lincoln and to learn from him.

Please God, we may do as well with our divided world as he did with his divided nation.

For the gravest issue of our century is also Human Slavery—this time not men enslaved by other men; but far more complex and dangerous, masses of men enslaved by governments.

More human beings are in bondage tonight than ever before in human history.

Nine hundred million abroad are denied by their government the right to worship, to speak, to assemble, to join, to own; the right of a man to choose or to change his work and to live his own life with his family and friends—in freedom.

In this total situation, the Republican Party stands today as it has from the beginning—for freedom and against slavery.

You will judge both parties not by promises but by performance. And it is on the basis of our record of solid performance that we proudly present to you in this convention, an honest accounting of our stewardship during these eight years—and a look at the future.

How well have we done what we said we would do when you elected us?

How do we propose to deal with the challenges we face now, at home and abroad?

Why do we believe our principles and proposals offer greatest hope for accomplishing the greatest good and the greatest growth for America in the next four years?

Let us deal first with our international relations.

We said in 1952 we believed we could get and maintain peace with honor. We have done it.

We brought to an end the fighting in the Korean War which the Truman Administration would not win and could not stop.

It did not make sense to continue to enlist American youth and exhort them to fight well in the noblest tradition of America's greatest heroes—but not to fight too well because then they might win, and that might provoke the enemy. They should give all they had, their lives—and over 33,000 did—but they must not win! It was the first war ever fought—so far as I am aware—in terms of trying to please the enemy! To continue that war was madness.

Then President Eisenhower took charge. It took time and patience and skill, but within nine months, the fighting was brought to a close—without dishonor, without sacrificing the interests of any ally, or weakening our security position in the Pacific. We Republicans are proud of that accomplishment.

In addition, this Administration has prevented a half dozen other threats from developing into war—Trieste, the Mossadegh uprising in Iran, Guatemala, Formosa, Suez, Lebanon, Quemoy, West Berlin.

How was it done? Not by sacrificing our principles in secret deals under the table; but by steady, patient firmness and strength in support of principles.

What principles? First, our own historic principles; human freedom; keeping our word; steadfast support of friends and allies. And, second, wholehearted support of the United Nations.

In short, our efforts everywhere have been to help build free nations up; the efforts of the Communists everywhere are to pull free governments down.

It does not avail, however, to be firm in support of principles unless we have the strength to back it up. This Administration has built up gigantic strength in our own armed forces and given vital assistance in building up the strength of other nations standing with us against the common threat.

Ours is a balanced power, not all our eggs in one basket, whether it be a bomber basket, missile, submarine, or any other basket.

President Eisenhower will perhaps have something to say on this subject tomorrow night. I hope those who have thought they knew more about our armed strength than he and our Joint Chiefs of Staff, will listen in too.

But I am compelled to take notice here of certain charges made by the opposition party.

It is claimed that this Administration allowed a missile gap to develop. No, it found a missile gap and has managed to get it almost closed.

When President Eisenhower took office in 1953, the preceding administration had actually retarded work in this field, even though it knew that the Soviet Union was making tremendous efforts.

The Truman Administration in eight years had spent seventeen times more for price supports for peanuts than for long range missiles.

The Eisenhower Administration is today putting forty times as much into such missiles each month as the previous Administration did in eight years.

It took the Soviet Union twelve years to develop its long range missiles. It took the Administration six years to get ours operational. Anything wrong with that?

Senator Kennedy was reported by the Press to have said on February 21st of this year, "We have the greatest deterrent force in history and thank God for that." He was right!

But it is not enough to have such vast overall power. Our primary desire in building such striking force is not to fight a war, but to deter one.

It is not just the strength that we have, it is the strength that our enemies, our allies and our own people know that we have, which is our hope of deterring war.

What kind of reckless and irresponsible action is it for anyone to misrepresent the United States as a second-class power, as was done in the Democratic Convention, and thereby encourage the very attacks which all Americans profoundly hope and pray can be prevented?

Did you see the movie shown at the Democratic National Convention two weeks ago, dredging up scenes of hunger, squalor, and misery in the United States as if they were typical of America? What kind of salesmanship for their country is that?

Can our nation's prestige be raised by tearing it down?

It is devoutly to be hoped—because it offers our best chance of avoiding war—that Mr. Khrushchev, in making up his mind about our actual military, economic, and moral strength, will depend a lot more on the reports of his own agents than on the shameful misstatements made in the heat of the Los Angeles convention.

It is claimed that this Administration has not taken the initiative in the cold war, that we have allowed things to drift. Yet the orators condemn the Republican Administration for brilliant examples of successful initiative. For example, the U-2 flights. If we had not developed U-2 and had not been using it to keep up to date on military preparations within the Soviet Union, we could properly have been charged with inviting another Pearl Harbor. The fact that our U-2 operations were so outstandingly successful for four years should be a source of intense pride to all Americans. The U-2's were not provoking war, they were helping to prevent war.

Again, it has been suggested that the president should have done something different or better about Mr. Khrushchev's breakup of the Paris conference. Will they please tell you what they think the American people wanted their president to do? Apologize, and hand over West Berlin? Blow up and start a war? Of course not!

The facts are that it has been the president himself and secretaries of state Dulles and Herter who on innumerable occasions have warned the American people against optimism regarding any conference with Communists at the summit in the absence of any evidence of change in their objectives and methods.

Just as Prime Minister Macmillan said a year ago that he thought he ought to go to Moscow to find out if possible just what the Soviets had in mind, so the president invited Mr. Khrushchev to this country, and agreed to go to the Soviet Union; and the Big Three agreed to meet with Khrushchev in Paris—all in the hope of finding ways to get a settlement that might end the cold war without betrayal of our principles, our commitments, or our allies.

At the Paris conference, everybody hoped that the miracle might take place and Mr. Khrushchev would abandon his avowed purpose to bring bury us—one way or another. Tragically, there was no miracle. Mr. Khrushchev killed the hope.

But his ruthless torpedoing of the Paris meeting was evidence of the failure of his foreign policy, not ours. His strategy for at least two years had been the old one of trying to conquer the West by dividing it. He tried his best to set our allies against each other and against us. He came to our country

and talked about peace and friendship, trying to whittle down our resolution and soothe us into relaxed slumber. He did not succeed.

When Mr. Khrushchev knew before the Paris conference convened that he had failed to divide, deceive or soften up the free powers, he had no choice but to break up the conference. Otherwise, he would either have had to back down on West Berlin, or actually start a war. Either would have been fatal to him. His scuttling of the Paris conference and his grotesque efforts to pin the blame on us were proof positive, not of our weakness, but of our strength.

With the bold deception of Khrushchev's false peace posture exposed at Paris by himself, he had to change his tactics and make a different effort to divide and conquer. He is now moving heaven and earth to achieve by subversion among the newer or more vulnerable nations of the free world coalition what he could not achieve by division of the western powers. He is trying to upset free governments, one by one, by ordering into action the apparatus the Communists have been systematically building and training in other countries for decades, for the very purpose now revealed so plainly in Japan and Cuba.

Why did the Communists have to cancel President Eisenhower's visit to Russia and resort to such violent measures in Japan to prevent his visit there? Not because of the ineffectiveness of the President's visits abroad, but because of their demonstrated effectiveness. The Red leaders saw the vast difference between Eisenhower's reception in India, for example, and the receptions given Khrushchev and Chou En-Lai. They didn't dare let Ike chalk up still another tremendous triumph with millions of people in Mother Russia itself, and in a key country like Japan.

It has been charged that no previous presidents or vice presidents ever suffered such insults abroad—as if somehow that is their fault. There are two inescapable answers. One is that as long as two previous American Presidents were willing to give in to Soviet leaders, they got along famously with them. Why should the Communists insult them as long as they were getting what they wanted?

Naturally Khrushchev would prefer not to negotiate with a Republican president who he has learned will not be taken in or intimidated or tricked into any concessions, no matter how innocent looking, that would weaken the free world.

The second answer is that no previous president has faced a Communist conspiracy that was strong and arrogant enough to take such action as Mr. Khrushchev took.

And how did the Communist conspiracy get so strong and arrogant? That cannot be laid at the door of the Republicans. Look again at the record.

I would rather not go over the mistakes of the past; there's more than enough to talk about regarding the future. But if Republicans are to be charged with inability to deal with the focus of aggression which those who make the charges helped to build up, then we owe it to the truth to set the record straight.

The trouble we are in with the Communists is exactly the trouble that Republicans warned for years before 1952 would develop if we followed the courses that were followed.

Was it Republicans who recognized the Soviet Union in 1933 and gave it acceptance into our country and world society as if it were a respectable and dependable member thereof?

Was it Republicans who, at Tehran, against the urgent advice of Mr. Churchill, agreed to give the Russians a free hand in the Balkans?

Was it Republicans who secretly divided Poland and gave half of it to the Soviet Union?

Was it Republicans who agreed to the Communist takeover of a hundred million people in East Europe who are not Russian?

Was it a Republican Administration which at Potsdam gave the Soviet Union East Germany and left West Berlin cut off from the rest of the free world?

Was it a Republican Administration that publicly promised that Manchuria would go back to its rightful owners, the Chinese, and then secretly at Yalta gave control of Manchuria to the Russians?

Was it a Republican Administration that divided Korea and gave control of North Korea to the Communists?

Was it a Republican Administration that gave to the Soviet Union the Kurile Islands which had never been anybody's except Japan's, thereby endangering both Japan's and our own security in the North Pacific?

Was it a Republican Administration that rightly put its hand to the plow in Korea, and then when victory was in sight turned back, allowing the Reds to recover so they can make still more trouble in the future?

Was it a Republican Administration that fell for the Communist offer of a truce in Korea without requiring that the North Korean aggressors lay down their arms and the Chinese Communists get out of Korea where they had no business to be? You know it wasn't.

In summary, it wasn't under Republicans that 600,000,000 human beings disappeared behind the Iron Curtain in the first five years after World War II.

In fact, the record will show that Republicans opposed these steps every time they were taken.

What our Republican Administration has done in these eight years is, with initiative and imagination, to stop the process of retreat before the Frankenstein monster that its predecessors did so much to build up.

We have resolutely opposed anything anywhere that would make Communist regimes stronger and we shall continue to do so.

That is why, for example, we have opposed and must oppose official recognition of Communist China or its admission into the United Nations, unless or until it will give up in a dependable way its aggressive acts and threats against other countries; that is, give up Communism! Recognition and admission would needlessly present it with smashing victories. Does it make sense to build up an avowed enemy?

But our refusal to give Red China the tremendous boost of official recognition does not mean—as has been asserted by people who ought to know better—that this Administration has been hiding its head in the sand, or pretending Red China does not exist, or trying to ignore 600 million Chinese. The exact reverse is the truth. This Administration is acutely aware of Red China's existence and the threat it constitutes to freedom, not only in Asia, but everywhere. It was not this Administration which indulged in the illusion that Communists in China are democratic agrarian reformers!

We are not ignoring Red China. We have been negotiating with its official representatives for five years. The ninety-ninth such negotiation, unfortunately still fruitless, took place just last week.

Surely it is now plain to all that since the Communist world conspiracy remains the same, and since America does not intend to surrender, and since nobody wants a hot war, there is only one alternative left. We must win this cold war.

To do this we must have leaders who understand this enemy and its tactics, and will mobilize all our resources for the struggle.

We must use more effectively our strongest weapons, the values and virtues of a system of government which has given freedom and dignity and better living standards to human beings than any other system ever has.

How many of us understand our own system well enough to sell it to others with contagious enthusiasm, as the Communists are so well trained to sell theirs?

We must let loose in the world the dynamic forces of freedom in our day as our forefathers did in theirs, causing people everywhere to look toward the American dream.

Men have always found ways to bring down tyrants in the past; men will find ways to bring down today's tyrants, if only we don't build up the tyrants!

In short, we have a good strategy for holding. But we cannot hope it win in the end just by holding. We must develop a strategy for victory!

A new chapter has now been opened by Khrushchev. The Soviet Union stands naked before the world today, self-exposed, its objectives and its unchanging methods of deception and trickery revealed by its own acts.

It is going to require stronger approaches, different strategies, new tactics by someone who has proved he understands Communism.

America has the brains, she has the wealth, she has the weapons. Who can best harden into rocklike firmness her will?

I am confident that the nearer our people come to Election Day next November, the more they will become convinced that the course of wisdom and sureness for America is to continue to entrust the destiny of our Nation to steady, competent, experienced, principled Republican hands.

The man who will be nominated in this convention as our candidate will be incomparably the best qualified to deal with the relentless cold war which we have tried our best to avoid, but which we now have no choice except to win.

It has been said by Mr. Kennedy that the most important issue in his campaign is foreign policy. We agree and welcome the test.

Now let us take a our record on the domestic front. Undeniably this has been overall the best seven-year period in the history of the United States.

What did we say in 1952 that we would do? First, we said we would be a middle-of-the-road government. We believe that middle-of-the-road government is, in the long run, the best kind of government for everyone. For when anybody or any group, whether at one extreme or the other, gets all it wants, it is at the expense of the people as a whole.

We promised we would clean out the corruption that was a scandal under the previous Administration and led to more than twenty convictions of high officials. I am proud of the fact that there has not been a single conviction for malfeasance in office of any high official in this Administration. That does not mean everything has been perfect. It does mean that whenever and wherever there was any slightest suspicion of impropriety, this Republican Administration has not tried to cover up; it has cleaned up. That is what you wanted it to do.

We said we were convinced we could bring prosperity without war—something our pred-

ecessors had never been able to do in this century. We succeeded.

The first requirement was to stabilize our economy and slow down the inflation. It was stealing the people's substance—and was especially cruel in its eating away of the value of the pensions and social security benefits which millions of older persons were counting on for the security and serenity they so richly deserve in their years of retirement.

How could inflation best be checked?

The Democrats clamored for more controls.

President Eisenhower announced he would take off the controls.

You will recall how some screamed that the Republicans were yielding to the profiteers, big business, money interests; prices for common people would now go sky high, and so on.

But did they? No. The prices which had been rising alarmingly—48 percent in the seven Truman years—promptly leveled off and stayed practically stable for four years. The total rise in prices in these eight Republican years is less than 10%.

We achieved this stability not by changing our free system, but by using it. It works better than those of little faith in the American people give it credit for.

We said in 1952 that if the Federal Government would stick to its proper function of running the business of the nation, and get out of trying to manage the affairs of our people, the creative energies of the American people and their millions of individual enterprises would create a vaster expansion of production and trade, with correspondingly greater expansion of jobs than the Government itself could do. We were right or wrong? Well, there were sixty-one million jobs when we took over in 1953. There are sixty-eight million jobs tonight.

And jobs at higher wages. Wages up 39 percent in these seven years! Do you recall the seven consecutive cost-of-living increases that labor had to fight for, just to keep up with inflation under Truman? In contrast, real wages, actual purchasing power, have gone up 20 percent under this Administration.

To buy a standard market basket of groceries in 1945 under the Roosevelt Administration cost the average worker thirteen hours of labor. To buy the same market basket in 1952 under the Truman Administration cost 13.7 hours of labor. To buy it in 1959 under the Eisenhower Administration cost ten hours.

This is the measure of how much better off rank and file people are today. Does this sound like a party of big business?

Our workers have better food and clothing for themselves and their families, more homes, more automobiles, more refrigerators, more TVs, more free time for study, for recreation, for sports, for travel, for whatever. The record is clear that labor has done better under this Republican Administration than in all its previous history.

Personal income, the money that goes into your pockets, has gone up a whopping 33 percent—from $301 billion in 1952 to $420 billion in 1960—and in constant dollars.

Furthermore, a larger share of that higher income than ever before, more than 4 percent larger, goes now into the pay envelopes of workers. Anything wrong with workers getting a bigger share of the national income under the Republicans than they ever got under the Democrats?

Isn't it plain horse sense to trust for the next four years the leadership which has enabled you to do so well for yourself in the last eight years?

While the Republican 83rd Congress was in power to cooperate with the Eisenhower Administration during its first two years, we gave the American people the biggest single tax cut in their history—and at the same time expanded the benefits to people; more social security benefits, more for highways, hospitals, health, housing.

And you still have that tax cut. If I may borrow a phrase that you perhaps remember: Don't let them take it away!

The Republican record in the area of meeting human needs has been one of remarkable action and progress on all fronts. Contrary to the image promoted by the opposition that they alone are the party of the people.

Under Social Security 7½ million more persons are now covered than before. The number receiving benefits has increased from five to more than fourteen million persons.

Under the Vocational Rehabilitation program as strengthened by Republicans in 1954, some 400,000 disabled men and women have been returned to active, self-respecting employment and have earned almost $2 billion. This is the true American system of enabling people to do things for themselves.

Deeply concerned with the increasing complexity of the problems of senior citizens, this Administration has established a staff for research into their problems and how to use their valuable experience and talents. It has called the first White House Conference on the Aging in our nation's history for next January.

Bold and dramatic steps have been taken to expand medical research in cancer, heart disease, mental illnesses, and other crippling and killing maladies.

In the seven years prior to 1953, the value of surplus agricultural products distributed in the school lunch program and to needy persons, institutions, schools and Indian reservations totalled $263 million. In the seven years since 1953 the total distributed is $960 million worth—3½ times as much. Anything wrong with that record?

In short, we have moved vigorously whenever and wherever action by the Federal Government is the proper and best way to deal with any problem affecting public safety and the people's welfare.

When before did any government ever take less from the people in taxes and give them more in return?

How was it done? Not by government orders, edicts or controls; and not by government handouts.

It was done not by changing our principles of freedom of enterprise, but by sticking to them.

It was done by good Republican management of the government, not management of the people.

Obviously I cannot try here to outline our detailed proposals for the years ahead. I have not even mentioned vitally important areas like education, health, agriculture, conservation, taxation, and a dozen other issues which would require almost a separate speech each. They will be covered, however, before this Convention is over.

I want to turn, finally, to some basic principles, tested principles of freedom—which we believe it is necessary for us to understand and follow, if we are to meet successfully the challenges of the future.

Many Americans have come to think that our two major parties are, after all, just about the same. But it is not so. The main difference between them, as I said in the beginning, is not over good ends. The difference, and it is a profound one, is over means. Which are the right ways to get the good ends?

We Republicans deeply believe that the first function of a good government is to protect the liberty of the individual citizen, not to take it away.

There have never been but two basic philosophies of government—government from the bottom up, and government from the top down. Our fathers believed, and so do we Republicans, that most problems can best be solved by the people themselves.

One philosophy puts its primary faith in government officials. The other puts its primary faith in the good sense and the capabilities of our people.

One group begins with the assumption that the more complex and complicated a society becomes, the more its control and management must be centralized in an increasingly powerful government.

We Republicans begin with the same premises and come to exactly the opposite conclusion; namely, that the more complex and complicated a society, the more impossible it is for any centrally located group of men—no matter how able or devoted or sincere—even to grasp all the details of the complicated problems to say nothing of handling those details from Washington.

We are not against adequate Federal Government. There must be such government to prevent abuses of power. We merely want to keep it limited to its proper fields, so that the liberty of individuals will be protected. The Republican Party stands for liberty.

In the Democratic Convention you heard a lot about Woodrow Wilson. What did he, a real student of government, think on this issue? In a speech in New York in 1912 he said, "Liberty has never come from the government. Liberty has always come from the subjects of the government. The history of liberty is a history of resistance. The history of liberty is a history of the limitation of governmental power, not the increase of it."

Nobody has said it better than that. Yet we now see those who claim to be the followers of Wilson insisting that the way to expand liberty is to increase the powers of government.

How did our forefathers seek to limit government to its essential functions? By putting the government under a Constitution. Many regard that Constitution as the means by which the government regulates the people. No, it is the magnificent means our forefathers devised by which the people can regulate their government.

Why did they insist on having a bill of rights in that Constitution? In order to be sure that their government would take care of them? No, in order to be sure that their government could not interfere in their taking care of themselves.

Rights are not what our government must do for us; rights are what our government cannot do to us.

We believe also that all men are created equal. In support of this fundamental faith, Republicans work for government that will provide equality under the law for all citizens, and equality of opportunity for all citizens. We believe this is the best way to get the fullest possible rewards for all citizens.

It is because of this Republican emphasis on equal opportunity that the Republican Party is the party to which youth will naturally gravitate, if we make our principles clear to them. For what does youth want most of all? Youth wants to get ahead. The Republican Party stands always for maximum freedom and opportunity—for every man to improve his condition.

That is why it is possible in America for the son of a rich man, like Jack Kennedy, to become President.

That is why it is possible in America for the son of a poor man, like Dick Nixon, to become President.

Republicans believe that that government is best, not which does most for its citizens directly, but which makes it possible for most citizens to do most for themselves—and then assists with those who, for whatever reason, cannot provide the basic necessities for themselves.

I do not say these things because I am a Republican; I am a Republican because these are the things I believe.

I think we can state it as a law, that whenever a government does for its citizens that which they have the capacity to do for themselves, individually and in groups, it begins to destroy both their capacity and their incentive to do for themselves. It begins to weaken rather than to strengthen the foundations of freedom and the means of progress.

I can work my girl's arithmetic problem better for her than she can work it for herself. I can get the right answer almost every time. And she would like to have me do it for her. She'd even vote for me if I would. But I don't. Not because I don't love her or want her to succeed—but because I do.

Abraham Lincoln at Gettysburg said, "Now we are engaged in a great civil war testing"—testing, among other things, whether Government of the people, by the people, and for the people can long endure.

Lincoln and the Republican Party led our country through that crisis of 100 years ago. Now we are engaged in a greater conflict—the whole planet is in the throes of the mightiest conflict in all history. It is a world civil war. What is it about? It is about exactly the same thing as then: Is Government of the people, by the people, and therefore, for the people to perish, literally, from the earth?

During the fiery trial of Lincoln's day he warned solemnly that this nation could not exist half slave, half free. He and his party succeeded in restoring unity and freedom to the nation.

Can this whole wide world of our day go on indefinitely half slave, half free? Deep down in our hearts, we know the answer, No.

The reason why it has not proved possible to get any real agreement with the Communist world all these years is because the Communists are not pursuing the same objectives as we are pursuing. And why are they not pursuing the same objectives? Because they do not believe the same things we believe—about man, about the universe, about God.

If we in America, of whatever political opinion at the moment, are to prove worthy of this most terrible testing in our Nation's life, we too must resolve with Lincoln, "that, under God, this Nation shall have a new birth of freedom."

It was under God that our freedom was born. Only under God can there be a rebirth.

What then is our role to be? Listen again to Lincoln in his message to the Congress in 1862, "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country."

There it is:

Under God, a new birth of freedom;

A new understanding of it;

A new and deeper dedication to it.

With such a rebirth within you and me, and within our beloved Party, we shall deserve to be entrusted by the people with the awful responsibilities of governing this great land. And they will turn to us and our country will be saved.

And now let us get to work!

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I might proceed for 2 additional minutes, although I see the managers of another bill on the floor.

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that, under the unanimous consent agreement, the Senate is scheduled, at the hour of 1:30, to proceed to the consideration of S. 4.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I might proceed for 2 additional minutes, as though in morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

JOHN RILEY

Mr. DURENBERGER. Mr. President, last night, at about 8:30, quite a number of us lost a very dear friend to cancer. He was just 47 years of age. He was my friend John Riley, and he was a friend of many of the rest of us here.

The members of the Commerce Committee, some of whom are on the floor now, will remember John well as the Federal Railway Administrator, beginning, as I recall, late in 1983, quite a number of years ago.

He left that post in April 1989. The next day he was at Arlington Hospital with a brain tumor, of which, by some miraculous positive bent that is John's only, he was cured. But it followed with another one and another one and the third one finally killed him here 5 years after the first was discovered.

John was an incredible human being. He was, above all, an optimist. He was a character to many people, but he was a person with whom, if you were lucky enough to have a relationship, you found that relationship a treasure beyond any value, because it is so hard sometimes to discover in the relationships we develop in this body or in a political sense, people whose characters we look up to and whose persona is something to be emulated, and we would like to see our children, our friends, and our constituents.

I give notice to my colleagues that there will be a memorial service for John by his family and friends and others in Ardmore, PA, on Friday, at noon, I believe it is, of this week.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. Do I have any leader time remaining?

The PRESIDING OFFICER. The Senator has 10 minutes leader time.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Senator is recognized.

WHITE HOUSE POLITICS

Mr. DOLE. Mr. President, as the Whitewater controversy grows, it is not surprising that the political charges are heating up as well.

Last week, President Clinton himself made the unfortunate claim that Republicans are somehow responsible for the latest Whitewater woes, stating that we have acted in a "fairly blatant, bald, and totally political way." And yesterday, White House aide George Stephanopolous forgot the presidential campaign was over, suggesting on national television that Republicans are somehow ginning up Whitewater for our own political advantage.

Mr. President, notwithstanding these charges, which I reject, it is the Democrat Congress that continues to block Whitewater hearings. It was the chairman of the Democratic National Committee who played "political tough guy" when he tried to intimidate Senator D'AMATO with a threatening letter notable only for its clumsiness. It was not a Republican National Committee newsletter that ran editorials with titles like "Slovenly White House Ethics," "White House Ethics Meltdown," and "Mr. Nussbaum Goes—Not the Mess." That is the New York Times and the Washington Post.

And, Mr. President, the biggest political players in town are apparently in the White House itself: In travelgate, and now in Whitewater, White House staff have played with fire, showing a brazen willingness to mix politics with law enforcement.

The bottom line is: Whitewater is a case study in self-immolation—omissions, misstatements of fact, negotiated subpoenas, behind-the-scenes meetings—have all created the impression that there is something to hide, that there is something unseemly lurking in the Whitewater bog.

I may be wrong, and I hope I am wrong.

Mr. President, last week, 43 Senate Republicans sent a letter to the distinguished majority leader stating that we will hold up the nomination of Ricki Tigert, President Clinton's nominee to head the FDIC, unless the Senate Banking Committee has the opportunity to thoroughly examine the recently revealed White House-RTC-Treasury meetings. It is my hope that the Democrat leadership in Congress will work with Republicans to schedule these hearings so that the American people can get a full accounting of the Whitewater mess.

Again: if there has been no wrongdoing, there should be nothing to hide. As I pointed out last week, the Congressional Research Service has pre-

pared a memorandum listing more than 20 congressional hearings and investigations into alleged executive branch wrongdoing during the Reagan and Bush administrations. The Democrat-controlled Congress has never been shy about exercising its oversight responsibilities—and there is no reason to make an exception for Whitewater.

If Congress fails to exercise its oversight responsibilities, if we do not hold hearings, then we expose ourselves to the charge of being willing accomplices to whatever wrongdoing may have occurred.

Mr. President, I ask unanimous consent that editorials from yesterday's New York Times and Washington Post be printed in the RECORD. I also ask unanimous consent that the memorandum from the Congressional Research Service be printed in the RECORD, as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 6, 1994]

REPAIRING THE WHITE HOUSE MESS

Robert Fiske has stepped into the Whitewater mess with precisely the authority and integrity that the White House, particularly in the person of Bernard Nussbaum, has so conspicuously failed to exhibit over the last few months.

By serving subpoenas on 10 senior White House and Treasury Department officials, Mr. Fiske, the special counsel appointed to look into the Whitewater case, has also served notice that he is expanding his inquiry to include the three extraordinary White House meetings at which the Resolution Trust Corporation's probe of a failed savings and loan association with close ties to the President and Mrs. Clinton was discussed.

The members of the Congressional banking committees, including reluctant Democrats, clearly have an interest in this matter. There are, for example, numerous regulatory issues involving the failed Arkansas savings and loan, Madison Guaranty. Moreover, senior officials at the agencies for which the committees have oversight responsibility have behaved improperly—notably Roger Altman, the Deputy Treasury Secretary, and Jean Hanson, Treasury counsel. They gave private briefings at the White House to keep Mr. Nussbaum, the White House counsel, and others posted on the R.T.C.'s investigation into Madison and the bank's dealings with the Clintons and their friends.

There is certainly a public value in having Congress conduct a carefully targeted examination of the incestuous relationships between the White House and Federal investigatory bodies. Nevertheless, Congress should think twice before launching a parallel investigation of the whole history of Madison and the Whitewater development deal back in Arkansas. Such an inquiry, especially in the current partisan environment, could easily turn into an unpending political circus, and even worse, jeopardize Mr. Fiske's independent inquiry and his ability to bring prosecutions, if warranted.

As for President Clinton, he has finally moved to repair the damage by his amateurish White House operation by persuading Mr. Nussbaum to return to private life. Mr. Nussbaum played a prominent part in other White House embarrassments, including the misuse of the F.B.I. in the Travelgate affair, the failure to properly vet various Presidential nominees and the apparent interference with the Park Service's investigation of the suicide of Vincent Foster, the deputy White House counsel. Given those past indiscretions, it was not surprising that Mr. Nussbaum was a central figure at all three of the improper White House meetings on Whitewater. It remains to be learned whether he was acting at Mr. Clinton's request.

There are two immediate lessons here. One is that Mr. Clinton desperately needs to get some good strong people around him to provide the White House with sound management and an ethical compass. The second is that the special prosecutor, Mr. Fiske, may have an even more challenging job than he, or anyone else, originally imagined.

[From the Washington Post, Mar. 6, 1994]

MR. NUSSBAUM GOES—NOT THE MESS

Neither Bernard Nussbaum, who resigned yesterday as White House counsel, nor Treasury Deputy Secretary Roger Altman and seven other senior White House and Treasury Department officials will be spending March 10 in their offices engaged in the duties that brought them to town. Mr. Nussbaum and the others will be queued up before a federal grand jury in Washington, compelled by subpoena to testify under oath about the circumstances under which they discussed the status of a federal probe of the Madison Guaranty Savings & Loan, a failed Arkansas institution with ties to the Clintons. That date with the grand jury will be a day of public disgrace for the administration.

But more than humiliation is involved in this case. Since the Madison failure and the abortive Whitewater land venture erupted as issues, White House staff have been nothing but a problem. Their clumsy and sophomoric attempts at political damage control have only added to the impression that there is something not quite right about the Clintons' Arkansas political and business dealings and that the First Family has something to hide. That may turn out not to be true—the president says not—but his staff haven't helped him with his case at all.

They are giving the grand jury much to sort out. We especially have in mind the September get-together between Mr. Nussbaum and Treasury General Counsel Jean Hanson. In that meeting, Ms. Hanson reportedly disclosed that the Resolution Trust Corp. was poised to ask the Justice Department to conduct a criminal probe into Madison, and that the Clintons were named as possible beneficiaries of the S&L's illegal activities. The grand jury will undoubtedly want to know whether Mr. Nussbaum or any other White House staff members with knowledge of the coming RTC action shared that information with the Clintons. (If so, Mr. Clinton's criticism of the Treasury-White House meetings will ring a little hollow.) But in either case, with questions like this staring at the president, and with Republicans accusing the administration of trying to manipulate an independent regulatory agency, it's hard to imagine a worse way for staff to protect the boss's interests.

That explains the anger many of the more seasoned figures in the administration have for Mr. Nussbaum. Though the president accepted Mr. Nussbaum's resignation "with deep regret," many of Mr. Nussbaum's senior associates apparently aren't shedding many tears. They see him as having allowed the White House to slip and slide into improprieties that a child of 4 could have figured out. Mr. Nussbaum said he was taking his leave because of the "controversy generated by those who do not understand, or wish to understand, the role and obligations of a lawyer." We offer another possibility. Mr. Nussbaum not only failed to keep his principal client out of trouble; he also generated much of the controversy and troubles himself. Going back to Travelgate, when Mr. Nussbaum saw nothing wrong in having the FBI announce there was evidence of criminal wrongdoing—in violation of bureau policy—to his mishandling of key nominations and the aftermath of Vincent Foster's suicide, to the current White House-Treasury encounters, this has been the case. Whatever he thinks of himself as a lawyer, Mr. Nussbaum was truly miscast as White House counsel.

[From the Congressional Research Service, Washington, DC, Jan. 26, 1994]

MEMORANDUM

Subject: Published Hearings and Reports Concerning Congressional Investigations of Alleged Improprieties by Administration Officials or Their Family Members, 1981–1992

Author: George Mangan, Paralegal Specialist

In response to Congressional requests on the subject, the following list has been prepared. It was assembled by consulting indexes of Congressional documents compiled by Congressional Information Service [CIS], Inc., a private company which reproduces Congressional publications on microfilm. CIS produces an annual index of Congressional documents and a companion volume of brief abstracts of each document, in the case of hearings giving a citation, dates, witnesses, and a brief summary of the subject matter covered.

Index entries checked for this survey were: Conflict of Interests, Corruption and Bribery, Ethics in Government Act, Financial Disclosure, Iran-Contra Affair, Lobbying, and Political Ethics.

In cases in which a large number of hearings were held on the same matter, only one report or hearing has been listed. Documents appear in chronological order by year of publication, not necessarily the year hearings were held or investigations conducted. When discussion of allegations of improper or unethical behavior occurred on only one day in a series of hearings, only that date has been given. Descriptive summaries are quoted in relevant part from the CIS abstracts of the publications.

1981

Report of the Senate Select Committee on Intelligence on the Casey Inquiry. December, 1981. S. Rpt. 97–1. Staff investigation of allegations concerning CIA Director William J. Casey, ". . . including the propriety of his private business dealings and previous Government service and circumstances surrounding the appointment of Max Hugel as Deputy Director of Operations, CIA."

1982

Environmental Protection Agency: Private Meetings and Water Protection Programs. House Government Operations Committee Subcommittee on Environment, Energy, and Natural Resources. Hearing. October 21, 1981. Concerned, in part, ". . . 1981 EPA private meetings with chemical industry representatives to discuss pending regulation. . . ."

EPA Enforcement and Administration of Superfund. House Energy and Commerce Committee Subcommittee on Oversight and Investigations. Hearing. April 2, 1982.

". . . [A]llegations of White House interference with EPA enforcement programs."

1983

Office of Management and Budget Control of OSHA Rulemaking. House Government Operations Committee Subcommittee on Manpower and Housing. Hearing. March 19, 1982. ". . . [C]harged improper intervention by Office of the Vice President. . . ."

Southland Corporation Investigation. Senate Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities. Hearing. June 28, 1983. "Hearing . . . to investigate the conduct of John M. Fedders (Dir, Enforcement Div, SEC) while employed as a legal counsel by the Southland Corp. to assist in a 1977–78 internal business ethics investigation into alleged company illegal payments."

1984

Nonconsensual Recording of Certain Telephone Conversations by USIA Director Charles Z. Wick. Senate Foreign Relations Committee. Report. February, 1984. S. Prt. 98–147. "Staff report examining the purpose, extent, and legality of unauthorized 1981–83 recording of telephone conversations by U.S. Information Agency Director Charles Z. Wick."

Recording of Telephone Conversations by Charles Z. Wick, Director, USIA. House Foreign Affairs Committee. Report. February 3, 1984. "Staff report examining the purpose, extent, and legality of unauthorized 1981–83 recording of telephone conversations by U.S. Information Agency Director Charles Z. Wick."

Oversight on the National Labor Relations Board. House Education and Labor Committee. Joint hearings before the Subcommittee on Labor-Management Relations and the House Government Operations Committee Subcommittee on Manpower and Housing. June 29, 1983. Involvement of witness, Hugh L. Reilly (Solicitor, NLRB) ". . . in private labor relations litigation after entering Government service; implications for Solicitor's Office of NLRB enforcement proposals."

1985

Oversight of the U.S. Information Agency. House Foreign Affairs Committee Subcommittee on International Operations. Hearings. May 10, 15, 1984. ". . . [A]lleged maintenance of a so-called 'blacklist' of persons not desired for overseas speaking engagements, and Director Charles Z. Wick unauthorized recording of telephone conversations."

Synthetic Fuels Corporation. House Energy and Commerce Committee Subcommittee on Oversight and Investigations. Hearings. April 3, June 27, 1984. ". . . [A]lleged improprieties involving SFC officials."

Synthetic Fuels Corporation Oversight. House Government Operations Committee Subcommittee on Environment, Energy, and Natural Resources. Hearing. May 16, 1984. "Examination of SFC Board actions and perceptions regarding alleged conflict of interests and eventual resignation of former SFC Board Member and President Victor M. Thompson, Jr. . . ."

1986

Management of Livestock Grazing on Federal Lands by the Bureau of Land Management and the Forest Service. House Government Operations Committee Subcommittee on Environment, Energy, and Natural Resources. Hearing. December 13, 1985. Robert F. Burford, Director, Bureau of Land Management, responded to ". . . questions regarding conflict of interests issues relating to Burford family ownership of grazing permits."

Textile Imports and Investigation Into Activities of Former Textile Official. House Government Operations Committee Subcommittee on Commerce, Consumer, and Monetary Affairs. Hearing. July 31, 1986. Investigation of Walter C. Lenahan, former Deputy Assistant Secretary, Textiles and Apparel, Department of Commerce, ". . . regarding compliance . . . with conflict of interest, postemployment, and foreign agent registration laws . . ."

Investigation of the Role of the Department of Justice in the Withholding of Environmental Protection Agency Documents From Congress in 1982–83. House Judiciary Committee. 4 vols. Report. December 11, 1985. "Report examining Justice Dept. role in 1982–83 confrontation between Congress and EPA regarding disclosure of documents subpoenaed by the House Energy and Commerce Committee Subcommittee on Oversight and Investigations and the House Public Works and Transportation Committee Subcommittee on Investigations and Oversight in connection with oversight EPA alleged mismanagement of Hazardous Substance Response Trust Fund (Superfund) program for financial cleanup of uncontrolled hazardous waste sites." Report discusses actions of EPA Administrator Anne M. Burford (formerly Anne M. Gorsuch), EPA Assistant Administrator Rita M. Lavelle, and Theodore B. Olson of the Justice Department.

HUD Inspector General Report. House Committee on Banking, Finance and Urban Affairs Subcommittee on Housing and Community Development. Hearing. February 4, 1986. Hearing concerned, in part, ". . . alleged influence peddling by former HUD officials . . ."

1987

Document Related to the Subcommittee Investigation of the Activities of Michael K. Deaver and Associates. House Energy and Commerce Committee Subcommittee on Oversight and Investigations. Committee Print. June 1987. "Compliance of . . . notes on interviews with various individuals relating to May 16, 1986 subcommittee hearing and investigation into the activities of Michael K. Deaver and Associates."

Additional Documents Related to the Subcommittee Investigation of the Activities of Michael K. Deaver and Associates. House Energy and Commerce Committee Subcommittee on Oversight and Investigations. July 1987. See above.

Matters Relating to Joseph R. Wright, Jr., Deputy Director of the Office of Management and Budget. Senate Governmental Affairs Committee, Hearings, May 13, November 5, 6, 1985. "Hearing to examine the background and propriety of telephone contact between Joseph R. Wright, Jr. (Dep Dir OMB) and the Economic Regulatory Administration (ERA) relating to proceedings involving charges of oil price control violations by two Wright family-owned firms. . . ."

Report of the Congressional Committees Investigating the Iran-Contra Affair. House Select Committee to Investigate Covert Arms Transactions with Iran and Senate Select Committee On Secret Military Assistance to Iran and the Nicaraguan Opposition. H. Rpt. 100–433, S. Rpt. 100–216. November 1987. A number of preliminary hearings and investigations culminated in this report issued jointly by the House and Senate Iran-Contra Select Committees.

1988

Investigation of the U.S. Ambassador to Switzerland. House Foreign Affairs Committee Subcommittee on International Operations. Hearing. March 10, 1987. Hearing ". . . to investigate allegations that U.S. Ambassador to Switzerland Faith R. Whittlesey misused a gift fund and implemented inappropriate personnel policies. . . ."

Filing and Review of Attorney General Edwin Meese's Financial Disclosures. House Post Office and Civil Service Committee Subcommittee on Human Resources. Hearing. August 5, 1987. "Hearing . . . to examine irregularities in the preparation and filing of 1985 personal financial disclosure reports by Attorney General Edwin Meese III. . . ."

Office of Government Ethics' Review of the Attorney General's Financial Disclosure. Senate Governmental Affairs Committee Subcommittee on Oversight of Government Management. Hearing. July 9, 1987. "Hearing . . . to consider the adequacy of Attorney General Edwin Meese III compliance . . . regarding financial disclosure reports of executive personnel."

1989

Trading on Position and Conflict of Interest by Former HUD Official. House Government Operations Committee Subcommittee on Employment and Housing. Hearing. April 26, 1989. Examination of possible violations of conflict of interest provisions of Ethics in Government Act by former HUD Assistant Secretary June Koch, specifically relating to ". . . her establishment of a consulting firm to represent U.S. business in the Soviet Union while acting as a consultant to HUD on U.S.-Soviet housing and construction trade."

Trading on Position and Conflict of Interest by Former HUD Assistant Secretary June Koch. House Government Operations Committee Subcommittee on Employment and Housing. ". . . [R]eport, based on April 26, 1989 hearing and GAO investigation." November 17, 1989. See above.

1990

Department of Justice Oversight Hearing. Senate Judiciary Committee. Hearing. July 26, 1988. "Hearing to review the Mar. 29, 1988 resignations of two senior Department of Justice officials during the independent counsel investigation of Attorney General Edwin Meese III." Testimony and exhibits concerned ". . . [d]etails of Meese relationship with Attorney E. Robert Wallach, including possible role of Meese in securing Government contracts for Wedtech Corp. . . ."

Silverado Banking, Savings and Loan Association, Part 1. House Banking, Finance and Urban Affairs Committee. Hearing. May 23, 1990. "Perspectives on Silverado failure; clarification of Neil Bush business relations with real estate developers . . . focusing on possible conflict of interest problems. . . ."

1991

No relevant items found.

1992

"October Surprise" Allegations and the Circumstances Surrounding the Release of the American Hostages Held in Iran. Senate Foreign Relations Committee. Report. November 19, 1992. ". . . [F]indings of investigation of 'October Surprise' allegations that Ronald Reagan campaign aides negotiated an Oct. 1980 secret agreement with the Iranian Government assuring Iran of future arms sales by the Reagan administration if Iran would delay the release of U.S. hostages held in Iran until after the Nov. 1980 Presidential election in order to assist in Reagan defeat of incumbent President Jimmy Carter."

Joint Report of the Task Force to Investigate Certain Allegations Concerning the

Holding of American Hostages by Iran in 1980 ("October Surprise Task Force"). House Report. January 3, 1993. Same subject as above.

Clean Air Act Implementation (Part 2). House Energy and Commerce Committee Subcommittee on Health and the Environment. Hearings. November 14, December 10, 1991, February 7, 1992. "This volume focuses on allegations of interference in the rulemaking process by the Council on Competitiveness chaired by Vice President Dan Quayle."

Review Allegations of Misconduct or Wrongdoing on the Part of Certain Individuals Associated With the Christopher Columbus Quincentenary Commission. House Post Office and Civil Service Committee Subcommittee on Census and Population. Hearings. November 20, 21, 1991. Investigation and review of a range of alleged ethical transgressions by officials of the Quincentenary Commission.

Mr. DOLE. Mr. President, I know there is talk about, "Well, we can't do this because of Iran-Contra," but there were a lot of speeches made on this floor in 1991, one by now Vice President, then Senator, AL GORE, who said, with reference to the 1980 October Surprise:

The evidence which has thus far trickled into the public domain is still fragmentary. Much of it is circumstantial, but it is compelling. If the allegations are not true, the country needs to know they are not true. If they are true, the country needs to know that as well. * * *

I believe the air needs to be cleared. * * * So, I am today calling for a formal investigation of these charges and allegations without prejudging what that investigation might find, but believing deeply that it needs to take place in order to establish the truth or falsehood of the allegations that have been made.

That was all about a bunch of rumors and some guy named Gary Sick who came down here and convinced Democrats that we ought to have a hearing on whether or not President Reagan was engaged in some kind of conspiracy back in 1980 with reference to hostages.

We had hearings on that. Nobody said, "Oh, we can't do that because of Iran Contra," or whatever, because of what Mr. Fiske or Mr. Walsh may have said.

So, we can all be quoted. I notice that the Democrat National Committee said in 1973, I believe, that I wanted to stop the Watergate hearing. Well, I dug out that speech. We were not trying to stop the hearings. In fact, I think we were suggesting that they were probably a good thing to have. We were just trying to stop the live coverage so we could do other things. We are not asking for live coverage. We were not trying to keep out the press. We just thought live coverage day after day after day was not necessary.

So we think a case will be made, and I hope that we could have some response soon.

I reserve the remainder of my time.

RESOLUTION HONORING WILLIS VINCENT BELL

Mr. HEFLIN. Mr. President, Mr. Willis Vincent Bell, a valued long-time employee of Alabama's Legislative Reference Service, passed away on December 28, 1993. Mr. Bell was probably the leading authority on the Code of Alabama 1975, having been the reporter on the initial compilation and the person responsible for the annual codification of the acts of the State legislature since that time. Willis was a classmate of mine at the University of Alabama School of Law.

On January 24, the Alabama legislature adopted a resolution mourning Willis Bell's death. I ask unanimous consent that a copy of that most-deserved and fitting tribute be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 19

Whereas, it is in profound, personal sorrow that the Legislature of Alabama records the death of Willis Vincent Bell of Montgomery, Alabama, on December 28, 1993, at the age of 74 years; and

Whereas, a Montgomery County native, Willis Bell was a distinguished United States Navy veteran of World War II, and a 1949 graduate of the University of Alabama School of Law where he was a member of Farrah Law Society, ODK, and Order of Jurisprudence, and was Comment Editor of the Alabama Law Review; and

Whereas, Mr. Bell, after receiving his Juris Doctor degree from the University, was engaged in the private practice of Law in Montgomery from 1949 until 1953 and, in a continuation of his accomplished legal career, was an attorney with the Alabama Power Company in Birmingham for twenty years, before returning to Montgomery to join the legal staff of the Legislative Reference Service; and

Whereas, it was in this capacity, and for his many contributions to the Legislative process, that we came to know Willis Bell as a valued friend; to greatly appreciate his legal astuteness; and to rely greatly upon his advice and counsel as an acknowledged authority on the Code of Alabama; and

Whereas, shortly after joining the Legislative Reference Service staff, Mr. Bell was designated Reporter to the Code Revision Subcommittee, which had been appointed by the Legislative Council to supervise the editing of the State's new Code of Laws, and it was in this highly responsible position that he still served at the time of his lamentable death; and

Whereas, Mr. Bell, a senior analyst with the Legislative Reference Service, also served as the agency's Revisor of Statutes, working closely with the editor and publisher of the Code to provide for a cumulative supplement, and any replacement volumes, after each Legislative session; additionally, he drafted the legislation necessary to codify the laws contained in each supplement, as well as legislation, as requested, in order to prepare the bill for submission to the Legislature; and

Whereas, the death of Willis V. Bell has indeed left an unfathomable void in the life of the community, and in the heart of his beloved wife of 40 years. Bertha R. Bell, with whom he reared four fine children in the nurture and admonition of the Lord, and as faithful members of the Vaughn Park Church of Christ, now therefore

Be it resolved by the legislature of Alabama, both houses thereof concurring, That we are deeply saddened by the death of Willis Vincent Bell of Montgomery, Alabama, and extend our most heartfelt sympathy to his wife and their daughter, Mary Jane Bell Slaughter; sons, Willis V. Bell, III, James R. Bell, and Robert I. Bell; five grandsons; and other family members, with whom we share a grievous burden, and for whom copies of this resolution shall be provided.

10TH ANNIVERSARY OF MAYNARD, COOPER & GALE, P.C.

Mr. HEFLIN. Mr. President, the Birmingham, AL law firm of Maynard, Cooper & Gale is celebrating its 10th anniversary this year. A full-service law firm, it has more than doubled in size from 26 attorneys at its founding in 1984 to 65 today. Its clients include such prominent corporate clients as AmSouth Bank, Sonat, Drummond Coal Co., Phillips Petroleum, Dean Witter Reynolds, and Arthur Anderson. The firm also serves the Birmingham Airport Authority.

I am proud to congratulate Maynard, Cooper & Gale on its outstanding accomplishments in such a short time span. Its dedication to the principles of the law, as well as its dedication to fulfilling broad civic and social responsibilities is commendable.

I ask unanimous consent that the Maynard, Cooper & Gale firm résumé be printed at this point in the RECORD.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

1993 FIRM RÉSUMÉ

Maynard, Cooper & Gale was founded in 1984 by 26 lawyers, all of whom had formerly practiced together at another Birmingham firm.

As a relatively new firm, we share common goals. We are dedicated first and foremost to professional excellence in the service of our clients. At the same time, we are committed to the personal happiness and professional development of our lawyers. We are also mindful of our broader civic and social responsibilities. We seek to combine these goals to provide our lawyers with challenge and fulfillment in the practice of law.

We currently have 65 lawyers. Although most of our lawyers received their law degrees from Harvard, Yale, Virginia, Vanderbilt or Alabama, we plan to conduct on-campus interviews not only at these schools, but also at Duke, Texas, North Carolina, Wake Forest, Cumberland, Tulane and Washington & Lee. We encourage interested students attending other schools to contact us to arrange an interview in Birmingham.

Ours is a full-service law firm, providing a broad range of services for a variety of local, national and international business entities, as well as many charities and individuals. Our work encompasses virtually all aspects of legal practice, including litigation, corporate law, banking and commercial law, real estate law, antitrust, municipal and industrial financing, estates and trusts, taxation, securities law, labor law, environmental law and bankruptcy law. Our clients

include AmSouth Bank N.A. and its holding company, AmSouth Bancorporation; Sonat Inc; National Bank of Commerce of Birmingham; Protective Life Insurance Company; McWane, Inc.; Drummond Coal Company; Royal Cup Inc.; Exxon; Philip Morris, Inc.; BellSouth Mobility; Miller Brewing Company; Phillips Petroleum Company; the City of Birmingham; MacMillan Bloedel; International Paper; Scott Paper Company; The Mead Corporation; the Business Council of Alabama; Rust International; General Electric (RCA); Metropolitan Life Insurance Company; Merrill, Lynch, Pierce, Fenner & Smith, Inc.; Dean Witter Reynolds, Inc.; Shearson Lehman Hutton, Inc.; Birmingham Airport Authority; Taurus Exploration Company; R.J. Reynolds Industries; Northwestern Mutual Life Insurance Company; Baxter Healthcare Corporation; Chemical Waste Management, Inc.; Arthur Andersen & Company; Molton, Allen & Williams; Blue Cross and Blue Shield of Alabama; U.S. Pipe & Foundry Company; Jim Walter Resources, Inc.; and Weil Brothers-Cotton, Inc.

We expect that our firm will experience steady growth in all areas of its practice. Because we highly value the intangible qualities of internal harmony and camaraderie, we do not intend to grow merely for growth's sake. Instead, we will strive to hire lawyers who not only have demonstrated that they have the aptitude and dedication to excel as lawyers, but who also will contribute to making our firm an enjoyable place to work.

A hallmark of our firm's internal operations is the significant role played by all our lawyers in firm management and decision-making. All lawyers attend and participate in firm meetings, and all have a voice in policy and hiring decisions.

Our lawyers have always participated in civic, charitable, cultural, religious and social activities as their individual interests dictate. We welcome and encourage active involvement in these activities and in governmental and political affairs. The firm also strongly supports participation in bar activities. A member of the firm recently served as Chairman of the American Bar House of Delegates and as a member of the Board of Directors of the American Bar Endowment; another served on the Board of Directors of the American Judicature Society. In the recent past, two of our lawyers also have served as Chairmen of the Litigation Section of the American Bar Association; another has served as President of the Birmingham Bar Association; three others have served as Presidents of the Young Lawyer's Section of the Alabama Bar Association. Currently one member of the firm serves as a director of Lex Mundi, Ltd.; three others serve as members of the American Law Institute; three others are active members of the American College of Trial Lawyers or the American College of Trust and Estate Counsel. In 1990, we were especially pleased to welcome into the firm the former Chief Justice of the Alabama Supreme Court who, after a twelve-year term as Chief Justice, became resident in our Montgomery office. In 1991, we were equally fortunate to welcome a former senior litigation partner of Debevoise & Plimpton, a large New York law firm, who, among other accomplishments, was a founder of the ABA's Litigation Section and later its Chairman.

Our summer program is the hiring ground for the bulk of our new lawyers. The program is designed to provide an in-depth insight into the firm, its lawyers and its role in the community. An effort is made to familiarize summer associates with all areas of our practice, both through weekly seminars conducted by our lawyers and by exposing them to client conferences, depositions, closings and court appearances. The summer program also includes a number of social and athletic events that enable the summer associates and lawyers to become better acquainted. We are flexible concerning the length of summer employment and have no objection to a student's splitting the summer with a firm in another city.

Birmingham is a vibrant and growing Sun Belt community with a metropolitan population of nearly a million. In recognition of the City's prosperity and appealing lifestyle, the U.S. Conference of Mayors recently selected Birmingham as "the most livable city" in America. Similarly, *Newsweek Magazine* recently designated Birmingham as one of the Nation's ten "most livable" cities for the 1990's.

We are extremely proud of our firm and our City and believe that new lawyers who choose to work at Maynard, Cooper will have an opportunity to find a rare blend of personal and professional satisfaction.

THE REVEREND ADDIE L. WYATT CELEBRATES HER 70TH BIRTHDAY

Ms. MOSELEY-BRAUN. Mr. President, the Reverend Addie L. Wyatt—my own reverend, I like to think—celebrated her 70th birthday on Sunday, March 6. Reverend Wyatt is a copastor of the Vernon Park Church of God, and I have for a long time considered her my spiritual adviser. But that does not begin to measure the impact she has had on my life, and the lives of so many, many others.

The fact is that Rev. Addie Wyatt helped make me a U.S. Senator. She is a real mentor and a role model. She was—and is—a continuing source of inspiration for me. She has been a strong part of my life, and has made a major difference in my life.

And not just for me. The Reverend Wyatt has made it her special mission to help children throughout her ministry. Her accomplishments in that area alone—her leadership, her commitment, her dedication, her hard work—make her a very special woman.

But she has also found time to be one of the real founders of the women's movement, to be an activist for her community and for those whose voices are all too often ignored in the corridors of power, to be a major force in the civil rights movement, to be a nationally recognized labor organizer, and more. Rev. Addie Wyatt has always been a powerful fighter for people's rights, for people's opportunities, for people's souls, and for people's dreams.

At 70 years of age, most people are content to look back on what they have done, and to start to take it a little easier. But not Reverend Wyatt. She's working harder than ever; she is always moving forward, always seeking to do more. Her drive and energy, if applied to any Olympic sport, would make her a gold medal winner, and a world record holder. In fact, Addie Wyatt is the equivalent of Michael Jordan, Ernie Banks, and Walter Payton all rolled up into one—with Arthur Ashe and Lee Elder thrown in for good measure. The only difference is that her kind of accomplishments, her kind of caring, her kind of energy, and her kind of commitment unfortunately do not command network television contracts or major product endorsements. But I know she is in line for the endorsement that counts. Her work is nothing less than God's work on this Earth, and she is an example of what His saints can do in this life.

Mr. President, I very much wanted to be with Reverend Wyatt to celebrate her 70th birthday, but since I could not be there, I want to take this opportunity to wish her a happy birthday, and to tell her how much I love her, how important she is to me, and to everyone whose life she has touched.

A 70th birthday is a real landmark. But knowing Reverend Wyatt, it is only a beginning. As long as there are battles to fight—and people to help—I expect to see the Reverend Addie Wyatt leading, and pushing, and struggling.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,546,834,147,895.68 as of the close of business on Friday, March 4. Averaged out, every man, woman and child in America owes a part of this massive debt, and that per capita share is $17,440.13.

HONORING CATHY TURNER

Mr. D'AMATO. Mr. President, I am proud to have this opportunity today to pay tribute to Cathy Turner for her many achievements, but most especially for her most recent accomplishments at the 1994 winter Olympics. Cathy has had the distinct honor to represent the United States in these games.

Each Olympics finds a myriad of contenders from many nations coming together to compete for the gold. This year, one of our own, a New Yorker from Clarkson, came home with the gold. It is a great honor to represent such a fine competitor. I am proud that Cathy Turner was part of the relay team that won the bronze medal for the 3,000-meter short track, and won the gold medal in the 500 meters. In the 1992 games, Turner left Albertville with both gold and silver medals.

Cathy Turner was born and raised in Rochester, NY. She began skating and competing at the age of 5. She went on to win the North American Championship. At one point, Cathy Turner "retired" from skating and took up singing and writing, she worked for HBO and also wrote jingles for an advertising company. Presently, Cathy owns her own fitness center in the Rochester

area and resides in the town of Clarkson, NY.

The style of Cathy Turner is electric and exciting with great depth; her brand of skating is very exciting to watch. It is with great pride that I say congratulations and thank you to Cathy Turner for all of her contributions and most especially for representing the United States so well in the 1994 winter Olympics. It is my hope that my colleagues in the Senate had the opportunity to see Cathy in her greatest moments of athletic prowess and national pride. I wish Cathy Turner much happiness in her future no matter which path she chooses to travel along.

LITHUANIAN INDEPENDENCE DAY

Mr. RIEGLE. Mr. President, I rise today to commemorate the 76th anniversary of Lithuania's declaration of independence, celebrated on February 16, 1994. Once again we are reminded of the difficulties the Lithuanian people have faced throughout their history, and the resilience with which they have confronted them. Their fortitude is even more pronounced now as they struggle to rebuild their country following Soviet rule. I am proud to celebrate this day with the people of Lithuania and the Lithuanian-American community, and I offer my continued support as they face the numerous and formidable challenges of the future.

On February 16, 1918, the Lithuanian National Council first declared its independence from czarist Russia, ending 300 years of foreign domination. Their new-found liberty lasted only until 1940, however, when Stalinist Russian troops invaded and annexed Lithuania, along with neighboring Latvia and Estonia. The Lithuanian people suffered under a brutal Soviet regime, yet they never gave up hope for freedom, independence, and self-determination. Lithuanians once again declared independence from the Soviet Union on March 11, 1990.

Lithuanian Independence Day is important not only as a remembrance of the many years Lithuania has spent under oppressive foreign rule, but also as an acknowledgment of the obstacles to Lithuania's continued autonomy. Freedom never came easily for the Lithuanian people—the Soviet Union at first refused to recognize the independence claim and in January 1991, 14 Lithuanians were killed and more than 500 injured by Soviet troops while defending the radio and TV tower in Vilnius. Even after the total collapse of the Soviet Union and the establishment of Lithuania as an independent nation, Lithuanians continue to face a precarious situation militarily, economically, and environmentally.

Clearly one of the most serious problems in Lithuania today is the shortage of energy. Lithuania is heavily dependent on Russian oil and natural gas, yet the Russian gas company GASPROM has repeatedly threatened to shut off the supply unless Lithuania pays off a $30 million debt. The only domestic source of energy is an aging nuclear powerplant in Ignalina which has been subject to several emergency shutdowns in recent years due to its outdated and inadequate safety systems. The state of this powerplant highlights the danger of an environmental catastrophe that would compound the damage already done by 50 years of Soviet occupation.

Lithuania is plagued by economic and military problems as well. The transition to a free market economy has created numerous problems for the Lithuanian economy—inflation remains extremely high, there is a shortage of raw materials, and industrial production has fallen sharply in recent years. Finally, although all Russian troops have been removed from Lithuanian soil, thousands still occupy Latvia and Estonia and maintain a threatening pose.

The struggle of the Lithuanian people is far from over. The international community must continue to support Lithuania and its Baltic neighbors as they strive to build free societies, stable democracies, and market economies. As we celebrate with the people of Lithuania and the Lithuanian-American community here in the United States, let us recognize the challenges they face, and remember our commitment to support the new independent nations of the former Soviet Union.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair would announce that morning business is closed.

NATIONAL COMPETITIVENESS ACT

The PRESIDING OFFICER. Under the previous order, the hour of 1:30 p.m. having arrived, the Senate will now proceed to the consideration of S. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Competitiveness Act of 1993".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Findings.
Sec. 102. Purposes.
Sec. 103. Definitions.

TITLE II—MANUFACTURING

Sec. 201. Short title.

Subtitle A—Manufacturing Technology and Extension

Sec. 211. Findings and purpose.
Sec. 212. Manufacturing technology and extension amendments to the Stevenson-Wydler Act.
Sec. 213. Miscellaneous and conforming amendments.
Sec. 214. Manufacturing Technology Centers.
Sec. 215. State Technology Extension Program.
Sec. 216. American workforce quality.
Sec. 217. Report on options for accelerating the adoption of new manufacturing equipment.

Subtitle B—National Science Foundation Manufacturing Programs

Sec. 221. National Science Foundation manufacturing activities.

TITLE III—CRITICAL TECHNOLOGIES

Sec. 301. Findings.
Sec. 302. Development of plan for the Advanced Technology Program.
Sec. 303. Advanced Technology Program support of large-scale joint ventures.
Sec. 304. Technical amendments.
Sec. 305. Technology financing pilot program.
Sec. 306. Technology monitoring and competitiveness assessment.
Sec. 307. Commerce Technology Advisory Board.
Sec. 308. Study of semiconductor lithography technologies.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

Sec. 401. International standardization.
Sec. 402. Malcolm Baldrige Award.
Sec. 403. Cooperative research and development agreements.
Sec. 404. Clearinghouse on State and Local Initiatives.
Sec. 405. Use of domestic products.
Sec. 406. Severability.
Sec. 407. Wind engineering research program.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 501. Technology Administration.
Sec. 502. National Institute of Standards and Technology.
Sec. 503. Additional activities of the Technology Administration.
Sec. 504. National Science Foundation.
Sec. 505. Availability of appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS RESEARCH PROGRAM

Sec. 601. Short title.
Sec. 602. Findings and purpose.
Sec. 603. Information technology applications research program.
Sec. 604. Network access.
Sec. 605. Applications for education.
Sec. 606. Applications for manufacturing.
Sec. 607. Applications for health care.
Sec. 608. Applications for libraries.
Sec. 609. Applications for government information.

Sec. 610. High-performance computing and applications advisory committee.
Sec. 611. National Research and Education Network amendments.
Sec. 612. Conforming amendments.

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations which lead in the rapid development, commercialization, and application of new technologies, and in the low-priced, high-quality manufacture of products based on those technologies, will lead in economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done as well as it should in commercializing and manufacturing new inventions. This lag and the unprecedented competitive challenge that the Nation has faced from abroad have contributed to a drop in real wages, living standards, and employment opportunities.

(3) While the private sector must take the lead in the development, application, and manufacture of new technologies, the Federal Government should—

(A) assist industry in the development of high-risk, long-term precommercial technologies which promise large economic benefits for the Nation;

(B) support industry-led efforts to develop and refine advanced manufacturing technologies, including technologies which improve productivity and quality and which build upon and enhance employee skills;

(C) work with States, the private sector, worker organizations, and technical and professional societies to help small- and medium-sized manufacturers throughout the Nation to adopt best current manufacturing technologies and practices, to improve worker skills, to establish high-performance work organizations, and to prepare, as appropriate, to adopt the advanced computer-controlled manufacturing technologies of the 21st century; and

(D) cooperate with industry and academia to help create an advanced information infrastructure for the United States.

(4) In working with industry to promote the technological leadership and economic growth of the United States, the Federal Government also has a responsibility to consult with business and labor leaders on industry's long-term technological and skill needs, to monitor technological trends, production process trends, and technology targeting efforts in other nations, and generally to ensure that Federal technology and industrial modernization programs help United States industry to remain competitive and create good domestic jobs.

(5) The Department of Commerce, and particularly its Technology Administration and National Institute of Standards and Technology, should continue to help commercial industry to speed the development and commercialization of new technologies, improve and modernize manufacturing, adopt new methods of production, and ensure a growing and healthy national industrial base and good manufacturing jobs. To promote the long-term economic growth of the Nation, these Department of Commerce programs should be strengthened and expanded.

SEC. 102. PURPOSES.

The purposes of this Act are to—

(1) strengthen and expand the ability of Federal technology programs, particularly those of the Department of Commerce, to support industry-led and State-supported efforts to improve the technological capabilities, manufacturing performance, information infrastructure, and employment opportunities of the United States;

(2) promote and facilitate, particularly through the Advanced Technology Program of the Department of Commerce, the creation, development, and adoption of technologies that will contribute significantly to United States economic competitiveness, employment, high quality jobs, and prosperity;

(3) develop a nationwide network of sources of technological and industrial modernization advice for manufacturers, particularly small- and medium-sized firms, and to provide high quality, current information to that network;

(4) encourage the development and rapid application of advanced manufacturing technologies and processes and of advanced workplace practices;

(5) encourage cooperation among Federal departments and agencies to help firms, managers, and workers, in a coordinated fashion, to take full advantage of manufacturing technology, to improve productivity and quality, and adopt high-performance work organizations which successfully integrate technology and employees;

(6) stimulate the flow of capital to business concerns engaged principally in development or utilization of critical civilian and other advanced technologies;

(7) ensure the widest possible application of high-performance computing and high-speed networking and to aid United States industry to develop an advanced national information infrastructure; and

(8) enhance and expand the core programs of the National Institute of Standards and Technology.

SEC 103. DEFINITIONS.

For purposes of this Act—

(1) the term "advanced manufacturing technologies" includes—

(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production which advance the state-of-the-art and promote high-performance, high-skills systems; and

(B) equipment and processes designed to improve manufacturing quality, productivity, and practice, and to promote sustainable development, including engineering design, quality assurance, concurrent engineering, continuous process production technology, energy efficiency, waste minimization, design for recyclability or parts reuse, inventory management, and enhanced worker skills;

(2) the term "advanced workplace practices" means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relations between suppliers and customers, lean manufacturing systems, widely diffused decision-making and work teams, and effective integration of production technology, worker skills and training, and workplace organization;

(3) the term "Director" means the Director of the Institute;

(4) the term "Institute" means the National Institute of Standards and Technology;

(5) the term "Secretary" means the Secretary of Commerce;

(6) the term "source reduction" has the meaning given that term in section 6603 of the Pollution Prevention Act of 1990 (42 U.S.C. 13102); and

(7) the term "Under Secretary" means the Under Secretary of Commerce for Technology.

TITLE II—MANUFACTURING

SEC. 201. SHORT TITLE.

This title may be cited as the "Manufacturing Technology and Extension Act of 1993".

Subtitle A—Manufacturing Technology and Extension

SEC. 211. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) United States manufacturers, especially small businesses, require the adoption and implementation of both modern (that is, appropriate and currently available) technology and advanced manufacturing and process technologies to meet the challenge of foreign competition.

(2) The development and deployment of modern and advanced manufacturing technologies are vital to the economic growth, environmental sustainability, standard of living, competitiveness in world markets, and national security of the United States.

(3) New developments in flexible, computer-integrated manufacturing, electronic manufacturing communications networks, and other new technologies make possible dramatic improvements across all industrial sectors in productivity, quality, and the speed with which manufacturers can respond to changing market opportunities.

(4) The Department of Commerce's Technology Administration, in cooperation with other Federal departments and agencies, can continue to play an important role in assisting United States industry to develop, test, and deploy modern and advanced manufacturing technologies and advanced workplace practices.

(b) PURPOSE.—It is the purpose of this subtitle to help ensure the continued leadership of the United States in manufacturing by enhancing the Department of Commerce's technology programs to—

(1) provide domestic manufacturers, especially small- and medium-sized companies and their workforces, with ready access to high quality advice and assistance in the development, deployment, and improvement of modern manufacturing technology, and in solving their specific technology-based problems; and

(2) encourage, facilitate, and promote the development and adoption of advanced manufacturing technologies and advanced workplace practices by the private sector.

SEC. 212. MANUFACTURING TECHNOLOGY AND EXTENSION AMENDMENTS TO THE STEVENSON-WYDLER ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by adding at the end the following new title:

"TITLE II—MANUFACTURING TECHNOLOGY

"SEC. 301. STATEMENT OF POLICY.

"Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with industry and labor to ensure that within 10 years of the date of enactment of this title the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technologies;

"(2) all the major Federal research and development agencies shall place a high prior-

ity on the development and deployment of skill-based and advanced manufacturing technologies, and shall work closely with United States industry and with the Nation's universities to develop and test those technologies;

"(3) since the development of new skills in the existing and entry workforce, and the development of new organizational and managerial approaches, are integral parts of successfully deploying advanced manufacturing and related technologies, advanced workplace practices should be developed and deployed simultaneously and in a coordinated fashion with the development and deployment of advanced manufacturing technologies; and

"(4) other Federal departments and agencies which work with civilian industry and labor may, as appropriate and consistent with applicable statutes and duties, work with the Department of Commerce.

"SEC. 302. ROLE OF THE DEPARTMENT OF COMMERCE.

"(a) IN GENERAL.—The Department of Commerce shall, consistent with the policy declared in section 301, work with United States industry and labor and, as appropriate, other Federal departments and agencies to—

"(1) help develop new generic advanced manufacturing technologies, including advanced flexible computer-integrated manufacturing systems and electronic communications networks;

"(2) assist the States and the private sector to help United States manufacturers, especially small- and medium-sized manufacturing enterprises, to adopt the best current manufacturing technologies and workplace practices and, as appropriate, new advanced manufacturing equipment and techniques; and

"(3) work with the private sector, other Federal departments and agencies, State and local governments, and educational institutions as a catalyst to help develop new manufacturing business practices and arrangements, accounting standards, improved supplier-customer relations, manufacturing modernization and investment justification strategies, and other steps which would accelerate the development, deployment, and use of advanced manufacturing technologies by United States industry, as well as evaluate foreign programs to modernize manufacturing.

"(b) TWENTY-FIRST CENTURY MANUFACTURING INFRASTRUCTURE PROGRAM.—(1) As one important step to carry out the responsibilities of the Department of Commerce under subsection (a), there is established within the Institute a Twenty-First Century Manufacturing Infrastructure Program, which shall include—

"(A) the Advanced Manufacturing Technology Development Program established under section 303 of this Act; and

"(B) the Manufacturing Extension Partnership established under section 304 of this Act and the associated programs established under sections 25 and 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278k and 2781).

"(2) The Secretary, through the Under Secretary and the Director, may accept the transfer of funds from any other Federal agency and may use those funds to implement the Twenty-First Century Manufacturing Infrastructure Program and support its activities.

"SEC. 303. ADVANCED MANUFACTURING TECHNOLOGY DEVELOPMENT PROGRAM.

"(a) PROGRAM DIRECTION.—The Secretary, through the Under Secretary and the Director, shall establish an Advanced Manufacturing Technology Development Program which shall include advanced manufacturing systems and networking projects.

"(b) PROGRAM GOAL.—The goal of the Advanced Manufacturing Technology Development Program is to create collaborative multiyear technology development programs involving United States industry and, as appropriate, other Federal agencies, the States, worker organizations, universities, and other interested persons, in order to develop, refine, test, and transfer design and manufacturing technologies and associated applications, including advanced computer integration, skill-based manufacturing systems, networking, and electronic data exchange.

"(c) PROGRAM COMPONENTS.—The Advanced Manufacturing Technology Development Program shall include—

"(1) the advanced manufacturing research and development activities of the Institute; and

"(2) one or more technology development testbeds within the United States, selected in accordance with procedures, including cost sharing, established for the Advanced Technology Program under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications through a direct manufacturing process.

"(d) ACTIVITIES.—The Advanced Manufacturing Technology Development Program, under the coordination of the Secretary, through the Director and, as appropriate, in consultation with other Federal officials, shall—

"(1) test and, as appropriate, develop the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced design and manufacturing systems and associated electronic networks, with an emphasis on technologies which both promote United States economic competitiveness and build on and expand the skills of United States workers;

"(2) establish at the Institute and the technology development testbed or testbeds—

"(A) prototype advanced computer-integrated manufacturing systems; and

"(B) prototype electronic networks linking manufacturing systems, including networks linking customer firms and supplier firms;

"(3) assist industry to develop and implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for networks, electronic data interchange, and digital product data specifications;

"(4) help to make high-performance computing and networking technologies an integral part of design and production processes where appropriate;

"(5) conduct research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

"(6) facilitate industry efforts to develop and test new applications for manufacturing systems and networks, including both highly flexible and low-pollution manufacturing technologies;

"(7) conduct research in advanced workplace practices related to and necessary for the successful deployment of advanced manufacturing technologies;

"(8) involve in the Advanced Manufacturing Technology Development Program, to the maximum extent practicable, both those United States companies which make manufacturing and computer equipment and a broad range of personnel from those companies which buy the equipment;

"(9) identify training needs, as appropriate, for company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training for production workers in the effective use of new technologies;

"(10) work with private industry, worker organizations, the Department of Labor, technical and professional societies, universities, and other interested parties to develop standards for the use of advanced computer-based training systems, including multimedia and interactive learning technologies that assure that production workers effectively learn, adapt, and utilize advanced manufacturing technologies and workplace practices;

"(11) involve small- and medium-sized manufacturers in its activities;

"(12) exchange information and personnel, as appropriate, between the technology development testbeds and the electronic networks created under this section; and

"(13) incorporate and experiment with source reduction techniques and technologies at the testbed or testbeds, consulting, as appropriate, with other Federal officials.

"(e) TESTBED AWARDS.—(1) In selecting applicants to receive awards under subsection (c)(2), the Secretary shall give particular consideration to applications that have existing computer expertise in the management of business, product, and process information such as digital data product and process technologies and customer-supplier information systems, and the ability to diffuse such expertise into industry, and that, in the case of joint research and development ventures, include both suppliers and users of advanced manufacturing and computer equipment or systems.

"(2) An industry-led joint research and development venture applying for an award under subsection (c)(2) may include one or more State research organizations, universities, independent research organizations, or Regional Centers for the Transfer of Manufacturing Technology, as created under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k).

"(f) ADVICE AND ASSISTANCE.—(1) Within 6 months after the date of enactment of this title, and before any request for proposals is issued, the Secretary shall hold one or more workshops to solicit advice from United States industry and worker organizations and from other Federal agencies, particularly the Departments of Defense and Labor, regarding the specific missions and activities of the testbeds.

"(2) The Secretary shall, to the greatest extent possible, coordinate activities under this section with activities of other Federal agencies and initiatives relating to Computer-Aided Acquisition and Logistics Support, electronic data interchange, flexible computer-integrated manufacturing, and enterprise integration.

"(3) The Secretary may request and accept funds, facilities, equipment, or personnel from other Federal agencies in order to carry out responsibilities under this section.

"(g) APPLICATION OF ANTITRUST LAWS.—Nothing in this section shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

"SEC. 304. MANUFACTURING EXTENSION PARTNERSHIP.

"(a) ESTABLISHMENT AND PURPOSE.—There is established a Manufacturing Extension Partnership (hereafter in this section referred to as the 'Partnership'). The Secretary, acting through the Under Secretary and the Director, shall implement and coordinate the Partnership in accordance with an initial plan that shall be prepared and submitted to Congress within 6 months after the date of enactment of this title and a 5-year plan for the Partnership that shall be submitted to Congress within 1 year after such date of enactment. The 5-year plan shall be updated and submitted to Congress annually. The purpose of the Partnership is to link and strengthen the Nation's manufacturing extension centers and activities in order to assist United States manufacturers, especially small- and medium-sized firms, to expand and accelerate the use of modern manufacturing practices, and to accelerate the development and use of advanced manufacturing technology and advanced workplace practices.

"(b) COMPONENTS.—The Partnership shall be a cooperative effort of the Department of Commerce, the States, industry and labor, nonprofit organizations, and, as appropriate, other Federal agencies to provide a national system of manufacturing extension centers and technical services to United States companies, particularly small- and medium-sized manufacturers. The Partnership shall include the following components:

"(1) Manufacturing Outreach Centers, as authorized under subsection (c);

"(2) Regional Centers for the Transfer of Manufacturing Technology, as established under section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k), and the State Technology Extension Program, as established under section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 2781);

"(3) an activity, coordinated and funded by the Institute, which links and supports Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology, and which operates the information network provided for under subsection (d) and the clearinghouse system developed under subsection (e); and

"(4) such technology and manufacturing extension centers supported by other Federal departments and agencies, States, industry, and nonprofit organizations as the Secretary may deem appropriate for inclusion in the Partnership.

"(c) MANUFACTURING OUTREACH CENTERS.—(1) Government and private sector organizations, actively engaged in technology or manufacturing extension activities, may apply to the Secretary to be designated as Manufacturing Outreach Centers. Eligible organizations may include Federal, State, and local government agencies, their extension programs, and their laboratories; small business development centers; and appropriate programs run by professional and technical societies, worker organizations, industrial organizations, for-profit or nonprofit organizations, community development organizations, State universities and other universities, community colleges, and technical schools and colleges, including, where appropriate, vendor-supported demonstrations of production applications.

"(2) Any Regional Center for the Transfer of Manufacturing Technology may apply to the Secretary to establish a Manufacturing Outreach Center, managed by or in cooperation with such Regional Center, which extends the effective service area of such Regional Center. Funding for the establishment and management of such Outreach Center may be awarded to such Regional Center, notwithstanding the restrictions of paragraph (5).

"(3) The Secretary shall establish terms and conditions of participation and may provide financial assistance, on a cost-shared basis and through competitive, merit-based review processes, to nonprofit or government participants throughout the United States to enable them to—

"(A) join the Partnership and disseminate its technical and information services to United States manufacturing firms, particularly small- and medium-sized firms; and

"(B) strengthen their direct assistance to small- and medium-sized United States manufacturing firms to expand and accelerate the use of modern and advanced manufacturing practices.

"(4) If a State plan for technology extension exists in a State where an applicant for financial assistance under this subsection is operating or plans to operate, the applicant shall demonstrate in its application that its proposal is compatible with such State plan.

"(5) If a Manufacturing Outreach Center is in or near a State which has a Regional Center for the Transfer of Manufacturing Technology, the Director shall, as appropriate, encourage the Outreach Center to cooperate with the Regional Center in coordinating its proposals and ongoing programs to serve manufacturers in the region. Manufacturing Outreach Centers may not concurrently be designated as Regional Centers for the Transfer of Manufacturing Technology under section 25 of the National Institute of Standards and Technology Act.

"(6) Financial assistance may be awarded under this subsection for an initial period not to exceed 3 years and may, subject to successful evaluation by the Institute, be renewed for additional periods, not to exceed 3 years each. Such assistance may not at any time exceed 50 percent of the operating costs and in-kind contributions of the recipient.

"(d) MANUFACTURING EXTENSION INFORMATION NETWORK.—The Department of Commerce shall provide for an instantaneous, interactive information network to serve the Partnership, to facilitate interaction among Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, and Federal agencies, and to permit the collection and dissemination in electronic form, in a timely and accurate manner, of information described in subsection (e). Such information network shall, wherever practicable, make use of existing computer networks, data bases, and electronic bulletin boards. Information network arrangements, including user fees and appropriate electronic access for information suppliers and users, shall be addressed in the 5-year plan prepared under subsection (a). The Secretary shall, to the extent practicable, coordinate these information network activities with the relevant activities of other Federal agencies, particularly the advanced manufacturing and enterprise integration activities of the Department of Defense.

"(e) CLEARINGHOUSE.—(1) The Secretary shall develop a clearinghouse system, using the Institute, the National Technical Information Service, and private sector information providers and carriers, where appropriate, to—

"(A) identify expertise and acquire information, appropriate to the purpose of the Partnership stated in subsection (a), from all available Federal sources, and where appropriate from other sources, providing assistance where necessary in making such information electronically available and compatible with the information network established under subsection (d);

"(B) ensure ready access by United States manufacturers and other interested private sector parties to the most recent relevant available such information and expertise; and

"(C) to the extent practicable, inform such manufacturers of the availability of such information.

"(2) The clearinghouse shall include information available electronically regarding—

"(A) activities of Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, the State Technology Extension Program, and the users of the information network;

"(B) domestic and international standards from the Institute and private sector organizations and other export promotion information, including conformity assessment requirements and procedures;

"(C) the Malcolm Baldrige National Quality Award program, and quality principles and standards;

"(D) manufacturing processes that minimize waste and negative environmental impact;

"(E) advanced workplace practfces that can improve quality, response time, and flexibility in manufacturing;

"(F) federally funded technology development and transfer programs;

"(G) responsibilities assigned to the Clearinghouse for State and Local Initiatives on Productivity, Technology, and Innovation under section 102;

"(H) how to access data bases and services;

"(I) skills training, particularly for production workers, that is available through trade and professional organizations, federally supported programs, State resources, private industry, or other organizations; and

"(J) other subjects relevant to the ability of companies to manufacture and sell competitive products throughout the world.

"(f) PRINCIPLES.—In carrying out this section, the Department of Commerce shall take into consideration the following principles:

"(1) The Partnership and the information network provided for under subsection (d) shall be established and operated through cooperation and co-funding among Federal, State and local governments, other public and private contributors, and end users.

"(2) The Partnership and the information network shall utilize and leverage, to the extent practicable, existing organizations, data bases, electronic networks, facilities, and capabilities, and shall be designed to complement rather than supplant State and local programs.

"(3) The Partnership should, to the extent practicable, involve key stakeholders at all levels in the planning and governance of modernization strategies; concentrate on assisting local clusters of firms; assist rural as well as urban manufacturers; promote collaborative learning and cooperative action among manufacturers; link industrial modernization programs tightly to existing and future Federal training initiatives, including those for youth apprenticeship programs and for assisting other workers; encourage small firms to seek modernization services by working with major manufacturers to strengthen and coordinate their supplier assessment, certification, and development programs; encourage small firms, as appropriate, to select manufacturing equipment and practices which build upon and expand

the skills of their employees; identify and honor best practices by firms and the programs that support them, including both technology and workplace practices; provide funding based on performance and ensure rigorous evaluation of extension services; as appropriate, coordinate Federal programs that support manufacturing modernization; work with Federal, State, local, and private organizations so that Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology can provide referrals to other important business services, such as assistance with financing, training, and exporting, and contribute to local business climates supportive of high-performance manufacturing.

"(4) The Partnership and the information network provided for under subsection (d) shall be subject to all applicable provisions of law for the protection of trade secrets and business confidential information.

"(5) Local or regional needs should determine the management structure and staffing of the Manufacturing Outreach Centers. The Partnership shall strive for geographical balance and for balance between urban and rural recipients, with the ultimate goal of access for all United States manufacturers.

"(6) Manufacturing Outreach Centers should have the capability to deliver outreach services directly to manufacturers; actively work with, rather than supplant, the private sector; help firms assess needs regarding technology, workplace practices, and training; and to the extent practicable, maximize the exposure of manufacturers to demonstrations of modern technologies in use.

"(7) Manufacturing Outreach Centers shall focus, where possible, on the development and deployment of flexible manufacturing technologies and practices applicable to both defense and commercial applications and on opportunities to modernize operations in ways which improve productivity, reduce waste and pollution, and increase energy efficiency.

"(8) The Department of Commerce shall develop mechanisms for—

"(A) soliciting the perspectives of manufacturers using the services of the Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology;

"(B) assisting in the training of technology extension agents and in helping them disseminate information on best available manufacturing technologies, including technologies for source reduction, and workplace practices; and

"(C) rigorously evaluating the effectiveness of the Manufacturing Outreach Centers and other Components of the Partnership.

"(9) Nothing in this section shall be construed as limiting or interfering with any collective bargaining agreement. Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers shall, as practicable, respect any collective bargaining agreement which is in force at a client firm.

"(g) DISSEMINATION OF SOURCE REDUCTION AND ENERGY EFFICIENCY TECHNOLOGIES.—(1) The Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers shall make available source reduction and energy efficiency assessments to their interested client companies. These assessments shall assist such interested client companies in identifying opportunities for energy conservation and source reduction, and thus reduce operating costs, through either improvement in manufacturing processes or the purchase of new equipment.

"(2) The Secretary is authorized to work with other appropriate Federal officials and other parties to provide employees of Regional Centers and Outreach Centers with the training needed to carry out the assessments specified in paragraph (1).

"SEC. 305. INDUSTRY-LED MANUFACTURING ADVISORY COMMITTEE.

"(a) ESTABLISHMENT.—The Director of the Office of Science and Technology Policy, after consultation with the Secretary and other appropriate Federal officials, shall establish a Manufacturing Advisory Committee (hereafter in this section referred to as the 'Committee'), led by United States industry officials, to provide to the Director of the Office of Science and Technology Policy advice and, as appropriate, guidance to Federal manufacturing programs.

"(b) FUNCTIONS.—The Committee shall—

"(1) collect and analyze information on the range of factors which determine the success of United States-based manufacturing industries, and particularly factors regarding the development and deployment of advanced manufacturing technologies and the application of best manufacturing practices;

"(2) identify areas where appropriate cooperation between the Federal Government and industry and labor, including Government support for industry-led joint research and development ventures and for manufacturing extension activities, would enhance United States industrial competitiveness, and provide advice and guidance for such cooperative efforts;

"(3) provide guidance on what Federal policies and practices are necessary to strengthen United States-based manufacturing, particularly Federal policies and practices regarding research budgets, interagency coordination and initiatives, technology transfer, regulation, and procurement; and

"(4) generally develop recommendations for guiding Federal agency and interagency activities related to United States-based manufacturing.

"(c) MEMBERSHIP AND PROCEDURES.—(1) The Committee shall be composed of 16 members, of whom—

"(A) 6 members shall be the Director of the Office of Science and Technology Policy, the Secretary, the Secretary of Defense, the Secretary of Energy, the Secretary of Labor, and the Director of the National Science Foundation, or their designees; and

"(B) 10 members shall, within 120 days after the date of enactment of this title, be appointed by the President, acting through the Director of the Office of Science and Technology Policy, from the private manufacturing industry, worker organizations, technical and professional societies, State technology agencies, and academia.

At least two of the members appointed under subparagraph (B) shall be from small business.

"(2) The Director of the Office of Science and Technology Policy or such Director's designee shall chair the Committee.

"(3) The chairman shall call the first meeting of the Committee within 30 days after the appointment of members is completed.

"(4) The Committee may use such personnel detailed from Federal agencies as may be necessary to enable it to perform its functions.

"(5) Nine members of the Committee shall constitute a quorum for the transaction of business.

"(6) Members of the Committee, other than full-time employees of the Federal Government, while attending meetings of the Committee or otherwise performing duties of the Committee while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

"(7) The Committee shall submit a report of its activities once every year after its establishment to the President, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Science, Space, and Technology of the House of Representatives.

"(8) The Committee, as appropriate, shall work with the Commerce Technology Advisory Board established under section 113 of this Act and with other appropriate Federal advisory mechanisms to ensure integrated Federal-private consideration of technology and manufacturing policies and programs.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 1994 and 1995.".

SEC. 213. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end of the following new paragraphs:

"(14) 'Director' means the Director of the National Institute of Standards and Technology.

"(15) 'Institute' means the National Institute of Standards and Technology.

"(16) 'Assistant Secretary' means the Assistant Secretary of Commerce for Technology Policy.

"(17) 'Advanced manufacturing technology' includes—

"(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production which advance the state-of-the-art; and

"(B) novel techniques and work organization processes designed to improve manufacturing quality, productivity, and practices, and to promote sustainable development, including engineering design, quality assurance, concurrent engineering, continuous process production technology, energy efficiency, waste minimization, design for recyclability or parts reuse, inventory management, upgraded worker skills, and communications with customers and suppliers.

"(18) 'Modern technology' means the best available proven technology, techniques, and processes appropriate to enhancing the productivity of manufacturers.".

(b) REDESIGNATIONS.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting immediately after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating sections 5 through 10 as sections 101 through 106, respectively;

(3) by striking section 21;

(4) by redesignating sections 16, 17, 18, 19, 20, and 22, as sections 107 through 112, respectively;

(5) by inserting immediately after section 113 (as redesignated by paragraph (4) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(6) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(7) by redesignating section 23 as section 206;

(8) in section 4—

(A) by striking "section 5" and inserting in lieu thereof "section 101"; and by striking "section 5(b)(1)" and inserting in lieu thereof "section 101(b)(1)";

(B) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 102" and "section 104", respectively; and

(C) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 102";

(9) in section 105 (as redesignated by paragraph (2) of this subsection) by striking "section 6(a)" and inserting in lieu thereof "section 102(a)"; by striking "section 6(b)" and inserting in lieu thereof "section 102(b)"; and by striking "section 6(c)(3)" and inserting in lieu thereof "section 102(c)(3)";

(10) in section 106(d) (as redesignated by paragraph (2) of this subsection) by striking "7, 9, 11, 15, 17, or 20" and inserting in lieu thereof "103, 105, 108, 111, 201, or 205";

(11) in section 201(i) (as redesignated by paragraph (6) of this subsection)—

(A) by inserting "loan, lease, or" immediately after "may"; and

(B) by inserting "Actions taken under this subsection shall not be subject to Federal requirements on the disposal of property." immediately after "activities.";

(12) in section 202(b) (as redesignated by paragraph (6) of this subsection) by striking "section 14(a)(1)(B) (i), (ii), and (iv)" and inserting in lieu thereof "section 204(a)(1)(B) (i), (ii), and (iv)";

(13) in section 204(a)(1) (as redesignated by paragraph (6) of this subsection) by striking "section 12" and inserting in lieu thereof "section 202";

(14) in section 112 (as redesignated by paragraph (4) of this subsection) by striking "sections 11, 12, and 13" and inserting in lieu thereof "sections 201, 202, and 203";

(15) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 12(d)(2)" in the introductory matter of subsection (a) and inserting in lieu thereof "section 202(d)(2)";

(B) by striking "section 11(b)" in subsection (a)(2) and inserting in lieu thereof "section 201(b)"; and

(C) by striking "section 6(d)" in subsection (b) and inserting in lieu thereof "section 102(d)";

(16) by adding at the end of section 201 (as redesignated by paragraph (5) of this subsection) the following new subsection:

"(j) ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.—In addition to the technology transfer mechanisms set forth in this section and section 202, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense."; and

(17) in section 101(c) (as redesignated by paragraph (2) of this subsection), by striking "and" at the end of paragraph (14); by striking the period at the end of paragraph (15) and inserting "; and"; and by adding at the end the following new paragraph:

"(16) engage in joint projects with any person or persons on matters within the authority of the Department of Commerce, accept 'partnership fellows' and receive cash donations in the course of such joint projects, and in conjunction with the planning and operation of such joint projects hold meetings of matters of mutual interest with groups of interested persons without regard to any other provision of law, in order to protect sensitive information about United States industry and to assure industry participation in such joint projects.".

SEC. 214. MANUFACTURING TECHNOLOGY CENTERS.

(a) AMENDMENTS.—(1) Section 25(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(a)) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting in lieu thereof a semicolon, and by inserting immediately after paragraph (5) the following new paragraphs:

"(6) the active dissemination of information on advanced workplace practices and available education and training programs, and the encouragement of companies to train workers in the effective use of modern and advanced manufacturing technologies; and

"(7) demonstration projects in which Centers work with States, local governments, community development organizations, worker and business organizations, and community banks to create a business climate supportive of high-performance manufacturing.".

(2) Section 25(b) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(b)) is amended by striking "and" at the end of paragraph (2), by redesignating paragraph (3) as paragraph (4), and by inserting immediately after paragraph (2) the following new paragraph:

"(3) assessments of client firms' modernization needs, assistance in implementing quality processes, and, where needed, cooperation with training institutions to ensure that employees, particularly production workers, receive training in the most effective use of manufacturing technology and advanced workplace practices; and".

(3) Section 25(c)(5) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(c)(15)) is amended by striking "which are designed" and all that follows through the period at the end and inserting in lieu thereof "to a maximum of one-third Federal funding. Each Center which receives financial assistance under this section shall be evaluated during its sixth year of operation, and at such subsequent times as the Secretary considers appropriate, by an evaluation panel appointed by the Secretary in the same manner as was the evaluation panel previously appointed. The Secretary shall not provide funding for additional years of the Center's operation unless the evaluation is positive and the Secretary finds that continuation of funding furthers the goals of the Department. Such additional Federal funding shall not exceed one-third of the cost of the Center's operations.".

(4) Section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k et seq.) is amended by adding at the end the following new subsection:

"(e) If a Center receives a positive evaluation during its third year of operation, the Director may, any time after that evaluation, contract with the Center to provide additional technology extension or transfer services above and beyond the baseline activities of the Center. Such additional services may include, but are not necessarily limited to, the development and operation of the following:

"(1) Services focused on the testing, development, and application of manufacturing and process technologies within specific technical fields such as advanced materials or electronics fabrication for the purpose of assisting United States companies, both within the Center's original service region and in other regions, to improve manufacturing, product design, workforce training, and production in those specific technical fields.

"(2) Assistance to small- and medium-sized firms in fields of manufacturing other than the field or fields originally served by the Center.

"(3) Industrial service facilities which provide tools to help companies with the low-cost, low-volume, rapid prototyping of a range of new products and the refinement of the manufacturing and process technologies necessary to make such products.

"(4) Programs to assist small- and medium-sized manufacturers and their employees, particularly production workers, in the Center's region to learn and apply the technologies, techniques, and processes associated with systems management technology, electronic commerce, pollution minimization, or the improvement of manufacturing productivity.

"(5) Industry-led demonstration programs that explore the value of innovative nonprofit manufacturing technology consortia to provide ongoing research, technology transfer, and worker training assistance for industrial members. An award under this paragraph shall be for no more than $500,000 per year, and shall be subject to renewal after a 1-year demonstration period.".

(b) EFFECTIVE DATE.—The effective date of section 25(c)(5) of the National Institute of Standards and Technology Act, as amended by subsection (a) of this section, is August 23, 1988.

SEC. 215. STATE TECHNOLOGY EXTENSION PROGRAM.

(a) ESTABLISHMENT.—Section 26(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278l(a)) is amended—

(1) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(2) by inserting "through that Program" immediately after "technical assistance".

(b) ASSISTANCE PROVIDED BY PROGRAM.—Section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c) In addition to the general authorities listed in subsection (b), the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(1) make awards to States and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 278l note) in order to help States improve their planning and coordination of technology extension activities;

"(2) assist States, particularly States which historically have had no manufacturing or technology extension programs or only small programs, to plan, develop, and coordinate such programs and to help bring those State programs to a level of performance where they can apply successfully for awards to establish Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, or both;

"(3) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(4) support State efforts to develop and test innovative ways to help small- and medium-sized manufacturers improve their

technical capabilities, including, as appropriate, State contracts with private-sector technology transfer companies to provide technology assistance and development services that are beyond the current capacity of a given State's industrial extension activities;

"(5) support State efforts designed to help small manufacturers in rural as well as urban areas improve and modernize their technical capabilities, including, as appropriate, interstate efforts to achieve such end;

"(6) support State efforts to assist interested small defense manufacturing firms to convert their production to nondefense or dual-use purposes;

"(7) support worker technology education programs in the States at institutions such as research universities, community colleges, technical and professional societies, labor education centers, labor-management committees, and worker organizations in production technologies critical to the Nation's future, with an emphasis on high-performance work systems, the skills necessary to use advanced manufacturing system well, and best production practice; and support on-the-job training programs in the States to build and enhance the skills of employees, particularly production workers, in small- and medium-sized companies; and

"(8) help States develop programs to train personnel who in turn can provide technical skills to managers and workers of manufacturing firms.".

SEC. 216. AMERICAN WORKFORCE QUALITY.

(a) WORKFORCE ACTIVITIES.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and after consultation with the Secretary of Labor, shall direct Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers to utilize, when appropriate, their expertise and capability to assist managers and workers in United States manufacturing firms in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by making available assessments of the needs of United States manufacturing firms for worker training in the effective utilization and operation of specific technologies the firms have adopted or are planning to adopt;

(2) by making available to United States manufacturing firms information on commercially and publicly provided worker training services, including those provided by United States sources of technologies, in the effective utilization and operation of specific technologies the firms have adopted or are planning to adopt; and

(3) by providing information to client firms and their workers to enable them effectively to utilize and operate specific technologies that the firms have adopted or plan to adopt.

(b) WORKFORCE ANALYSIS AND INFORMATION DISSEMINATION.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and in consultation with the Secretary of Labor and other appropriate Federal officials and with leaders of industry and labor, shall assist managers and other workers in United States manufacturing firms in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by establishing and managing a clearinghouse for information, to be available through an appropriate entity to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Centers when they are established, to other technology training entities, or directly to United States manufacturing firms, on the best available training material and services for the effective utilization and operation of specific advanced and modern technologies;

(2) by encouraging United States providers of advanced and modern technologies for manufacturing firms to develop training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies; and

(3) by establishing as an important criterion in the assessment of advanced and modern technologies the availability of training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies.

SEC. 217. REPORT ON OPTIONS FOR ACCELERATING THE ADOPTION OF NEW MANUFACTURING EQUIPMENT.

Within 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on—

(1) the degree to which manufacturing enterprises in the United States have difficulty obtaining financing for the purpose of purchasing new equipment and modernizing operations;

(2) the policies and practices followed in other industrialized countries to help manufacturing firms obtain financing for modernization; and

(3) the advantages, disadvantages, and costs of major options by which the Federal Government might help stimulate the flow of capital to manufacturers and thus accelerate industrial modernization, including—

(A) creation of a Government-sponsored enterprise to stimulate the flow of capital to manufacturing;

(B) increasing technical advice to banks and other financial institutions, perhaps through the National Manufacturing Outreach Program, in order to increase their ability to judge whether or not individual manufacturers have sound modernization plans;

(C) cooperation between extension activities supported under the Manufacturing Extension Partnership and manufacturing equipment leasing firms in order to provide manufacturers with additional information or equipment leasing options; and

(D) tax incentives.

Subtitle B—National Science Foundation Manufacturing Programs

SEC. 221. NATIONAL SCIENCE FOUNDATION MANUFACTURING ACTIVITIES.

(a) IN GENERAL.—The Director of the National Science Foundation, after, as appropriate, consultation with the Secretary, the Under Secretary, and the Director, shall—

(1) work with United States industry to identify areas of research in manufacturing technologies and practices that offer the potential to improve United States productivity, competitiveness, and employment;

(2) support research at United States universities to improve manufacturing technologies and practices; and

(3) work with the Technology Administration of the Department of Commerce and the Institute and, as appropriate, other Federal agencies to accelerate the transfer to United States industry of manufacturing research and innovations developed at universities.

(b) ENGINEERING RESEARCH CENTERS AND INDUSTRY/UNIVERSITY COOPERATIVE RESEARCH CENTERS.—The Director of the National Science Foundation shall strengthen and expand the number of Engineering Research Centers and strengthen and expand the Industry/University Cooperative Research Centers Program with the goals of increasing the engineering talent base versed in technologies and workplace practices critical to the Nation's future, with emphasis on advanced manufacturing, and of advancing fundamental engineering knowledge in these technologies. At least one Engineering Research Center shall have a research and education focus on the concerns of traditional manufacturers, including small- and medium-sized firms that are trying to modernize their operations. Awards under this subsection shall be made on a competitive, merit review basis. Such awards may include support for acquisition of instrumentation, equipment, and facilities related to the research and education activities of the Centers and support for undergraduate students to participate in the activities of the Centers.

(c) GRADUATE TRAINEESHIPS.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide traineeships to graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing or industrial engineering.

(d) MANUFACTURING MANAGERS IN THE CLASSROOM PROGRAM.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide fellowships, on a cost-shared basis, to individuals from industry with experience in manufacturing to serve for 1 or 2 years as instructors in manufacturing at 2-year community and technical colleges in the United States. In selecting fellows, the Director of the National Science Foundation shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also will work to foster cooperation between 2-year colleges and nearby manufacturing firms.

(e) PROGRAMS TO TEACH TOTAL QUALITY MANAGEMENT.—The Director of the National Science Foundation, in consultation with the Secretary, the Under Secretary, and the Director, may establish a program to develop innovative curricula, courses, and materials for use by institutions of higher education for instruction in total quality management and related management practices, in order to help improve the productivity of United States industry.

TITLE III—CRITICAL TECHNOLOGIES

SEC. 301. FINDINGS.

The Congress finds that—

(1) the rapid, effective use of advanced technologies in the design and production of products is a key determinant of economic competitiveness;

(2) investment in the development and adoption of advanced technology contributes significantly to long-term economic growth and employment;

(3) the governments of our most successful competitor nations in the global marketplace have created supportive structures and programs that have been effective in helping their domestic industries increase their global market shares;

(4) agriculture and aerospace are two examples of industries that have achieved commercial success with strong support from the United States Government; and

(5) the United States Government must promote and facilitate the creation, development, and adoption of advanced technologies, including skills-based production technologies, to ensure long-term economic prosperity for the United States.

SEC. 302. DEVELOPMENT OF PLAN FOR THE ADVANCED TECHNOLOGY PROGRAM.

The Secretary, acting through the Under Secretary and the Director, shall, within 6 months after the date of enactment of this Act, submit to Congress a plan for the expansion of the Advanced Technology Program established under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), with specific consideration given to—

(1) closer coordination and cooperation with the Advanced Research Projects Agency and other Federal research and development agencies as appropriate;

(2) establishment of temporary staff positions that can be filled by industrial or technical experts for a period of 1 to 2 years;

(3) ensuring that the Program will have a meaningful impact on the commercialization of a broad range of new technologies and on the refinement of critical manufacturing technologies;

(4) changes that may be needed when annual funds available for grants under the Program reach levels of $200,000,000 and $500,000,000; and

(5) administrative steps necessary for Program support of large-scale industry-led consortia similar to, or possibly eventually including, the Semiconductor Manufacturing Technology Institute.

SEC. 303. ADVANCED TECHNOLOGY PROGRAM SUPPORT OF LARGE-SCALE JOINT VENTURES.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) is amended by adding at the end the following new subsection:

"(k) In addition to the general authority under this section to provide financial assistance to joint ventures, the Secretary, through the Director, also may, as permitted by levels of authorizations and appropriations, provide financial support to large-scale joint ventures requesting $20 million or more a year in Department funds. Any such support shall be subject to the matching funds requirements of subsection (b)(1)(B)(ii), except that the Secretary may provide assistance to such large-scale joint ventures for up to 7 years. The Secretary may work with industrial groups to develop such proposed large-scale joint ventures and shall give preference to proposals which represent a broad spectrum of companies for a given industry and which focus either on speeding the commercialization of important new technologies or on accelerating the development, testing, and deployment of valuable new process technologies and workplace practices. The Secretary and Director, as appropriate, shall obtain independent technical review of industry proposals submitted under this subsection.".

SEC. 304. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.—Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), as amended by section 303 of this Act, is further amended—

(1) in subsection (b)—

(A) in paragraph (1)(B), by striking "or contracts" and inserting in lieu thereof "contracts, and other transactions";

(B) in paragraph (1)(B)(ii), by striking "provision of a minority share of the cost of such joint ventures for up to 5 years" and inserting in lieu thereof "the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs (and not indirect costs, profits, or management fees), for up to 5 years";

(C) in paragraph (2), by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and other transactions";

(D) by striking "and" at the end of paragraph (3);

(E) by striking the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(F) by adding at the end the following new paragraph:

"(5) use other transactions authority under this subsection only when the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices."; and

(2) by adding at the end the following new subsections:

"(l) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension of not to exceed 6 months beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.

"(m) The Secretary, Under Secretary, and Director may organize or attend workshops or use other mechanisms to encourage the leaders of specific United States industrial sectors to—

"(1) identify which precompetitive, generic technologies will be most critical in the future to each such sector and, as appropriate, encourage the formation of broad-based industry-led joint ventures which seek to develop those technologies; and

"(2) analyze which additional steps may be necessary to enable each sector to acquire, deploy, and finance needed technologies in a timely fashion.".

(b) AMENDMENT TO AMERICAN TECHNOLOGY PREEMINENCE ACT OF 1991.—Section 201(d) of the American Technology Preeminence Act of 1991 (Public Law 102-245; 106 Stat. 19) is amended by inserting ", except in the case of the amendment made by subsection (c)(6)(A)" immediately after "enactment of this Act".

SEC. 305. TECHNOLOGY FINANCING PILOT PROGRAM.

(a) FINDINGS.—Congress finds and declares the following:

(1) In recent years, United States technology firms appear to have had increasing difficulty financing the development and early-stage commercialization of important new critical civilian technologies. Venture capital is less available than in past years, banks appear less willing to provide loans, and medium-sized as well as small companies often have difficulty under current capital market conditions financing promising long-term technology projects.

(2) Difficulties in obtaining financing particularly hurts those technology firms which face foreign competitors which have received substantial direct or indirect financial help from their governments.

(3) The Nation would benefit from a technology financing pilot program to experiment with assisting private-sector venture capital entities which in turn can select and support the most promising and valuable long-term United States technology projects.

(b) IN GENERAL.—(1) As a pilot program, the Secretary, through the Under Secretary and in consultation with the Administrator of the Small Business Administration (hereafter in this section referred to as the "Administrator"), may license and, to the extent provided in advance in appropriations Acts and in accordance with the plan developed under subsection (e), financially assist private-sector entities to be known as civilian technology investment companies, for the purpose of stimulating and expanding the flow of private capital to eligible technology firms and joint ventures of eligible technology firms.

(2)(A) Each civilian technology investment company licensed under this section may provide venture capital and loans to eligible technology firms and joint ventures in such manner and under such terms as the licensee may fix in accordance with regulations of the Secretary. Civilian technology investment companies may provide venture capital and loans directly or in cooperation with other investors.

(B) Each civilian technology investment company shall have authority to borrow money and to issue its debenture bonds, promissory notes, or other obligations under such general conditions and subject to such limiations and regulations as the Secretary may prescribe.

(3) In order to encourage the formation and growth of civilian technology investment companies pursuant to this section, the Secretary is authorized, when funds are previously made available in appropriations Acts, to—

(A) purchase, or guarantee the timely payment of up to 100 percent of principal and interest as scheduled on, debentures issued by such companies, on such terms and conditions as the Secretary deems appropriate pursuant to regulations issued under subsection (e); and

(B) purchase nonparticipating or participating, nonvoting preferred securities and issue trust certificates representing ownership of all or part of such preferred securities.

(4) Guarantees and purchases of debentures and preferred securities under this subsection shall be made on such terms and conditions as are necessary to ensure that the cost of the program established under this section shall not exceed 15 percent of its corresponding credit authority in any fiscal year. For purposes of this paragraph, the term "cost" shall have the same meaning given such term in section 502(5) of the Federal Credit Reform Act of 1990, and the term "credit authority" shall have the same meaning given such term in section 3(10) of the Congressional Budget Act of 1974.

(c) PURPOSES.—The Secretary shall require that any civilian technology investment company licensed and assisted under this section shall—

(1) focus primarily on providing patient early-stage capital, either loans or equity investments, to eligible technology firms in the United States, including joint ventures of eligible firms, in order to help those firms finance and accelerate the development and early-stage commercialization of critical civilian technologies;

(2) support critical civilian technology projects, particularly those undertaken by eligible technology firms whose net worth is $50,000,000 or less;

(3) demonstrate to the Secretary credible procedures for ensuring that investments are made in critical technology projects for which eligible firms cannot obtain necessary financing solely through commercial capital markets; and

(4) demonstrate to the Secretary working relationships with either the Institute, uni-

versities, research bodies, technology transfer centers, or other organizations that can assist such licensee to identify and evaluate projects to be supported under this section.

(d) PAYMENTS.—Amounts received by the Secretary from the payment of dividends, any profit allocation, and the redemption of securities pursuant to this section, and fees paid to the United States by a civilian technology investment company licensed pursuant to this section, shall be deposited in an account established by the Secretary and shall be available solely for carrying out this section, to the extent provided in advance in appropriations Acts.

(e) OPERATING PLAN; EFFECTIVE DATE; AND EVALUATION.—(1) The Secretary, acting through the Under Secretary and in coordination with the Administrator, and in consultation with other appropriate Federal officials, the States, industry, the financial community, and other appropriate parties, shall prepare and submit to Congress on or before January 1, 1994, an operating plan to carry out this section. In preparing such plan, the Secretary shall consider and evaluate approaches to achieving the purposes of this section and shall develop recommendations, as appropriate, to fulfill this section's objective to help technology firms in the United States to develop and commercialize critical civilian technologies. Such evaluations and recommendations shall be included in the plan submitted to Congress under this subsection.

(2) The Secretary, in consultation with the Administrator, shall promulgate such regulations as may be necessary to carry out the provisions of this section and may contract with other agencies for administrative services to help carry out this section.

(3) Except for the requirement set forth in paragraph (1), the provisions of this section shall not take effect until October 1, 1994.

(4) After appropriations are provided for the pilot project authorized under this section, the Secretary, after consultation with the Administrator, shall evaluate annually the effectiveness of the program and submit an annual report to appropriate committees of Congress on the findings resulting from such evaluation. Such report shall contain, on a confidential basis, appendices which include, but are not necessarily limited to, the type and amount of assistance provided to licensees under this section, key characteristics of licensees, the number and size in net worth of the technology firms and joint ventures assisted by each licensee, the amount of assistance provided to each technology firm or joint venture, and the types of technology each such technology firm or joint venture is developing and commercializing.

(f) DEFINITIONS.—As used in this section, the term—

(1) "critical civilian technology" means a technology not exclusively military which is identified in one or more of the biennial national critical technologies reports required under section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683); and

(2) "eligible technology firm" means a company—

(A) which meets the requirements of section 28(d)(9) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9)); and

(B) whose principal business is the development of products and services based on critical civilian technologies.

SEC. 306. TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.

Section 101(e) of the Stevenson-Wydler Technology Innovation Act of 1980, as redesignated by section 213(b)(2) of this Act, is amended to read as follows:

"(e) OFFICE OF TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.—(1) The Secretary, through the Under Secretary, shall establish within the Technology Administration an Office of Technology Monitoring and Competitiveness Assessment, to collect, evaluate, assess, and disseminate information on—

"(A) foreign science and technology, specifically information assessing foreign capabilities relative to the United States;

"(B) policies and programs used by foreign governments and industries to develop and apply economically important critical technologies, how these policies and programs compare with public and private activities in the United States, and the effects that these foreign policies and programs have on the competitiveness of United States industry; and

"(C) the way in which the economic competitiveness of United States industry can be enhanced through Federal programs, including Department of Commerce programs, and evaluations of the effectiveness of Federal technology programs in helping to promote United States industrial competitiveness and economic growth.

"(2) Based on the information gathered under paragraph (1), the President, with the assistance of the Secretary, shall submit to Congress an annual report on United States technology and competitiveness analyzing the condition of United States technology relative to major trading partners, key trends in foreign technology and competitiveness policies and targeting, and the degree to which Federal programs are helping the United States to stay competitive with other countries and create domestic employment opportunities.

"(3) The Office of Technology Monitoring and Competitiveness Assessment, in cooperation with the National Technical Information Service, is authorized to—

"(A) act as a focal point within the Federal Government for the collection and dissemination, including electronic dissemination, of information on foreign process and product technologies, including information collected under the Japanese Technical Literature Program;

"(B) work and, as appropriate, enter into cooperative arrangements with sector-specific industry trade associations or consortia to define the information desired by industry;

"(C) compile and make available the extensive foreign technology monitoring and assessment information already collected and analyzed by the Federal Government;

"(D) as appropriate, enter into controlled access agreements with other Federal agencies to fill the industry's information needs;

"(E) act as an electronic clearinghouse for this information or otherwise provide for this function;

"(F) direct and fund the collection of additional information;

"(G) direct and fund analysis of foreign research and development activities, technical capabilities, workplace practices, particularly in technical areas where the United States is considered to be at par or lagging foreign capabilities;

"(H) establish a program to identify technical areas needing a full-scale technical evaluation, and provide, on a cost-shared basis to private sector or government-industry joint ventures, grants to conduct the evaluation;

"(I) establish and administer a fellowship program to support Technology Fellows in those countries that are major competitors of the United States in critical technologies to collect and provide initial analysis of information on foreign science and technology capabilities; and

"(J) work with the Department of State to place technical experts from the Institute and other Federal laboratories into United States embassies to serve as technology attaches and counselors.".

SEC. 307. COMMERCE TECHNOLOGY ADVISORY BOARD.

Title I of the Stevenson-Wydler Technology Innovation Act of 1980 (as amended by title II of this Act) is further amended by adding at the end the following new section:

"SEC. 113. COMMERCE TECHNOLOGY ADVISORY BOARD.

"(a) ESTABLISHMENT.—There is established a Commerce Technology Advisory Board (hereafter in this section referred to as the 'Advisory Board'), the purpose of which is to advise the Secretary, Under Secretary, and Director regarding ways in which to—

"(1) promote the development and rapid application of advanced commercial technologies, including advancedmanufacturing technologies such as skill-based production technologies;

"(2) strengthen the programs of the Technology Administration; and

"(3) generally improve the global competitiveness of industries within the United States.

"(b) COMPOSITION.—The Advisory Board shall be composed of at least 17 members, appointed by the Under Secretary from among individuals who, because of their experience and accomplishments in technology development, business development, or finance are exceptionally qualified to analyze and formulate policy that would improve the global competitiveness of industries in the United States. The Under Secretary shall designate one member to serve as chairman. Membership of the Advisory Board shall be composed of—

"(1) representatives of—

"(A) United States small businesses;

"(B) other United States businesses;

"(C) research universities and independent research institutes;

"(D) State and local government agencies involved in industrial extension;

"(E) national laboratories;

"(F) industrial, worker, and technical and professional organizations; and

"(G) financial organizations; and

"(2) other individuals that possess important sinsight to issues of national competitiveness.

"(c) MEETINGS.—(1) The chairman shall call the first meeting of the Advisory Board not later than 90 days after the date of enactment of this section.

"(2) The Advisory Board shall meet at least once every 6 months, and at the call of the Under Secretary.

"(d) TRAVEL EXPENSES.—Members of the Advisory Board, other than full-time employees of the United States, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United Stated Code, while engaged in the business of the Advisory Board.

"(e) CONSULTATION—In carrying out this section, the Under Secretary shall consult with other agencies, as appropriate. The Advisory Board, as appropriate, shall establish communication and coordination mechanisms with other Federal advisory committees to help ensure integrated Federal-private consideration of technology and manufacturing policies and programs.

"(f) TERMINATION.—Section 14 of the Federal Advisory Committee Act shall not apply to the Advisory Board.".

SEC. 308. STUDY OF SEMICONDUCTOR LITHOGRAPHY TECHNOLOGIES.

Within 9 months after the date of enactment of this Act, the Critical Technologies Institute (in this section referred to as the "Institute") established under section 822 of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 6686) shall, after consultation with the private sector and appropriate officials from other Federal agencies, submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a report on advanced lithography technologies for the production of semiconductor devices. The report shall include the Institute's evaluation of the likely technical and economic advantages and disadvantages of each such technology, an analysis of current private and Government research to develop each such technology, and any recommendations the Institute may have regarding future Federal support for research and development in advanced lithography. To the extent appropriate, the Institute shall draw upon technical and business analyses of advanced lithography technologies prepared by or for major trade associations and professional and technical societies.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

SEC. 401. INTERNATIONAL STANDARDIZATION.

(a) FINDINGS.—Congress finds that—

(1) private sector consensus standards are essential to the timely development of competitive products;

(2) Federal Government contributions of resources and more active participation in the voluntary standards process in the United States can increase the quality of United States standards, increase their compatibility with the standards of other countries, and, where appropriate, through government-to-government negotiations, ease access of United States-made products to foreign markets; and

(3) the Federal Government, working in cooperation with private sector organizations including trade associations, engineering societies, and technical bodies, can effectively promote Federal Government use of United States consensus standards and, where appropriate, the adoption and Federal Government use of international standards.

(b) STANDARDS PILOT PROGRAM.—Section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102-245; 106 Stat. 10) is amended—

(1) by inserting "(1)" immediately before "Pursuant to the";

(2) by striking "matching funds" and inserting in lieu thereof "financial contributions deemed appropriate by the Secretary"; and

(3) by adding at the end the following new paragraph:

"(2) As necessary and appropriate, the Institute shall expand the program established under section 112 of the National Institute of Standards and Technology Authorization Act for Fiscal Year 1989 (15 U.S.C. 272 note) by extending the existing program to include other countries that prefer to discuss their standards-related activities with official representatives of the Federal Government. The Institute may enter into additional contracts with non-Federal organizations representing United States-owned companies, as such term is defined in section 28(j)(2) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(j)(2)). Such contracts shall require cost sharing between Federal and non-Federal sources for such purposes. In awarding such contracts, the Institute shall seek to promote and support the dissemination of United States technical standards to additional foreign countries and shall seek, as the Director deems appropriate, to promote the adoption of international standards supported by United States industry. The Institute and such contractors shall, in pursuing this mission, cooperate with governmental bodies, private organizations including standards-setting organizations and industry, and multinational institutions that promote economic development. The organizations receiving such contracts may establish training programs to bring to the United States foreign standards experts for the purpose of receiving in-depth training in the United States standards system.".

(c) REPORTS ON GLOBAL STANDARDS.—(1) Section 508(a) of the American Technology Preeminence Act of 1992 (15 U.S.C. 3701 note) is amended—

(A) by inserting "standards development and international" immediately after "a thorough review of international";

(B) by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively; and

(C) by inserting immediately before paragraph (2), as so redesignated, the following new paragraph:

"(1) Current and potential future roles of the Federal Government in the development and promulgation of domestic and global product and process standards.".

(2) The Secretary, in consultation with the Institute and the Commerce Technology Advisory Board established under section 113 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by section 307 of this Act) and with, as appropriate, the active participation of the private sector, shall submit to Congress a report describing the appropriate roles of the Department of Commerce in aid to United States companies in qualifying their products in foreign markets through the development and promulgation of domestic and global product and quality standards and through the implementation of conformity assessment and accreditation procedures based upon such standards, including a discussion of the extent to which each of the policy options provided in the March 1992 Office of Technology Assessment report on global standards, contributes to meeting the goals of—

(A) increasing the international adoption of standards beneficial to United States industries; and

(B) improving the coordination of United States representation at international standards-setting bodies.

SEC. 402. MALCOLM BALDRIGE AWARD.

(a) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—(1) Section 108(c)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(b)(3) of this Act, is amended by adding at the end the following new subparagraph:

"(D) Educational institutions.".

(2)(A) Within 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report containing—

(i) criteria for qualification for a Malcolm Baldrige National Quality Award by various classes of educational institutions;

(ii) criteria for the evaluation of applications for each such award under section 108(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated; and

(iii) a plan for funding such awards.

(B) In preparing the report required under subparagraph (A), the Secretary shall consult with the National Science Foundation and other public and private entities with appropriate expertise, and shall provide for public notice and comment.

(C) The Secretary shall not accept applications for awards described in subparagraph (A)(i) until after the report required under subparagraph (A) is submitted to Congress.

(b) RESTRICTION.—Section 108(c)(3) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated, is amended to read as follows:

"(3) No award shall be made within any category or subcategory if there are no qualifying enterprises in that category or subcategory.".

(c) QUALITY LABORATORY.—Section 108(g) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated, is amended to read as follows:

"(g) QUALITY LABORATORY.—A National Quality Laboratory is established within the Institute, the purpose of which is to perform research and outreach activities to assist private sector quality efforts and to serve as a mechanism by which United States companies, universities, and the Institute can work together to advance quality management programs and to share and, as appropriate, develop manufacturing best practices.".

SEC. 403. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 202(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(b)(6) of this Act, is amended by inserting "(including both real and personal property)" immediately after "or other resources" both places it appears.

SEC. 404. CLEARINGHOUSE ON STATE AND LOCAL INITIATIVES.

Section 102(a) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(b)(2) of this Act, is amended by striking "Office of Productivity, Technology, and Innovation" and inserting in lieu thereof "Institute".

SEC. 405. USE OF DOMESTIC PRODUCTS.

(a) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—(1) A person shall not intentionally affix a label bearing the inscription of "Made in America", or any inscription with that meaning, to any product sold in or shipped to the United States, if that product is not a domestic product.

(2) A person who violates paragraph (1) shall not be eligible for any contract for a procurement carried out with amounts authorized under this Act and the amendments made by this Act, including any subcontract under such a contract pursuant to the debarment, suspension, and ineligibility procedures in subpart 9.4 of chapter 1 of title 48, Code of Federal Regulations, or any successor procedures thereto.

(b) COMPLIANCE WITH BUY AMERICAN ACT.—(1) Except as provided in paragraph (2), the head of each agency which conducts procurements shall ensure that such procurements are conducted in compliance with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a through 10c, popularly known as the "Buy American Act").

(2) This subsection shall apply only to procurements made for which—

(A) amounts are authorized by this Act, and the amendments made by this Act, to be made available; and

(B) solicitations for bids are issued after the date of enactment of this Act.

(3) The Secretary, before January 1, 1994, shall report to Congress on procurements

covered under this subsection of products that are not domestic products.

(c) DEFINITIONS.—For the purposes of this section, the term "domestic product" means a product—

(1) that is manufactured or produced in the United States; and

(2) at least 50 percent of the cost of the articles, materials, or supplies of which are mined, produced, or manufactured in the United States.

SEC. 406. SEVERABILITY.

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the application thereof to other persons or circumstances shall not be affected thereby.

SEC. 407. WIND ENGINEERING RESEARCH PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Wind Engineering Program Act of 1993".

(b) FINDINGS AND PURPOSES.—Congress finds and declares the following:

(1) Hurricanes and tornadoes kill more Americans and destroy more property than any other natural disaster.

(2) Each year, in the United States, extreme winds cause billions of dollars of damage to homes, schools, and other buildings, roads and bridges, electrical power distribution networks, and communications networks.

(3) Research on wind and wind engineering has resulted in improved methods for making buildings and other structures less vulnerable to extreme winds, but additional research funding is needed to develop new, improved, and more cost-effective methods of wind-resistant construction.

(4) Federal funding for wind engineering research has decreased drastically over the last 20 years.

(5) Wind research has been hampered by a lack of data on near-surface wind speed and distribution during hurricanes, tornadoes, and other severe storms.

(6) Many existing methods for wind-resistant construction are inexpensive and easy to implement but often they are not applied because the construction industry and the general public are unaware of such methods.

(7) Various Federal agencies have important roles to play in wind engineering research, but at present there is little interagency cooperation in this area.

(8) Establishment of a Federal Wind Engineering Program would result in new technologies for wind-resistant construction, broader application of such technologies in construction, and ultimately decreased loss of life and property due to extreme winds.

(c) PURPOSE.—The purpose of this section is to create a Wind Engineering Program within the National Institute of Standards and Technology, which would—

(1) provide for wind engineering research;

(2) serve as a clearinghouse for information on wind engineering; and

(3) improve interagency coordination on wind engineering research between the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, the National Science Foundation, the Federal Aviation Administration, and other appropriate agencies.

(d) ESTABLISHMENT.—Within the National Institute of Standards and Technology, there shall be established a Wind Engineering Program which shall—

(1) conduct research and development, in cooperation with the private sector and academia, on new methods for mitigating wind damage due to tornadoes, hurricanes, and other severe storms;

(2) fund construction and maintenance of wind tunnels and other research facilities needed for wind engineering research;

(3) promote the application of existing methods for, and research results on, reducing wind damage to buildings that are usually incompletely- or non-engineered, such as single family dwellings, mobile homes, light industrial buildings, and small commercial structures;

(4) transfer technology developed in wind engineering research to the private sector so that it may be applied in building codes, design practice, and construction;

(5) conduct, in conjunction with the National Oceanic and Atmospheric Administration, post-disaster research following hurricanes, tornadoes, and other severe storms to evaluate the vulnerability of different types of buildings to extreme winds;

(6) serve as a point of contact for dissemination of research information on wind engineering and work with the private sector to develop education and training programs on construction techniques, developed from research results, for reducing wind damage;

(7) work with the National Oceanic and Atmospheric Administration, the Federal Aviation Administration, and other agencies as is appropriate, on meteorology programs to collect and disseminate more data on extreme wind events; and

(8) work with the National Science Foundation to support and expand basic research on wind engineering.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 501. TECHNOLOGY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary, to carry out the activities of the Under Secretary and the Assistant Secretary of Commerce for Technology Policy—

(1) for the Office of the Under Secretary, $5,000,000 for fiscal year 1994 and $8,000,000 for fiscal year 1995;

(2) for Technology Policy, $5,000,000 for fiscal year 1994 and $6,000,000 for fiscal years 1995;

(3) for Japanese Technical Literature, $2,000,000 for fiscal year 1994 and $3,000,000 for fiscal year 1995;

(4) for the Office of Technology Monitoring and Competitiveness Assessment, $3,000,000 for fiscal year 1994 and $5,000,000 for fiscal year 1995.

(b) TRANSFERS.—(1) Funds may be transferred among the line items listed in subsection (a), so long as—

(A) the net funds transferred to or from any line item do not exceed 10 percent of the amount authorized for that line item in such subsection;

(B) the aggregate amount authorized under subsection (a) is not changed; and

(C) the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives are notified in advance of any such transfer.

(2) The Secretary may propose transfers to or from any line item listed in subsection (a) exceeding 10 percent of the amount authorized from such line item, but such proposed transfer may not be made unless—

(A) a full and complete explanation of any such proposed transfer and the reason therefor are transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, and the appropriate authorizing committees of the House of Representatives and the Senate; and

(B) 30 days have passed following the transmission of such written explanation.

(c) NATIONAL TECHNICAL INFORMATION SERVICE FACILITIES STUDY.—As part of its modernization effort and before signing a new facility lease, the National Technical Information Service, in consultation with the General Services Administration, shall study and report to Congress on the feasibility of accomplishing all or part of its modernization by signing a long-term lease with an organization that agrees to supply a facility and supply and periodically upgrade modern equipment which permits the National Technical Information Service to receive, store, and manipulate in electronic form, and print, electronically-created documents and reports and to carry out the other functions assigned to the National Technical Information Service.

SEC. 502. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) INTRAMURAL SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES.—(1) There are authorized to be appropriated to the Secretary, to carry out the intramural scientific and technical research and services activities of the Institute, $240,988,000 for fiscal year 1994 and $320,764,000 for fiscal year 1995.

(2) Of the amount authorized under paragraph (1)—

(A) $1,000,000 for fiscal year 1994 and $1,000,000 for fiscal year 1995 are authorized only for the evaluation of nonenergy-related inventions;

(B) $9,000,000 for fiscal year 1994 and $10,000,000 for fiscal year 1995 are authorized only for the technical competence fund; and

(C) $5,000,000 for fiscal year 1994 and $5,000,000 for fiscal year 1995 are authorized only for the standards pilot project established under section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102-245; 106 Stat. 10).

(b) FACILITIES.—In addition to the amounts authorized under subsection (a), there are authorized to the appropriated to the Secretary $105,000,000 for fiscal year 1993, $62,000,000 for fiscal year 1994, and $105,000,000 for fiscal year 1995 for the renovation and upgrading of the Institute's facilities. The Institute may enter into a contract for the design work for such purposes only if Federal Government payments under the contract are limited to amounts provided in advance in appropriations Acts.

(c) EXTRAMURAL INDUSTRIAL TECHNOLOGY SERVICES.—In addition to the amounts authorized under subsections (a) and (b), there are authorized to be appropriated to the Secretary, to carry out the extramural industrial technology services activities of the Institute—

(1) for the Manufacturing Extension Partnership, $120,000,000 for fiscal year 1994 and $220,000,000 for fiscal year 1995, of which—

(A) $40,000,000 for fiscal year 1994 and $60,000,000 for fiscal year 1995 are authorized only for the support of Regional Centers for the Transfer of Manufacturing Technology;

(B) $30,000,000 for fiscal year 1994 and $80,000,000 for fiscal year 1995 are authorized only for the support of Manufacturing Outreach Centers;

(C) $30,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995 are authorized only for the State Technology Extension Program; and

(D) $20,000,000 for fiscal year 1994 and $30,000,000 for fiscal year 1995 are authorized only for the Institute activities in support of the Manufacturing Extension Partnership, including support of the technology extension communications network provided for, and the associated clearinghouse system developed, under section 304 of the Stevenson-

Wydler Technology Innovation Act of 1980 (as added by section 212 of this Act);

(2) for the Advanced Technology Program, $200,000,000 for fiscal year 1994 and $468,000,000 for fiscal year 1995, of which $30,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995 are authorized only for support of the Advanced Manufacturing Technology Development Program established under section 303 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by section 212 of this Act); and

(3) for quality programs at the Institute, $2,000,000 for each of the fiscal years 1994 and 1995.

(d) WIND ENGINEERING.—(1) There are authorized to be appropriated to the Institute for the purposes of section 407 of this Act, $1,000,000 for fiscal year 1994 and $3,000,000 for fiscal year 1995.

(2) Of the amounts appropriated under paragraph (1), no less than 50 percent shall be used for cooperative agreements with the National Oceanic and Atmospheric Administration, the National Science Foundation, and the Federal Aviation Administration, or other agencies, for wind engineering research, development of improved practices for structures, and the collection and dissemination of meterological data needed for wind engineering.

SEC. 503. ADDITIONAL ACTIVITIES OF THE TECHNOLOGY ADMINISTRATION.

In addition to the amounts authorized under sections 501 and 502, there are authorized to be appropriated to the Secretary—

(1) for the establishment and management of a technology training clearinghouse, $2,000,000 for fiscal year 1994 and $3,000,000 for fiscal year 1995;

(2) for the support of policy experiments relating to intelligent manufacturing systems, $10,000,000 for fiscal year 1994; and

(3) for the purpose of carrying out the technology financing pilot program under section 305, $2,000,000 in fiscal year 1994 to prepare the operating plan and promulgate regulations required under subsection (c) of that section and $50,000,000 for each of fiscal years 1995 and 1996 to carry out the provisions of that section.

Amounts appropriated under paragraph (3) shall remain available for expenditure through September 30, 1996. Of the amounts made available under paragraph (3) for a fiscal year, not more than $5,000,000 or 10 percent, whichever is greater, shall be available for administrative expenses. The Secretary, through the Under Secretary and the Director, may accept the transfer of funding appropriated to any other agency for purposes similar or related to those of the programs established and carried out under title III of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by section 212 of this Act), or the programs established and carried out under sections 25 and 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278k and 278l), and to use those funds to implement such programs as provided in those statutory provisions.

SEC. 504. NATIONAL SCIENCE FOUNDATION.

In addition to such other sums as may be authorized by other provisions of law to be appropriated to the Director of the National Science Foundation, there are authorized to be appropriated to that Director, to carry out the provisions of section 221, $50,000,000 for fiscal year 1994 and $75,000,000 for fiscal year 1995.

SEC. 505. AVAILABILITY OF APPROPRIATIONS.

Appropriations made under the authority provided in this title shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS RESEARCH PROGRAM

SEC. 601. SHORT TITLE.

This title may be cited as the "Information Technology Applications Program Act of 1993".

SEC. 602. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) High-performance computing and high-speed networks have proven to be powerful tools for improving America's national security, industrial competitiveness, and research capabilities.

(2) Federal programs, like the High-Performance Computing Program established by Congress in 1991, have played a key role in maintaining United States leadership in high-performance computing, especially in the defense and research sectors.

(3) High-performance computing and high-speed networking have the potential to revolutionize many fields, including education, libraries, health care, and manufacturing, if adequate resources are invested in developing the technology needed to do so.

(4) The Federal Government should ensure that the technology developed under research and development programs like the High-Performance Computing Program can be widely applied for the benefit of all Americans, including Americans with disabilities .

(5) A coordinated, interagency program is needed to identify and promote the development of applications of high-performance computing and high-speed networking which will provide large economic and social benefits to the Nation. These so-called "National Challenges" should include tools for teaching, digital libraries of electronic information, computer systems to improve the delivery of health care, and computer and networking technology to promote United States competitiveness. To the extent practicable, these applications should be designed and operated in a manner consistent with copyright law.

(6) The Office of Science and Technology Policy is the appropriate office to coordinate such a program.

(b) PURPOSE.—It is the purpose of this Act to help ensure the widest possible application of high-performance computing and high-speed networking. This requires that the United States Government—

(1) expand Federal support for research and development on applications of high-performance computing and high-speed networks for—

(A) improving education at all levels, from preschool to adult education, by developing new educational technology;

(B) building digital libraries of electronic information accessible over computer networks like the National Research and Education Network;

(C) improving the provision of health care by furnishing health care providers and their patients with better, more accurate, and more timely information; and

(D) increasing the productivity of the Nation's workers, especially in the manufacturing sector; and

(2) improve coordination of Federal efforts to deploy these technologies in cooperation with the private sector as part of an advanced, national information infrastructure.

SEC. 603. INFORMATION TECHNOLOGY APPLICATIONS RESEARCH PROGRAM.

The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended by adding at the end the following new title:

"TITLE III—INFORMATION TECHNOLOGY APPLICATIONS RESEARCH PROGRAM

"SEC. 301. ESTABLISHMENT OF APPLICATIONS RESEARCH PROGRAM.

"The Director, through the Federal Coordinating Council for Science, Engineering, and Technology, shall, in accordance with this title—

"(1) establish a coordinated interagency applications research program to develop applications of computing and networking advances achieved under the Program described in section 101, that are designed (A) to be accessible and usable by all persons in the United States, in the fields of education, libraries, health care, the provision of government information, and other appropriate fields; and (B) to ensure privacy, security, and respect for copyrights; and

"(2) develop a Plan for Computing and Networking Applications (hereafter in this title referred to as the 'Plan') describing the goals and proposed activities of the applications research program established under paragraph (1), taking into consideration the recommendations of the advisory committee on high-performance computing and applications established under section 101(b).

The President shall designate the Federal agencies and departments which shall participate in the applications program established under paragraph (1).

"SEC. 302. PLAN FOR COMPUTING AND NETWORK APPLICATIONS.

"(a) REQUIREMENT.—The Plan shall contain recommendations for a 5-year national effort and shall be submitted to the Congress within 1 year after the date of enactment of this title. The Plan shall be resubmitted upon revision at least once every 2 years thereafter.

"(b) CONTENTS.—The Plan shall—

"(1) establish the goals and priorities for the Program for the fiscal year in which the Plan (or revised Plan) is submitted and the succeeding 4 fiscal years;

"(2) set forth the role of each Federal agency and department in implementing the Plan;

"(3) describe the levels of Federal funding for each agency and department, and specific activities, required to achieve the goals and priorities established under paragraph (1);

"(4) identify steps agencies will take in the applications research program to promote privacy, security, and respect for copyrights in Federal networks and computing applications; and

"(5) assign particular agencies primary responsibility for developing particular National Challenges of high-performance computing and high-speed networks.

"(c) ACCOMPANYING DOCUMENTS.—Accompanying the Plan shall be—

"(1) a summary of the achievements of Federal efforts during the preceding fiscal year to develop technologies needed for deployment and full utilization of an advanced information infrastructure;

"(2) an evaluation of the progress made toward achieving the goals and objectives of the Plan;

"(3) a summary of problems encountered in implementing the Plan; and

"(4) any recommendations regarding additional action or legislation which may be required to assist in achieving the purposes of this title.

"(d) AGENCIES AND DEPARTMENTS.—The Plan shall address, where appropriate, the relevant programs and activities of the following Federal agencies and departments:

"(1) The National Science Foundation.

"(2) The Department of Commerce, particularly the National Institute of Standards

and Technology, the National Oceanic and Atmospheric Administration, and the National Telecommunications and Information Administration.

"(3) The National Aeronautics and Space Administration.

"(4) The Department of Defense, particularly the Advanced Research Projects Agency.

"(5) The Department of Energy.

"(6) The Department of Health and Human Services, particularly the National Institutes of Health and the National Library of Medicine.

"(7) The Department of the Interior, particularly the United States Geological Survey.

"(8) The Department of Education.

"(9) The Department of Agriculture, particularly the National Agricultural Library.

"(10) Such other agencies and departments as the President or the Chairman of the Council considers appropriate.

"(e) LIBRARY OF CONGRESS.—In addition, the Plan shall take into consideration the present and planned activities of the Library of Congress, as deemed appropriate by the Librarian of Congress.

"(f) COUNCIL.—The Council shall—

"(1) serve as lead entity responsible for development of the Plan and interagency coordination of the Program;

"(2) coordinate the high-performance computing research and development activities of Federal agencies and departments undertaken pursuant to the Plan and report at least annually to the President, through the Chairman of the Council, on any recommended changes in agency or departmental roles that are needed to better implement the Plan;

"(3) review, prior to the President's submission to the Congress of the annual budget estimate, each agency and departmental budget estimate in the context of the Plan and make the results of that review available to the appropriate elements of the Executive Office of the President, particularly the Office of Management and Budget; and

"(4) consult and ensure communication between Federal agencies and research, educational, and industry groups and State agencies conducting research and development on and using high-performance computing.

"SEC. 303. DEFINITIONS.

"As used in this title, the term—

"(1) 'broadband' means a transmission rate for digital information on a communications network which exceeds the maximum rate possible for transmission of digital information on normal copper telephone wires;

"(2) 'information infrastructure' means a network of communications systems and computer systems designed to exchange information among all citizens and residents of the United States;

"(3) 'Internet' means the network of interoperable and interconnected packet-switched data networks, whether provided by the public or private sector; and

"(4) 'National Challenge' means an application of high-performance computing and high-speed networking that will provide large economic and social benefits to a broad segment of the Nation's populace.".

SEC. 604. NETWORK ACCESS.

(a) CONNECTIONS PROGRAM.—In accordance with the Plan developed under section 301 of the High-Performance Computing Act of 1991, as added by section 603 of this Act, the National Science Foundation and Department of Commerce shall—

(1) foster the creation of local networks in communities which will connect institutions of higher education, elementary and secondary schools, libraries, and State and local governments to each other; and

(2) provide for connection of such local networks to the Internet.

Such program shall include funding for the acquisition of required hardware and for the establishment of broadband connections to the Internet. In making awards under this subsection, the National Science Foundation and, as appropriate, the Department of Commerce shall ensure that not more than 75 percent of the cost of the project for which the award is made is provided under this section.

(b) TRAINING.—The Plan shall include programs administered by the National Science Foundation, Department of Commerce, and other appropriate agencies and departments to train teachers, students, librarians, and State and local government personnel in the use of computer networks and the Internet. Training programs for librarians shall be designed to provide skills and training materials needed by librarians to instruct the public in the use of hardware and software for accessing and using computer networks and the Internet.

(c) REPORT.—The Director of the Office of Science and Technology Policy shall, within 1 year after the date of enactment of this Act, submit a report to Congress which shall include—

(1) findings of an examination of the extent to which the education and library communities and State and local government have access to the Internet, including the numbers and the geographic distribution, by type, of institutions having access;

(2) a statement of the extent to which broadband connections to the Internet exist for the education and library communities and State and local governments, including the numbers and the geographic distribution, by type, of institutions having access;

(3) an assessment of the factors limiting access by schools, libraries, and State and local governments to the Internet and an estimate of the cost of providing universal broadband access for those institutions to the Internet; and

(4) recommendations for collaborative programs among Federal, State, and local governments and the private sector to expand connectivity to the Internet for educational institutions, libraries, and State and local governments.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $10,000,000 for fiscal year 1994 and $25,000,000 for fiscal year 1995.

SEC. 605. APPLICATIONS FOR EDUCATION.

(a) RESPONSIBILITIES OF NATIONAL SCIENCE FOUNDATION AND OTHER AGENCIES.—In accordance with the Plan developed under section 301 of the High-Performance Computing Act of 1991, as added by section 603 of this Act, the National Science Foundation, the Department of Commerce, and other appropriate agencies shall provide for the development of advanced computing and networking technology for use in education at all levels. Such applications shall include but not be limited to the following:

(1) Pilot projects, including support for acquisition of required computer hardware and software, that demonstrate the educational value of the Internet in providing for advances in distance learning and electronic classrooms, facilitating nationwide communication among educators and students, access to databases of information in digital format, and access to innovative curricular materials.

(2) Development, testing, and evaluation of computer systems, computer software, and computer networks for—

(A) teacher training; and

(B) informal education outside of school, including workforce training in mathematics, science, and technology and in specific job-related skills.

(3) Development, testing, and evaluation of advanced educational software and of network-based information resources, including software and information resources to assist students with disabilities.

(b) COOPERATION.—In carrying out activities under subsection (a), the National Science Foundation, the Department of Commerce, and other appropriate agencies shall work with the computer and communications industry, authors and publishers of educational materials, State education departments, local school districts, and the Department of Education, as appropriate.

(c) NATIONAL AERONAUTICS AND SPACE ADMINISTRATION PROJECTS.—The Administrator of the National Aeronautics and Space Administration (hereafter in this section referred to as the "Administrator") shall establish a Computer Technologies for K–12 Education Project (hereafter in this section referred to as the "Project") to test and demonstrate educational applications of advanced computer technologies in K–12 public school systems. The Project shall award, on a competitive basis, grants to plan, deploy, manage, and operate advanced educational applications of computer technologies in K–12 public school systems in the United States in response to proposals requested by the Administrator. Such proposals, at a minimum, shall provide for—

(1) placement and use of advanced computer hardware, software, and networking capabilities to benefit as broad a segment of the relevant public school system as possible;

(2) use of computer technology to provide audio-visual and interactive educational experiences for students and teachers;

(3) incorporation of computer technology in as many phases of the school system curricula as practicable and across all grade levels;

(4) connection of the school system to national, regional, and local computer networks which would enhance the educational capability and effectiveness of the system;

(5) access to national, regional, and local libraries and databases which would improve the educational process and enhance the educational experience within the school system; and

(6) matching non-Federal funds committed to support the proposal amounting to not less than 30 percent of the Federal grant from the Project.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the National Science Foundation for the purposes of subsections (a) and (b) $12,000,000 for fiscal year 1993, $24,000,000 for fiscal year 1994, and $40,000,000 for fiscal year 1995.

(2) There are authorized to be appropriated to the National Aeronautics and Space Administration $8,000,000 for each of the fiscal years 1994 and 1995, to carry out the provisions of subsection (c). No funds shall be awarded under the Project other than through the competitive process established by the Administrator pursuant to this section.

SEC. 606. APPLICATIONS FOR MANUFACTURING.

(a) ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECTS.—In accordance with the Plan developed under section 301 of

the High-Performance Computing Act of 1991, as added by section 603 of this Act, the Institute shall, as provided under section 303 of the Stevenson-Wydler Technology Innovation Act (as added by section 212 of this Act), establish an Advanced Manufacturing Program, including advanced manufacturing systems and networking projects. Activities under the Advanced Manufacturing Program shall, as appropriate, be coordinated with the activities of the Advanced Research Projects Agency, the National Science Foundation, other Federal agencies, and the States to develop, refine, test, and transfer advanced computer-integrated electronically-networked manufacturing technologies and associated applications.

(b) SUPPORT FROM OTHER FEDERAL DEPARTMENTS AND AGENCIES.—The Director may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized under section 502(a) for the Institute's intramural scientific and technical research and services, $24,000,000 for fiscal year 1994 and $40,000,000 for fiscal year 1995 are authorized only for activities under this section.

SEC. 607. APPLICATIONS FOR HEALTH CARE.

(a) DEVELOPMENT OF TECHNOLOGIES BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—In accordance with the Plan developed under section 301 of the High Performance Computing Act of 1991, as added by section 603 of this Act, the Department of Health and Human Services, through the National Institutes of Health, the National Library of Medicine, and the Centers for Disease Control and Prevention, in cooperation with the National Science Foundation and other appropriate agencies, shall develop and support the development of interoperable technologies for applications of high-performance computing and high-speed networking in the health care sector. In such development, emphasis shall be placed initially on applications that can produce significant savings in national health care costs. Such technologies shall, when feasible, build on existing Federal programs for developing information technology applications in the health care sector. Such applications shall include but not be limited to the following:

(1) Testbed networks for linking hospitals, clinics, doctor's offices, medical schools, medical libraries, and universities to enable health care providers and researchers to share medical data and imagery, including testbed projects involving rural providers and others.

(2) Software and visualization technology for visualizing the human anatomy and analyzing imagery from X-rays, CAT scans, PET scans, and other diagnostic tools.

(3) Virtual reality technology for simulating operations and other medical procedures.

(4) Collaborative technology to allow several health care providers in remote locations to provide real-time treatment to patients.

(5) Database technology to provide health care providers with access to relevant medical information and literature.

(6) Database technology for storing, accessing, and transmitting patients' medical records while protecting the accuracy and privacy of those records.

(7) Development, testing, and evaluation of database and network technologies for the storage of consumer-oriented, interactive, multimedia materials for health promotion, and for the distribution of such materials to public access points, such as community health and human service agencies, schools, and public libraries.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Library of Medicine for the purposes of this section, $9,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $50,000,000 for fiscal year 1995.

SEC. 608. APPLICATIONS FOR LIBRARIES.

(a) DIGITAL LIBRARIES.—In accordance with the Plan developed under section 301 of the High-Performance Computing Act of 1991, as added by section 603 of this Act, the National Science Foundation, the National Aeronautics and Space Administration, the Advanced Research Projects Agency, and other appropriate agencies shall develop technologies for "digital libraries" of electronic information. Development of digital libraries shall include the following:

(1) Development of advanced data storage systems capable of storing hundreds of trillions of bits of data and giving thousands of users nearly instantaneous access to that information.

(2) Development of high-speed, highly accurate systems for converting printed text, page images, graphics, and photographic images into electronic form.

(3) Development of database software capable of quickly searching, filtering, and summarizing large volumes of text, imagery, data, and sound.

(4) Encouragement of development and adoption of common standards and, where appropriate, common formats, for electronic data.

(5) Development of computer technology to categorize and organize electronic information in a variety of formats.

(6) Training of database users and librarians in the use of and development of electronic databases.

(7) Development of technology for simplifying the utilization of networked databases distributed around the Nation and around the world.

(8) Development of visualization technology for quickly browsing large volumes of imagery.

(b) DEVELOPMENT OF PROTOTYPES.—The National Science Foundation, working with the supercomputer centers it supports, shall develop prototype digital libraries of scientific data available over the Internet.

(c) ELECTRONIC LIBRARIES IN THE STATES.—The National Science Foundation, in consultation with the Department of Education, the Department of Commerce, the Advanced Research Projects Agency, and the Library of Congress, is authorized to initiate a competitive, merit-based program to support the efforts of States and, as appropriate, libraries to develop electronic libraries. These electronic libraries shall provide delivery of and access to a variety of databases, computer programs and interactive multimedia presentations, including educational materials, research information, statistics and reports developed by Federal, State, and local governments, and other information and informational services which can be carried over the Internet.

(d) DEVELOPMENT OF DATABASES OF REMOTE-SENSING IMAGES.—The National Aeronautics and Space Administration shall develop databases of software and remote-sensing images to be made available over computer networks like the Internet.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the National Science Foundation for the purposes of this section, $10,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $55,000,000 for fiscal year 1995.

(2) There are authorized to be appropriated to the National Aeronautics and Space Administration for the purposes of this section, $10,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, and $30,000,000 for fiscal year 1995.

SEC. 609. APPLICATIONS FOR GOVERNMENT INFORMATION.

(a) IN GENERAL.—In accordance with the Plan developed under section 301 of the High-Performance Computing Act of 1991, as added by section 603 of this Act, the Secretary and, as appropriate, other Federal officials shall identify projects to develop and apply high-performance computing and high-speed networking technologies to provide improved public access to information generated by Federal, State, and local governments.

(b) PROJECTS.—In accordance with subsection (a), projects shall be undertaken which—

(1) connect depository libraries and other sources of government information to the Internet to enable—

(A) access to Federal Government information and databases in electronic formats;

(B) access to State or local government information;

(C) access to related resources which enhance the use of government information; and

(D) linkages with other libraries and institutions to enhance use of government information; and

(2) demonstrate, test, and evaluate technologies to increase access to and facilitate effective use of government information and databases for support of research and education, economic development, and an informed citizenry.

(c) FEDERAL INFORMATION LOCATOR.—In accordance with subsection (a), an information locator system shall be established which is accessible by the public via the Internet and which provides citations to Federal information and guidance on how to obtain such information.

(d) EARTH SCIENCES INFORMATION.—In accordance with the Plan developed under section 301 of the High-Performance Computing Act of 1991, as added by section 603 of this Act, the National Oceanic and Atmospheric Administration and other appropriate agencies shall provide for the development and application of high-performance computing and high-speed networking technology for use in environmental monitoring, prediction, and assessment, including making environmental data and information more readily accessible. Such applications shall include but not be limited to the following:

(1) Development of advanced data acquisition systems for in situ and remotely sensed environmental data that are capable of making these data available to thousands of users.

(2) Development of advanced information systems to process these environmental data, including necessary quality control and interpretation using the most current scientific knowledge, so that the resulting environmental information is reliable, useful, and distributed widely over computer networks such as the National Research and Education Network in a timely manner.

(3) Development of advanced information systems to archive and disseminate this environmental data and information so that it can be readily used for environmental policymaking, research, and operational purposes.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for the purposes of this section, $14,000,000 for fiscal year 1994 and $36,000,000 for fiscal year 1995.

SEC. 610. HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.

Section 101(b) of the High-Performance Computing Act of 1991 (15 U.S.C. 5511(b)) is amended to read as follows:

"(b) HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.—The Director shall establish an advisory committee on high-performance computing and applications consisting of non-Federal members, including representatives of the research, elementary and secondary education, higher education, and library communities, consumer and public interest groups, network providers, and the computer, telecommunications, and information and publishing industries, who are specially qualified to provide the Director with advice and information on high-performance computing and on applications of computing and networking. The recommendations of the advisory committee shall be considered in reviewing and revising the Program, and the Plan required by section 301(2). The advisory committee shall provide the Director with an independent assessment of—

"(1) progress in implementing the Program and the Plan;

"(2) the need to revise the Program and the Plan;

"(3) the balance between the components of the activities undertaken pursuant to this Act;

"(4) whether the research, development, and demonstration projects undertaken pursuant to this Act are helping to maintain United States leadership in computing and networking technologies and in the application of those technologies;

"(5) whether the applications developed under title III are successfully addressing the needs of the targeted populations, including assessment of the number of users served by those applications; and

"(6) other issues identified by the Director.".

SEC. 611. NATIONAL RESEARCH AND EDUCATION NETWORK AMENDMENTS.

Section 102 of the High-Performance Computing Act of 1991 (15 U.S.C. 5512) is amended to read as follows:

"SEC. 102. NATIONAL RESEARCH AND EDUCATION NETWORK PROGRAM.

"(a) ESTABLISHMENT.—As part of the Program described in section 101, the National Science Foundation, the Department of Defense, the Department of Energy, the Department of Commerce, the National Aeronautics and Space Administration, and other agencies participating in the Program shall support the establishment of the National Research and Education Network Program. The Network Program shall consist of the following components:

"(1) Research and development of broadband networking software and hardware.

"(2) Experimental test bed networks for—

"(A) developing and demonstrating advanced networking technologies resulting from the activities described in paragraph (1); and

"(B) providing connections for purposes consistent with this Act which require levels of network capabilities not available from commercial networks operated by the private sector.

"(3) Provision of support directly to researchers, educators, and students to obtain access to and use of the Internet to allow for communication with other individuals in the research and education communities and to allow for access to high-performance computing systems, electronic information resources, other research facilities, and libraries.

"(b) TEST BED NETWORK CHARACTERISTICS.—The test bed networks shall—

"(1) be developed and deployed in coordination with the computer, telecommunications, and information industries;

"(2) be designed, developed, and operated in collaboration with potential users in government, industry, and research institutions and educational institutions;

"(3) be designed, developed, and operated in a manner which fosters and maintains competition and private sector investment in high-speed data networking within the telecommunications industry;

"(4) be designed and operated in a manner which promotes and encourages research and development leading to the creation of commercial data transmission standards, enabling the establishment of privately developed high-speed commercial networks;

"(5) support enough sites, users, and applications to provide a realistic test of new networking technologies;

"(6) be designed and operated so as to enable the application of laws that provide network and information resources security, including those that protect copyright and other intellectual property rights, and those that control access to databases and protect national security;

"(7) have accounting mechanisms which allow users or groups of users to be charged for their usage of copyrighted materials available over the test bed networks and, where appropriate and technically feasible, for their usage of the test bed networks;

"(8) be connected to and interoperable with Federal and non-Federal computer networks, to the extent appropriate, in a way that allows autonomy for each component network; and

"(9) be developed by purchasing standard commercial transmission and network services from vendors whenever feasible, and by contracting for customized services when not feasible, in order to minimize Federal investment in network hardware.

"(c) NETWORK ACCESS.—The Federal agencies and departments participating in activities under this section shall develop a plan with specific goals for implementing the requirements of subsection (a)(3), including provision for financial assistance to educational institutions, public libraries, and other appropriate entities. This plan shall be submitted to the Congress not later than one year after the date of enactment of the Information Technology Applications Program Act of 1993.

"(d) RESTRICTION ON USE OF TEST BED NETWORKS.—(1) The test bed networks shall not be used to provide commercial network services that are not related to experimental activity conducted under this section and that could otherwise be provided satisfactorily by using commercially available network services.

"(2) This subsection shall take effect 18 months after the date of enactment of the Information Technology Applications Program Act of 1993.

"(e) ADVANCED RESEARCH PROJECTS AGENCY RESPONSIBILITY.—As part of the Program, the Department of Defense, through the Advanced Research Projects Agency, shall support research and development of advanced fiber optics technology, switches, and protocols needed to develop the Network Program.

"(f) INFORMATION SERVICES.—The Director shall assist the President in coordinating the activities of appropriate agencies and departments to promote the development of information services that could be provided over the Internet consistent with the purposes of this Act. These services may include the provision of directories of the users and services on computer networks, databases of unclassified Federal scientific data, training of users of databases and computer networks, and technology to support computer-based collaboration that allows researchers and educators around the Nation to share information and instrumentation.

"(g) USE OF GRANT FUNDS.—All Federal agencies and departments are authorized to allow recipients of Federal research grants to use grant moneys to pay for computer networking expenses.".

SEC. 612. CONFORMING AMENDMENTS.

The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended—

(1) in section 3(1), by amending subparagraph (A) to read as follows:

"(A) accelerate the creation of a universally accessible broadband telecommunications network for the Nation;";

(2) in section 4(4), by inserting immediately before the semicolon the following: ", which consists of that portion of the Internet which receives direct Federal subsidy"; and

(3) in section 101(a)(2), by striking "and" at the end of subparagraph (H); by striking the period at the end of subparagraph (I) and inserting in lieu thereof "; and"; and by adding at the end the following new subparagraph:

"(J) not provide for the building, ownership, or operation of data communications networks by the Federal Government, or any State or local government, or any agency or instrumentality thereof, unless such networks are either (i) test bed networks or (ii) networks operated for government mission purposes, including military purposes.".

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I am authorized by the Committee on Commerce, Science, and Transportation to offer a modification to the committee amendment in the nature of a substitute to S. 4. I offer this modification and send it to the desk.

The PRESIDING OFFICER. The Senator has a right to modify the amendment if authorized by the committee, and the amendment is so modified.

The amendment as modified is as follows:

In lieu of the matter proposed to be inserted, insert the following:

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Competitiveness Act of 1994".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title and table of contents.
Sec. 102. Findings.
Sec. 103. Purposes.
Sec. 104. Definitions.

TITLE II—MANUFACTURING

Sec. 201. Short title.

Subtitle A—Manufacturing Technology and Extension

Sec. 211. Manufacturing amendments to the Stevenson-Wydler Technology Innovation Act.

Sec. 212. Manufacturing amendments to the National Institute of Standards and Technology Act.
Sec. 213. Additional amendments to the Stevenson-Wydler Technology Innovation Act.
Sec. 214. Manufacturing technology centers.
Sec. 215. State Technology Extension Program.
Sec. 216. Report on options for accelerating the adoption of new manufacturing equipment.

Subtitle B—National Science Foundation Manufacturing Programs

Sec. 221. National Science Foundation manufacturing programs.

TITLE III—CRITICAL TECHNOLOGIES

Sec. 301. Development of plan for Advanced Technology Program.
Sec. 302. Large scale research and development consortia.
Sec. 303. Technical amendments.
Sec. 304. Technology monitoring and competitiveness assessment.
Sec. 305. Recoupment.
Sec. 306. Technology financing pilot program.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

Sec. 401. Department of Commerce Technology Advisory Board.
Sec. 402. International standarization.
Sec. 403. Malcolm Baldrige award amendments.
Sec. 404. Cooperative research and development agreements.
Sec. 405. Program evaluations.
Sec. 406. Study of semiconductor lithography technologies.
Sec. 407. Clearinghouse on State and Local Initiatives.
Sec. 408. Wind engineering research program.
Sec. 409. Environmentally sensitive construction technologies.
Sec. 410. American workforce quality.
Sec. 411. Severability.
Sec. 412. Use of domestic products.
Sec. 413. Personnel.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. Technology Administration.
Sec. 502. National Institute of Standards and Technology.
Sec. 503. Additional activities of the Technology Administration.
Sec. 504. National Science Foundation.
Sec. 505. Availability of appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS

Sec. 601. Short title.
Sec. 602. Findings and purpose.
Sec. 603. Information technology applications.
Sec. 604. Applications for education and libraries.
Sec. 605. Applications in manufacturing and information.
Sec. 606. Applications in energy and other areas.
Sec. 607. Applications for health care; access to networks.
Sec. 608. High-Performance Computing and Applications Advisory Committee.
Sec. 609. National Research and Education Network Program.
Sec. 610. Support computer education programs.
Sec. 611. Support for State-based digital libraries.
Sec. 612. Support for computing activities at tribal colleges.
Sec. 613. Department of Education support for computer education programs.

TITLE VII—FASTENER QUALITY ACT AMENDMENTS

Sec. 701. Fastener Quality Act amendments.

SEC. 102. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations which lead in the rapid development, adoption, and application of new technologies, and in the low-priced, high-quality manufacture of products based on those technologies, will lead in economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done as well as it should in manufacturing new products based on these innovations. This lag and the unprecedented competitive challenge that the Nation has faced from abroad have contributed to a drop in real wages, living standards, and employment opportunities.

(3) There is general agreement on which fields of technology are critical for economic competitiveness through the first decade of the next century, but the United States Government must pursue a comprehensive strategy to ensure that the appropriate research, development, and applications activities and other reforms occur so these technologies are readily available to United States manufacturers for incorporation into products made in the United States.

(4) Maintaining a highly competitive manufacturing base in the United States is essential for economic prosperity and national welfare and requires continuous development and adoption of advanced manufacturing technologies that will enable United States manufacturers to develop innovative products rapidly and manufacture goods of the highest quality at competitive prices.

(5) While the private sector must take the lead in the development, application, and manufacture of new technologies, the Federal Government should—

(A) assist industry in the development of high-risk, long-term precommercial technologies which promise large economic benefits for the Nation;

(B) support industry-led efforts to develop and refine advanced manufacturing technologies, including technologies which improve productivity and quality and which build upon and enhance employee skills;

(C) work with States, the private sector, worker organizations, and technical and professional societies to help small- and medium-sized manufacturers throughout the Nation to adopt best current manufacturing technologies and practices, to improve worker skills, to establish high-performance work organizations, and to prepare, as appropriate, to adopt the advanced computer-controlled manufacturing technologies of the twenty-first century; and

(D) cooperate with industry and academia to help create an advanced information infrastructure for the United States.

(6) In working with industry to promote the technological leadership and economic growth of the United States, the Federal Government also has a responsibility to consult with business and labor leaders on industry's long-term technological and skill needs, to monitor technological trends, production process trends, and technology targeting efforts in other nations, and generally to ensure that Federal technology and industrial modernization programs help United States industry to remain competitive and create good domestic jobs.

(7) Technology-based products of the twenty-first century should be developed incorporating the values of sustainable development, including low material use, safety, recyclability, and minimal pollution.

(8) The Department of Commerce, and particularly its Technology Administration and National Institute of Standards and Technology, can effectively assist industry to speed the development and utilization of new technologies, improve and modernize manufacturing, adopt new methods of production, and ensure a growing and healthy national industrial base and good manufacturing jobs. To promote the long-term economic growth of the Nation, these Department of Commerce programs should be strengthened and expanded.

SEC. 103. PURPOSES.

The purposes of this Act are to—

(1) strengthen and expand the ability of Federal technology programs, particularly those of the Department of Commerce, to support industry-led and State-supported efforts to improve the technological capabilities, manufacturing performance, information infrastructure, and employment opportunities of the United States.

(2) promote and facilitate, particularly through the Advanced Technology Program of the Department of Commerce, the creation, development, and adoption of technologies that will contribute significantly to United States economic competitiveness, employment, high quality jobs, and prosperity;

(3) develop a nationwide network of sources of technological and industrial modernization advice for manufacturers, particularly small and medium-sized firms, and provide high quality, current information to that network;

(4) encourage cooperation among Federal departments and agencies to help companies, managers, and workers, in a coordinated fashion, to take full advantage of advanced manufacturing technologies, to improve productivity and quality, and adopt advanced workplace practices which successfully integrate technology and employees;

(5) stimulate the flow of capital to business concerns engaged principally in development or utilization of critical technologies and other manufacturing technologies;

(6) ensure the widest possible application of high-performance computing and high-speed networking and aid United States industry to develop an advanced national information infrastructure; and

(7) enhance and expand the core programs of the National Institute of Standards and Technology.

SEC. 104. DEFINITIONS.

For purposes of this Act—

(1) the terms "advanced manufacturing technology", "advanced workplace practices", "modern technology", and "sustainable economic growth" have the meanings given such terms, respectively, in section 4 of the Stevenson-Wydler Technology Innovation Act of 1980, as amended by section 211(b) of this Act;

(2) the term "critical technologies" means technologies identified as critical technologies pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(3) the term "Director" means the Director of the Institute;

(4) the term "Institute" means the National Institute of Standards and Technology;

(5) the term "Secretary" means the Secretary of Commerce;

(6) the term "small business" has the meaning given such term in the Small Business Act;

(7) the term "source reduction" has the meaning given that term in section 6603 of the Pollution Prevention Act of 1990 (42 U.S.C. 13102);

(8) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States;

(9) the term "Under Secretary" means the Under Secretary of Commerce for Technology; and

(10) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

TITLE II—MANUFACTURING

SEC. 201. SHORT TITLE.

This title may be cited as the "Manufacturing Technology and Extension Act of 1994".

Subtitle A—Manuafacturing Technology and Extension

SEC. 211. MANUFACTURING AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

(a) AMENDMENTS.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), as amended by section 213 of this Act, is further amended by adding after section 101 (as so redesignated by section 213 of this Act) the following new sections:

"SEC. 102. MANUFACTURING TECHNOLOGY.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce shall work with manufacturers in the United States and labor to ensure that within 10 years of the date of enactment of the National Competitiveness Act of 1994 the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technologies;

"(2) all the major Federal research and development agencies shall place a high priority on the development and deployment of skill-based and advanced manufacturing technologies, and shall work closely with manufacturers in the United States and labor and with the Nation's universities to develop and test those technologies; and

"(3) since the development of new skills in the existing and entry workforce, and the development of new organizational and managerial approaches, are integral parts of successfully deploying advanced manufacturing technologies and related technologies, advanced workplace practices should be developed and deployed simultaneously and in a coordinated fashion with the development and deployment of advanced manufacturing technologies.

"(b) ROLE OF THE DEPARTMENT OF COMMERCE.—The Department of Commerce, consistent with the policy declared in subsection (a), shall have primary responsibility in the Federal Government for commercial and industrial civilian technology and shall—

"(1) through the activities of the Technology Administration, the Institute's laboratories, and the Advanced Technology Program created under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), work with manufacturers in the United States and labor and, as appropriate, with other Federal departments and agencies to help develop new generic advanced manufacturing technologies, including technologies which build upon and enhance employee skills and technologies which facilitate flexibility, agility, and electronic integration in manufacturing enterprises;

"(2) through the Manufacturing Extension Partnership established under section 24 of the National Institute of Standards and Technology Act and through other activities of the Department, assist the States and the private sector to help manufacturers in the United States, especially small and medium-sized manufacturing enterprises, to adopt modern technologies and advanced workplace practices and, as appropriate, advanced manufacturing technologies and equipment;

"(3) work with the private sector, other Federal departments and agencies, State and local governments, and educational institutions to—

"(A) help develop advanced workplace practices, improved supplier-customer relations, manufacturing modernization and investment justification strategies, and other steps which would accelerate the development, deployment, and use of advanced manufacturing technologies by United States companies; and

"(B) evaluate foreign programs to modernize manufacturing;

"(4) have primary responsibility in the Federal Government in working with industry and labor and the States to develop advanced manufacturing technologies and to promote and assist the adoption and use of modern technologies, advanced manufacturing technologies, and management techniques throughout the United States; and

"(5) through the Under Secretary, develop measurements and coordinate with appropriate Federal agencies to ensure that Federal research and development expenditures are linked to the economic needs of industry and the promotion of economic growth.

"SEC. 103. MANUFACTURING ADVISORY COMMITTEE.

"(a) ESTABLISHMENT.—Subject to subsection (d), the Secretary shall establish a Manufacturing Advisory Committee (in this section referred to as the 'Committee'), which shall be chaired by the Secretary and which shall provide advice to the Secretary and, as appropriate, to other Federal officials.

"(b) FUNCTIONS.—The Committee shall—

"(1) collect and analyze information on the range of factors which determine the success of United States-based manufacturing industries, and particularly factors regarding the development of advanced manufacturing technologies, the deployment of modern technologies, and the application of advanced workplace practices;

"(2) identify areas where appropriate cooperation between the Federal Government and industry and labor, including Government support for industry-led joint research and development ventures and for manufacturing extension activities, would enhance United States industrial competiveness, and provide advice and guidance for such cooperative efforts;

"(3) provide guidance on what Federal policies and practices are necessary to strengthen United States-based manufacturing, particularly Federal policies and practices regarding research budgets, interagency coordination and initiatives, and technology transfer; and

"(4) generally develop recommendations for guiding Federal agency and interagency activities related to United States-based manufacturing.

"(c) MEMBERSHIP AND PROCEDURES.—(1) The Committee shall be composed of 16 members, of whom—

"(A) 6 members shall be the Secretary, the Director of the Office of Science and Technology Policy, the Secretary of Defense, the Secretary of Energy, the Secretary of Labor, and the Director of the National Science Foundation, or their designees; and

"(B) 10 members shall, within 120 days after the date of enactment of the National Competitiveness Act of 1994, be appointed by the Secretary from the private manufacturing industry, worker organizations, technical and professional societies, State technology agencies, and academia.

At least two of the members appointed under subparagraph (B) shall be from small business.

"(2) The Secretary shall call the first meeting of the Committee within 30 days after the appointment of members is completed.

"(3) The Committee may use such personnel detailed from Federal agencies as may be necessary to enable it to perform its functions.

"(4) Nine members of the Committee shall constitute a quorum for the transaction of business.

"(5) Members of the Committee other than full-time employees of the Federal Government, while attending meetings of the Committee or otherwise performing duties of the Committee while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

"(6) The Committee, as appropriate, shall work with the Department of Commerce Technology Advisory Board and with other appropriate Federal advisory mechanisms to ensure integrated Federal-private consideration of technology and manufacturing policies and programs.

"(d) SECRETARIAL DISCRETION.—Notwithstanding any other provision of this section, the Secretary shall have the discretion of decide whether to establish the Committee or create a more cost-effective way to achieve the goal of closer cooperation with industry. If the Secretary exercises such discretion and establishes an alternative mechanism, the Under Secretary shall make an effort to ensure the participation of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) in the alternative mechanism.".

(b) ADDITIONAL DEFINITIONS.—Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Advanced manufacturing technology' means—

"(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production of goods, including biotechnology products, which advance the state-of-the-art; or

"(B) novel manufacturing techniques and processes not previously generally available that improve manufacturing quality, productivity, that practices, including engineering design, quality assurance, concurrent engi-

neering, continuous process production technology, inventory management, upgraded worker skills, communications with customers and suppliers, and promotion of sustainable economic growth.

"(15) 'Modern technology' means the best available proven technology, techniques, and processes appropriate to enhancing the productivity of manufacturers or to promoting sustainable economic growth.

"(16) 'Advanced workplace practices' means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relations between suppliers and customers, widely diffused decision-making and work teams, and effective integration of production technology, worker skills and training, and workplace organization.

"(17) 'Sustainable economic growth' means economic growth that enhances the national quality of life and preserves environmental integrity.".

SEC. 212. MANUFACTURING AMENDMENTS TO THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.

(a) NATIONAL QUALITY LABORATORY; MANUFACTURING EXTENSION PARTNERSHIP.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(1) by redesignating sections 29 through 31 as sections 31 through 33, respectively;

(2) by redesignating sections 23 and 24 as sections 29 and 30, respectively; and

(3) by inserting after section 22 the following new sections:

"NATIONAL QUALITY LABORATORY

"SEC. 23. A National Quality Laboratory is established within the Institute, the purpose of which is to perform research and outreach activities to assist private sector quality efforts and to serve as a mechanism by which companies in the United States, universities and other interested parties, and the Institute and work together to advance quality management programs and to share and, a appropriate, develop manufacturing best practices.

"MANUFACTURING EXTENSION PARTNERSHIP

"SEC. 24. (a) There is established within the Institute a Manufacturing Extension Partnership (in this section referred to as the 'Partnership'). The Secretary, acting through the Under Secretary and the Director, shall implement and coordinate the Partnership in accordance with the initial and 5-year plans prepared under subsection (h). The purpose of the Partnership is to link electronically and strengthen the Nation's manufacturing extension centers and activities in order to assist manufacturers in the United States, especially small- and medium-sized companies, to extend and accelerate the use of modern technologies, and to accelerate the development and use of advanced manufacturing technologies and advanced workplace practices.

"(b) The Partnership shall be a cooperative effort of the Department of Commerce, the States, manufacturers in the United States, labor, nonprofit organizations, and, as appropriate, other Federal agencies to provide a national system of manufacturing extension centers and technical services to United States companies, particularly small- and medium-sized manufacturers. The Partnership shall include—

"(1) Manufacturing Outreach Centers, as authorized under subsection (c);

"(2) Regional Centers for the Transfer of Manufacturing Technology and Local Manufacturing Offices, as established under section 25, and the State Technology Extension Program, as established under section 26;

"(3) The outreach network provided for under subsection (d) and the clearinghouse system developed under subsection (e); and

"(4) such technology and manufacturing extension centers supported by other Federal departments and agencies, States, industry, and nonprofit organizations as the Secretary considers appropriate for inclusion in the Partnership

"(c)(1) Government and private sector organizations, actively engaged in technology or manufacturing extension activities, may apply to the Secretary to be designated as Manufacturing Outreach Centers. Eligible organizations may include Federal, State, and local government agencies, their extension programs, and their laboratories; small business development centers; and appropriate programs run by professional and technical societies worker organizations, industrial organizations, for-profit or nonprofit organizations, community development organizations, State universities and other universities, community colleges, and technical schools and colleges, including, where appropriate, vendor-supported demonstrations of production applications.

"(2) The purpose of such Manufacturing Outreach Centers shall be to—

"(A) disseminate technical and information services to manufacturers in the United States, particularly small-and medium-sized companies; and

"(B) strengthen direct assistance to small- and medium-sized manufacturers in the United States to expand and accelerate the use of modern technologies and advanced workplace practices.

"(3) The Secretary shall establish terms and conditions of participation in a Manufacturing Outreach Center, including qualifications of start-up programs as Manufacturing Outreach Centers, and may provide financial assistance, on a cost-shared basis and through competitive, merit-based review processes, to nonprofit or government participants throughout the United States to enable them to establish a Manufacturing Outreach Center.

"(4) Any Regional Center for the Transfer of Manufacturing Technology may apply to the Secretary to establish a Manufacturing Outreach Center, managed by or in cooperation with such Regional Center, if the Manufacturing Outreach Center would be located outside and would primarily serve an area outside the effective service area of such Regional Center. Funding for the establishment and management of such Manufacturing Outreach Center may be awarded to such Regional Center under this subsection, notwithstanding the restrictions of paragraph (6).

"(5) If a State plan for technology extension exists in a State where an applicant for financial assistance under this subsection is operating or plans to operate, the applicant shall demonstrate in its application that its proposal is compatible with such State plan.

"(6) If a Manufacturing Outreach Center is in or near a State which has a Regional Center for the Transfer of Manufacturing Technology, the Director shall, as appropriate, encourage the Manufacturing Outreach Center to cooperate with the Regional Center in coordinating its proposals and ongoing programs to serve manufacturers in the region. Manufacturing Outreach Centers may not concurrently be designated as Regional Centers for the Transfer of Manufacturing Technology under section 25.

"(7) Financial assistance may be awarded under this subsection for an initial period not to exceed 3 years and may, subject to successful evaluation by the institute, be renewed for additional periods, not to exceed 3 years each. Such assistance may not at any time exceed 50 percent of the operating costs and other costs of the Manufacturing Outreach Center, as defined by regulation.

"(d)(1) The Department of Commerce shall provide for an instantaneous, interactive electronic communications network (in this section referred to as the 'outreach network') to serve the Partnership, to facilitate effective and efficient interaction within it, and to permit the collection and dissemination in electronic form, in a timely and accurate manner, of information described in subsection (e). The outreach network shall, wherever practicable, make use of existing public and private computer networks, data bases, and electronic bulletin boards. The design, configuration, acquisition plan, and operating policies, including user fees and appropriate electronic access for public and private information suppliers and users, of the outreach network shall be included in the 5-year plan prepared under subsection (h)(2).

"(2) Except as provided in this section, the outreach network established under paragraph (1) shall be designed and configured in a manner that will enable interoperability with networks and technologies developed under the National High-Performance Computing Program described in section 101 of the High-Performance Computing Act of 1991 (15 U.S.C. 5511). The Secretary shall also, as appropriate, coordinate activities under this subsection with the relevant activities of other Federal agencies, particularly the agile manufacturing/enterprise integration activities of the Department of Defense.

"(e)(1) The Secretary, acting through the Under Secretary, shall develop a clearinghouse system, using appropriate components of the Technology Administration and other public and private sector information providers and carriers, where appropriate, to—

"(A) identify expertise and acquire information, appropriate to the purpose of the Partnership stated in subsection (a), from all available Federal sources, and where appropriate from other sources, providing assistance where necessary in making such information electronically available and compatible with the outreach network established under subsection (d);

"(B) ensure ready access by manufacturers, governmental agencies, and nonprofit organizations in the United States to the most recent relevant available such information and expertise;

"(C) ensure that common standards of interconnection are utilized by the outreach network and the clearinghouse to allow maximum interoperability and usership; and

"(D) to the extent practicable, inform potential users of the availability of such information.

"(2) The clearinghouse shall include information available electronically regarding—

"(A) activities of Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, the State Technology Extension Program, and the users of the outreach network;

"(B) domestic and international standards from the Institute and private sector organizations and other export promotion information, including conformity assessment requirements and procedures;

"(C) the Malcolm Baldridge National Quality Award program, and quality principles and standards;

"(D) manufacturing processes that minimize waste and negative environmental impact;

"(E) advanced workplace practices;

"(F) federally funded technology development and transfer programs;

"(G) responsibilities assigned to the Clearinghouse for State and Local Initiatives on Productivity, Technology, and Innovation;

"(H) how to access data bases and services;

"(I) skills training, particularly for production workers, that is available through trade and professional organizations, federally supported programs, State resources, private industry, or other organizations; and

"(J) other subjects relevant to the ability of companies to manufacture and sell competitive products throughout the world.

"(f) In carrying out this section, the Department of Commerce shall take into consideration on the following principles:

"(1) The Partnership and the outreach network provided for under subsection (d) shall be established and operated through cooperation and co-funding among Federal, State, and local governments, other public and private contributors, and end users.

"(2) The Partnership and the outreach network shall utilize and leverage, to the extent practicable, existing organizations, data bases, electronic networks, facilities, and capabilities, and shall be designed to complement rather than supplant State and local programs.

"(3) The Partnership should, to the extent practicable, involve key stakeholders at all levels in the planning and governance of modernization strategies; concentrate on assisting local clusters of firms; assist rural as well as urban manufacturers; promote collaborative learning and cooperative action among manufacturers; link industrial modernization programs tightly to existing and future Federal training initiatives, including those for youth apprenticeship programs and for assisting other workers; encourage small firms to seek modernization services by working with major manufacturers; encourage small firms, as appropriate, to select manufacturing equipment and practices which build upon and expand the skills of their employees; identify and honor best practices by firms and the programs that support them, including both technology and workplace practices; provide funding based on performance and ensure rigorous evaluation of extension services; as appropriate, coordinate Federal programs that support manufacturing modernization; work with Federal, State, local, and private organizations so that Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology can provide referrals to other important business services, such as assistance with financing, training, and exporting, and contribute to local business climates supportive of high-performance manufacturing.

"(4) The Partnership and the outreach network provided for under subsection (d) shall be subject to all applicable provisions of law for the protection of trade secrets and business confidential information.

"(5) Local or regional needs should determine the management structure and staffing of the Manufacturing Outreach Centers. The Partnership shall strive for geographical balance and for balance between urban and rural recipients, with the ultimate goal of access for all United States manufacturers.

"(6) Manufacturing Outreach Centers should have the capability to deliver outreach services directly to manufacturers; actively work with, rather than supplant, the private sector; help firms assess needs regarding technology, workplace practices, and training; and to the extent practicable, maximize the exposure of United States manufacturers to demonstrations of modern technologies in use.

"(7) Manufacturing Outreach Centers shall focus, where possible, on the deployment of flexible manufacturing technologies and practices applicable to both defense and commercial applications and on opportunities to modernize operations in ways which improve productivity, reduce waste and pollution, and increase energy efficiency.

"(8) The Department of Commerce shall develop mechanisms for—

"(A) soliciting the perspectives of manufacturers using the services of the Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology;

"(B) assisting in the training of technology extension agents and in helping them disseminate information on modern manufacturing technologies, including technologies for source reduction, and advance workplace practices; and

"(C) rigorously evaluating the effectiveness of the Manufacturing Outreach Centers and other components of the Partnership.

"(9) This Act does not supersede, modify, or otherwise alter the rights and obligations of employers, employees, and labor organizations as set forth in the National Labor Relations Act and the Railway Labor Act or in any collective bargaining agreement entered into by parties covered by those Acts.

"(g)(1) The Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers shall, as appropriate, make available source reduction and energy conservation assessments to interested manufacturers in the United States. These assessments shall assist such interested manufacturers in identifying opportunities for energy conservation and source reduction, and thus reduce operating costs, through either improvement in manufacturing processes or the purchase of new equipment.

"(2) The Secretary is authorized to work with other appropriate Federal officials and other parties to provide employees of Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers with the training needed to carry out the assessments specified in paragraph (1).

"(h)(1) Within 6 months after the date of enactment of the National Competitiveness Act of 1994, the Secretary, through the Under Secretary and Director and after consulting with the private sector, shall submit an initial plan for the implementation of this section to Congress—

"(A) describing how the Secretary will carry out the responsibility to create, operate, and support the Partnership and the outreach network;

"(B) establishing criteria and procedures, consistent with the requirements of this section, for—

"(i) the selection of organizations to receive Department of Commerce services or financial assistance as part of the Partnership, including qualifications and training of technology extension agents;

"(ii) access to services provided by participants in the Partnership and to information available through the outreach network servicing the Partnership; and

"(iii) the annual evaluation of the Partnership in achieving the purposes of this section; and

"(C) evaluating the need for and the benefits of a National Conference of States on Technology Extension, similar in structure to the National Conference on Weights and Measures, and, if the Secretary determines that such a Conference is advisable, developing, in consultation with the States and other interested parties, a plan for the establishment, operation, funding, and evaluation of such a Conference.

"(2)(A) within 1 year after the date of enactment of the National Competitiveness Act of 1994, the Secretary, through the Under Secretary and Director, shall prepare and submit to the Congress a 5-year plan for implementing the Partnership and the outreach network and clearinghouse established under subsections (d) and (e), respectively, of this section.

"(B) Such 5-year plan shall address—

"(i) effective mechanisms for providing operating funds for the maintenance and use of the outreach network established under subsection (d), including user fees, industry support, and continued Federal investment;

"(ii) the future operation and evolution of the outreach network, including its relationship with other public or private information services;

"(iii) how to protect the copyrights of material distributed over the outreach network; and

"(iv) appropriate policies to ensure the security of proprietary information that might be available on the outreach network and to protect the privacy of users of the outreach network.

"(C) Such 5-year plan shall identify appropriate methods for expanding the Partnership in a geographically balanced manner. Such 5-year plan shall include a detailed implementation plan and cost estimates and shall take into consideration and build on the report submitted under paragraph (1). In the preparation of such 5-year plan, the Secretary shall provide an opportunity for public comment, and the plan submitted to Congress shall include a summary of comments received. Any new types of activities proposed by such plan may not be implemented until 90 days after its submission to the Congress.

"(3) Beginning with the first year after submission of the 5-year plan under paragraph (2), the Secretary shall annually report to the Congress, at the time of the President's annual budget request to Congress, on—

"(A) progress made in achieving the purposes of the Partnership described in subsection (a), using criteria and procedures established under paragraph (1)(B)(iii) of this subsection;

"(B) changes proposed to the 5-year plan;

"(C) performance in adhering to schedules; and

"(D) any recommendations for legislative changes necessary to enhance the Partnership.

The report under this paragraph submitted at the end of the fourth year of operation of the Partnership shall include recommendations on whether to terminate the Partnership or extend it for an additional period not to exceed 5 years.".

(b) DEFINITIONS.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended by inserting after section 1 the following new section:

"SEC. 1A. As used in this Act—

"(1) the terms 'advanced manufacturing technology', 'modern technology', 'advanced workplace practices', and 'sustainable economic growth' have the meanings given such

terms in section 4 of the Stevenson Wydler Technology Innovation Act;

"(2) the term 'independent research organizations' means nonprofit organizations organized primarily for the purpose of conducting or managing research activities;

"(3) the term 'source reduction' has the meaning given that term in section 6603 of the Pollution Prevention Act of 1990 (42 U.S.C. 13102);

"(4) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States; and

"(5) the term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.".

SEC. 213. ADDITIONAL AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating section 5 as section 101;

(3) by redesignating sections 6 through 10 as sections 105 through 109, respectively;

(4) by striking section 21;

(5) by redesignating sections 16, 17, 18, 19, 20, and 22 as sections 110 through 115, respectively;

(6) by inserting after section 115 (as redesignated by paragraph (5) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(7) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(8) by redesignating section 23 as section 206;

(9) in section 4—

(A) by striking "section 5" and inserting in lieu thereof "section 101";

(B) by striking "section 5(b)(1)" and inserting in lieu thereof "section 101(b)(1)";

(C) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 105" and "section 107", respectively; and

(D) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 105";

(10) in section 108 (as redesignated by paragraph (3) of this subsection) by striking "section 6(a)" and inserting in lieu thereof "section 106(a)"; by striking "section 6(b)" and inserting in lieu thereof "section 106(b)"; and by striking "section 6(c)(3)" and inserting in lieu thereof "section 106(c)(3)";

(11) in section 109(d) (as redesignated by paragraph (2) of this subsection) by striking "section 7, 9, 11, 15, 17, or 20 of";

(12) in section 201(i) (as redesignated by paragraph (7) of this subsection) by inserting "loan, lease, or" after "may"; and by inserting "Actions taken under this subsection shall not be subject to Federal requirements on the disposal of property." after "activities.";

(13) in section 202(b) (as redesignated by paragraph (7) of this subsection) by striking "section 14(a)(1)(B) (i), (ii), and (iv)" and inserting in lieu thereof "section 204(a)(1)(B) (i), (ii), and (iv)";

(14) in section 204(a)(1) (as redesignated by paragraph (7) of this subsection) by striking "section 12" and inserting in lieu thereof "section 202";

(15) in section 115 (as redesignated by paragraph (5) of this subsection) by striking "Act (other than sections 11, 12, and 13)" and inserting in lieu thereof "title";

(16) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 12(d)(2)" in the introductory matter of subsection (a) and inserting in lieu thereof "section 202(d)(2)";

(B) by striking "section 11(b)" in subsection (a)(2) and inserting in lieu thereof "section 201(b)"; and

(C) by striking "section 6(d)" in subsection (b) and inserting in lieu thereof "section 105(d)";

(17) in section 112 (as redesignated by paragraph (5) of this subsection)—

(A) in the section heading, by striking "CONFERENCE" and inserting in lieu thereof "CONFERENCES";

(B) by striking "Not later than" through "shall convene a conference" and inserting in lieu thereof "The Secretary, through the Under Secretary, in consultation with other appropriate officials, may convene conferences"; and

(C) by striking "such conference shall" and in insert in lieu thereof "any such conferences shall, whenever appropriate,";

(18) by adding at the end of section 201 (as redesignated by paragraph (7) of this subsection) the following new subsection:

"(j) ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.—In addition to the technology transfer mechanisms set forth in this section and section 202, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense."; and

(19) in section 101(c) (as redesignated by paragraph (2) of this subsection)—

(A) by striking "and" at the end of paragraph (14);

(B) by striking the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(16) engage in joint projects with any person or persons on matters within the authority of the Department of Commerce, accept temporary personnel from industrial partners, and receive cash donations in the course of such joint projects, and in conjunction with the planning and operation of such joint projects hold private meetings of matters of mutual interest with groups of interested persons, in order to protect sensitive information about United States industry and to ensure industry participation in such joint projects.".

SEC. 214. MANUFACTURING TECHNOLOGY CENTERS.

(a) AMENDMENTS.—(1) Section 25(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(a)) is amended by striking "and" at the end of paragraph (4); by striking the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and by inserting after paragraph (5) the following new paragraphs:

"(6) the active dissemination of information on advanced workplace practices and available education and training programs, and the encouragement of companies to train workers in the effective use of modern technologies and advanced manufacturing technologies; and

"(7) demonstration projects in which Centers work with States, local governments, community development organizations, worker and business organizations, and community banks to create a business climate supportive of high-performance manufacturing.".

(2) Section 25(b) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(b)) is amended by striking "and" at the end of paragraph (2); by redesignating paragraph (3) as paragraph (4); and by inserting after paragraph (2) the following new paragraph:

"(3) assessments of client companies' modernization needs, assistance in implementing quality processes, advice on pollution minimization and source reduction, and, where needed, cooperation with training institutions to ensure that employees, particularly production workers, receive training in the most effective use of modern technologies and advanced workplace practices; and".

(3) Section 25(c) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(c)) is amended—

(A) in paragraph (1) by striking "for a period not to exceed six years"; and

(B) in paragraph (5) by striking "which are designed" and all that follows through the period at the end of the paragraph and inserting in lieu thereof "to a maximum of one-third Federal funding. Each Center which receives financial assistance under this section shall be evaluated during its sixth year of operation, and at least triennially thereafter as the Secretary considers appropriate, by an evaluation panel appointed by the Secretary in the same manner as was the evaluation panel previously appointed. The Secretary shall not provide funding for additional years of the Center's operation unless the most recent evaluation is positive and the Secretary finds that continuation of funding furthers the purposes of this section.".

(4) Section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k) is amended by adding at the end the following new subsections:

"(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center. Such awards shall be for the purpose of enabling those organizations to provide outreach services, in collaboration with the Center, to manufacturers located in parts of the region served by the Center which are not easily accessible to the Center and which are not served by any other manufacturing outreach center. Organizations which receive such awards shall be known as Local Manufacturing Offices. In reviewing applications, the Director shall consider the needs of rural as well as urban manufacturers. No single award for a Local Manufacturing Office shall be for more than 3 years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount received under this subsection.

"(f) In carrying out this section, the Director shall coordinate his efforts with the plans for the Manufacturing Extension Partnership established under section 24.".

SEC. 215. STATE TECHNOLOGY EXTENSION PROGRAM.

(a) ESTABLISHMENT.—Section 26(a) of the National Institute of Standards and Technology Act (15 U.S.C. 2781(a)) is amended—

(1) by inserting after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(2) by inserting "through that Program" after "technical assistance".

(b) ASSISTANCE PROVIDED BY PROGRAM.—Section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278*l*) is amended by adding at the end the following new subsection:

"(c) In addition to the general authorities listed in subsection (b), the State Technology Extension Program also shall, through merit-based competitive review processes and to the extent provided in advance in appropriations Acts—

"(1) make awards to States and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 278*l* note) in order to help States improve their planning and coordination of technology extension activities;

"(2) assist States, including States which historically have had no manufacturing or technology extension programs or only small programs, to plan, develop, and coordinate such programs and to help bring those State programs to a level of performance where they can provide the full range of manufacturing extension services required by their manufacturers or, as appropriate, apply successfully for awards to establish Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, or both;

"(3) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(4) support State efforts to develop and test innovative ways to help small- and medium-sized manufacturers in the United States improve their technical capabilities, including, as appropriate, State contracts with private-sector technology transfer companies to provide technology assistance and development services that are beyond the current capacity of a given State's industrial extension activities;

"(5) support State efforts designed to help small- and medium-sized manufacturers in rural as well as urban areas improve and modernize their technical capabilities, including, as appropriate, interstate efforts to achieve such end;

"(6) support State efforts to assist interested small defense manufacturing firms to convert their production to nondefense or dual-use purposes;

"(7) support planning for worker technology education programs in the States at institutions such as research universities, community colleges, technical and professional societies, labor education centers, labor-management committees, and worker organizations in production technologies critical to the Nation's future, with an emphasis on high-performance work systems, the skills necessary to use advanced manufacturing system well, and best production practice; and support on-the-job training programs in the States to build and enhance the skills of employees, particularly production workers, in small- and medium-sized manufacturers; and

"(8) help States develop programs to train personnel who in turn can provide technical skills to managers and workers of manufacturing firms.".

SEC. 216. REPORT ON OPTIONS FOR ACCELERATING THE ADOPTION OF NEW MANUFACTURING EQUIPMENT.

Within 1 year after the date of enactment of this Act, the Secretary, acting through the Under Secretary, shall submit to Congress a report on—

(1) the degree to which United States manufacturers have difficulty obtaining financing for the purpose of purchasing equipment needed to implement advanced manufacturing technology and modernize operations;

(2) the policies and practices followed in other industrialized countries to help manufacturers obtain financing for modernization; and

(3) the advantages, disadvantages, and costs of major options by which the Federal Government might help stimulate the flow of capital to manufacturers and thus accelerate industrial modernization, including—

(A) creation of a Government-sponsored enterprise to stimulate the flow of capital to manufacturing;

(B) increasing technical advice to banks and other financial institutions, perhaps through the Manufacturing Extension Partnership in order to increase their ability to judge whether or not individual manufacturers have sound modernization plans;

(C) cooperation between extension activities supported under the Manufacturing Extension Partnership and manufacturing equipment leasing firms in order to provide manufacturers with additional information or equipment leasing options; and

(D) tax incentives.

Subtitle B—National Science Foundation Manufacturing Programs

SEC. 221. NATIONAL SCIENCE FOUNDATION MANUFACTURING PROGRAMS.

(a) IN GENERAL.—The Director of the National Science Foundation, after, as appropriate, consultation with the Secretary, the Under Secretary, and the Director, shall—

(1) work with United States companies to identify areas of research in advanced manufacturing technologies and advanced workplace practices that offer the potential to improve United States productivity, competitiveness, and employment;

(2) support research at United States universities to improve advanced manufacturing technologies and advanced workplace practices; and

(3) work with the Technology Administration of the Department of Commerce and the Institute and, as appropriate, other Federal agencies to accelerate the transfer to United States companies of manufacturing research and innovations developed at universities.

(b) ENGINEERING RESEARCH CENTERS AND INDUSTRY/UNIVERSITY COOPERATIVE RESEARCH CENTERS.—The Director of the National Science Foundation shall strengthen and expand the number of Engineering Research Centers and strengthen and expand the Industry/University Cooperative Research Centers Program with the goals of increasing the engineering talent base versed in technologies and workplace practices critical to the Nation's future, with emphasis on advanced manufacturing technologies, and of advancing fundamental engineering knowledge in these technologies. At least one Engineering Research Center shall have a research and education focus on the concerns of United States manufacturers, including small- and medium-sized manufacturers that are trying to modernize their operations. Awards under this subsection shall be made on a competitive, merit review basis. Such awards may include support for acquisition of instrumentation, equipment, and facilities related to the research and education activities of the Engineering Research Centers and support for undergraduate students to participate in the activities of the Engineering Research Centers.

(c) GRADUATE TRAINEESHIPS.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide traineeships to United States citizens or permanent resident aliens who are graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing or industrial engineering. The Director of the National Science Foundation shall make an effort to ensure the provision of traineeships under this subsection to socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women).

(d) MANUFACTURING MANAGERS IN THE CLASSROOM PROGRAM.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide fellowships, on a cost-shared basis, to individuals from industry with experience in manufacturing to serve for 1 or 2 years as instructors in manufacturing at 2-year community and technical colleges in the United States. In selecting fellows, the Director of the National Science Foundation shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also will work to foster cooperation between 2-year colleges and nearby manufacturing firms.

(e) PROGRAMS TO TEACH TOTAL QUALITY MANAGEMENT.—The Director of the National Science Foundation, in consultation with the Secretary, the Under Secretary, and the Director, may establish a program to develop innovative curricula, courses, and materials for use by institutions of higher education for instruction in total quality management and related management practices, in order to help improve the productivity of United States companies.

(f) SMALL MANUFACTURERS RENEWAL AND TRAINING.—(1) The Director of the National Science Foundation, acting in cooperation with the Director, shall establish and carry out a pilot program, know as the Small Manufacturers Renewal and Training Program in this subsection referred to as the "Program"), to award grants to eligible partnerships for internship activities under this section. Partnerships between engineering colleges and manufacturing extension centers are eligible to apply for grants under the Program and be designated as SMaRT Partnerships. The Director of the National Science Foundation shall establish requirements for proposals for funding under the Program, for activities undertaken by SMaRT Partnerships with such funding, and for reporting by SMaRT Partnerships and other persons participating in the Program, and criteria for selecting proposals, including economic need.

(2) Each SMaRT Partnership receiving a grant under the Program shall use such grant funds to sponsor qualified engineering students to work as interns with eligible small manufacturers, especially very small manufacturers, by paying the host company the Federal share of the intern's wages, not to exceed the Federal minimum wage.

(3) A small manufacturer shall be eligible to host interns under the Program only for manufacturing operations in the United States, shall provide adequate supervision to each intern, and shall use funds provided under the Program only to pay wages to the intern that supplement the host company share of the intern's wages, not be less than the Federal minimum wage. No company shall be eligible to receive funding in excess

of 2 years' wages at the Federal minimum wage.

TITLE III—CRITICAL TECHNOLOGIES

SEC. 301. DEVELOPMENT OF PLAN FOR THE ADVANCED TECHNOLOGY PROGRAM.

The Secretary, acting through the Under Secretary and the Director, shall, within 6 months after the date of enactment of this Act, submit to Congress a plan for the expansion of the Advanced Technology Program established under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), with specific consideration given to—

(1) closer coordination and cooperation with the Advanced Research Projects Agency and other Federal research and development agencies as appropriate;

(2) establishment of temporary staff positions that can be filled by industrial or technical experts for a period of 1 to 2 years;

(3) ensuring that the Advanced Technology Program will have a meaningful impact on the utilization of a broad range of critical technologies and on the refinement of advanced manufacturing technologies;

(4) changes that may be needed when annual funds available for grants under the Advanced Technology Program reach levels of $200,000,000 and $500,000,000; and

(5) any additional administrative steps that may be necessary for the Advanced Technology Program to support large-scale joint research and development ventures.

SEC. 302. LARGE-SCALE RESEARCH AND DEVELOPMENT CONSORTIA.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) is amended by adding at the end the following new subsection:

"(k) In addition to the general authority under this section to provide financial assistance to joint ventures, the Secretary, through the Director, also may, as permitted by levels of authorizations and appropriations, provide financial support for up to 7 years to large-scale joint ventures requesting $20,000,000 or more a year in Department of Commerce funds. The Secretary may work with industrial groups to develop such proposed large-scale joint ventures and shall give preference to proposals which represent a broad spectrum of companies for a given industry and which focus either on speeding the commercialization of important new technologies or on accelerating the development, testing, and deployment of valuable new process technologies and workplace practices. The Secretary and Director, as appropriate, shall obtain independent technical review of industry proposals submitted under this section.".

SEC. 303. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.—Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), as amended by section 302 of this Act, is further amended—

(1) by adding at the end of subsection (a), the following new sentence: "The Secretary, acting through the Director, shall ensure that the principal economic benefits of the Program accrue to the economy of the United States.";

(2) in subsection (b)—

(A) in paragraph (1)(B), by striking "or contracts" and inserting in lieu thereof "contracts, and, subject to the last sentence of this subsection, other transactions";

(B) in paragraph (1)(B)(ii), by striking "provision of a minority share of the cost of such joint ventures for up to 5 years" and inserting in lieu thereof "the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs (and not indirect costs, profits, or management fees), for up to 5 years";

(C) in paragraph (2)—

(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(ii) by inserting ", and independent research organizations" after "especially small businesses"; and

(D) by adding after paragraph (4) the following:

"The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking "exceed $2,000,000 over 3 years, or";

(4) in subsection (j)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2), as so redesignated, the following new paragraph:

"(1) the term 'independent research organizations' means nonprofit organizations organized primarily for the purpose of conducting or managing research activities;"; and

(5) by adding at the end the following new subsection:

"(1) Notwithstanding subsection (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the periods at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties receiving funding under any particular award, notwithstanding the requirements of section 202(a) and (b) of title 35, United States Code.".

(2) The amendment made by paragraph (1) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act.

(c) AMENDMENTS TO THE AMERICAN TECHNOLOGY PREEMINENCE ACT OF 1991.—Section 201(d) of the American Technology Preeminence Act of 1991 (15 U.S.C. 278n note) is amended by adding at the end the following new sentence: "In the case of the amendment made by subparagraph (A) of subsection (c)(6), such amendment shall be effective as of the date of enactment of the paragraph stricken by such paragraph.".

(2) Section 507 of the American Technology Preeminence Act of 1991 (15 U.S.C. 3717) is repealed.

(d) AMENDMENTS TO THE NATIONAL SCIENCE AND TECHNOLOGY POLICY, ORGANIZATION, AND PRIORITIES ACT.—(1) Title IV of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.c. 6651) is amended to read as follows:

"TITLE IV—NATIONAL SCIENCE AND TECHNOLOGY COUNCIL

"SEC. 401. There is established a National Science and Technology Council (hereafter in this title referred to as the 'Council').

"SEC. 402. Within 30 days after the date of enactment of the National Competitiveness Act of 1994, the President shall submit to Congress a report that outlines the composition and functions of the Council.

"SEC. 403. (a) The Council shall assume the responsibilities and authorities of the Federal Coordinating Council for Science, Engineering, and Technology, the National Space Council, and the National Critical Materials Council.

"(b) Executive departments and agencies shall make resources, including, but not limited to, personnel, office support, and printing, available to the Council.

"(c) The Council is authorized to establish such committees and working groups as it may require.".

(2) The Federal Coordinating Council for Science, Engineering, and Technology established by Public Law 94-282 and by Executive Order 12039, the National Space Council established by Public Law 100-685 and Executive Order 12675, and the National Critical Materials Council established by Public Law 98-373 are hereby abolished.

(3) Section 207(c) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6616(c)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) appoint such officers and employees as deemed necessary to perform the functions now or hereafter vested in the Director without regard to any provision of law regulating the employment or compensation of persons in the Government service, at rates not to exceed the rate of pay for level VI of the Senior Executive schedule as provided pursuant to section 5382 of title 5, the United States Code, and to prescribe their duties;"; and

(B) by striking "and" at the end of paragraph (2); by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and by adding at the end the following new paragraph:

"(4) accept voluntary and uncompensated services, notwithstanding the provisions of section 1342, title 31, United States Code.".

SEC. 304. TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.

Section 101 of the Stevenson-Wydler Technology Innovation Act of 1980, as redesignated by section 213(2) of this Act, is amended by striking subsection (e) and inserting in lieu thereof the following new subsections:

"(e) OFFICE OF TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.—(1) The Secretary, through the Under Secretary, shall establish within the Technology Administration an Office of Technology Monitoring and Competitiveness Assessment, to collect, evaluate, assess, and disseminate to United States industry, State and local governments, nonprofit organizations, and other interested parties information on—

"(A) foreign science and technology, specifically information assessing foreign capabilities relative to the United States;

"(B) policies and programs used by foreign governments and industries to develop and apply economically important critical technologies, how these policies and programs compare with public and private activities in the United States, and the effects that these foreign policies and programs have on the competitiveness of United States industry; and

"(C) the way in which the economic competitiveness of United States industry can be enhanced through Federal programs, including Department of Commerce programs, and evaluations of the effectiveness of Federal technology programs in helping to promote United States industrial competitiveness and economic growth.

"(2) Based on the information gathered under paragraph (1), the President, with the assistance of the Secretary, shall submit to Congress an annual report on United States technology and competitiveness analyzing the condition of United States technology relative to major trading partners, key trends in foreign technology and competitiveness policies and targeting, and the degree to which Federal programs are helping the United States to stay competitive with other countries and create domestic employment opportunities.

"(3) The Office of Technology Monitoring and Competitiveness Assessment is authorized to—

"(A) act as a focal point within the Federal Government for the collection and dissemination, including electronic dissemination, of information on foreign process and product technologies, including information collected under the Japanese Technical Literature Program;

"(B) work and, as appropriate, entered into cooperative arrangement with sector-specific industry trade associations or consortia to define the information desire by industry;

"(C) compile and make available the extensive foreign technology monitoring and assessment information already collected and analyzed by the Federal Government;

"(D) as appropriate, enter into controlled access agreements with other Federal agencies to fill the industry's information needs;

"(E) act as an electronic clearinghouse for such information or otherwise provide for such a clearinghouse;

"(F) direct and fund the collection of additional related information;

"(G) direct and fund analysis of foreign research and development activities, technical capabilities, workplace practices, particularly in technical areas where the United States is considered to be at par or lagging foreign capabilities;

"(H) establish a program to identify technical areas needing a full-scale technical evaluation, and provide, on a cost-shared basis to private sector or government-industry joint ventures, grants to conduct the evaluation; and

"(I) work with the Department of State to place technical experts from the Institute and other Federal laboratories into United States embassies to serve as technology attaches and counselors.

"(f) FELLOWSHIP PROGRAM.—(1) The Secretary, acting through the Under Secretary, shall establish and administer a fellowship program to support Technology Fellows to assist the Under Secretary in carrying out activities under subsection (e) relating to those countries that are major competitors of the United States in critical technologies, and to identify opportunities for technology transfer to the United States or technological collaboration for United States industries.

"(2) Technology Fellows shall—

"(A) regularly report to the Department of Commerce on work planned, in progress, and accomplished; and

"(B) provide support to the Department of Commerce as requested by that Department.

"(3) Fellowships awarded under the program established under this subsection shall—

"(A) be awarded for a period of 2 years;

"(B) be reasonable and appropriate; and

"(C) include provisions for living and office arrangements in the host country.

"(4) Only individuals who—

"(A) have at least a bachelors degree in engineering or science; and

"(B) have at least 5 years of work experience in manufacturing or technology development,

shall be eligible for a fellowship under this program.".

SEC. 305. RECOUPMENT.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), as amended by this Act, is further amended by adding at the end the following new subsection:

"(n)(1) Any transaction providing assistance under this section may include a clause that requires the recipient to make payments to the Department of Commerce as a condition of receiving such assistance.

"(2) There is established on the books of the Treasury a separate account for the Advanced Technology Program established under this section. Amounts received by the United States pursuant to a requirement imposed under paragraph (1) may be credited to the extent authorized by the Secretary, to the account established under this paragraph. Amounts so credited shall be merged with other funds in the account and shall be available, to the extent provided in advance in appropriations Acts, for the same purposes and the same period for which other funds in such account are available.".

SEC. 306. TECHNOLOGY FINANCING PILOT PROGRAM.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), as amended by title II of this Act, is further amended by adding at the end the following new title:

"TITLE III—ADDITIONAL ASSISTANCE TO INDUSTRY

"SEC. 301. FINDING AND STATEMENT OF POLICY.

"Congress finds and declares the following:

"(1) In recent years, United States technology firms appear to have had increasing difficulty financing the development and early-stage commercialization of important new critical civilian technologies. Venture capital is less available than in past years; banks appear less willing to provide loans; and medium-sized as well as small companies often have problems financing long-term technology projects.

"(2) This difficulty in obtaining financing particularly hurts those technology firms which face foreign competitors which have received substantial direct or indirect financial help from their respective governments.

"(4) The Nation would benefit from a technology financing pilot program designed to assist, on an experimental basis, private-sector venture capital entities which, in turn, can select and support the most promising and valuable long-term United States technology projects.

"SEC. 302. TECHNOLOGY FINANCING PILOT PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—(1) There is established a Department of Commerce-Small Business Administration Pilot Technology Financing Partnership Program (in this section referred to as the 'Pilot Program').

"(2) The Pilot Program shall be operated under the direction of a Department of Commerce-Small Business Administration Venture Capital Licensing Committee (in this section referred to as the 'Licensing Committee'), which shall consist of—

"(A) three Department of Commerce designees appointed by the Secretary, one of whom shall be the Under Secretary for Technology and shall serve as chair of the Licensing Committee, and the other two of whom shall be technology experts, at least one of whom shall also be a finance and investment expert; and

"(B) two Small Business Administration designees who are appointed by the Administrator of the Small Business Administration (in this section referred to as the 'Administrator') who shall be finance and investment experts.

"(3) Under the Pilot Program, for the purpose of stimulating and expanding the flow of private capital to eligible technology firms and eligible joint ventures—

"(A) the Licensing Committee may license, pursuant to joint regulations promulgated under paragraph (4), private sector entities, to be known as 'civilian technology investment companies'; and

"(B) to the extent directed by the Secretary and the Administrator and provided in advance in appropriations Acts, and in accordance with the operating plan developed under subsection (f), the Licensing Committee may authorize the Small Business Administration to assist financially such civilian technology investment companies.

"(4) The Secretary and the Administrator, acting through the Licensing Committee, shall promulgate such regulations (in this section referred to as the 'joint regulations') as shall be necessary to carry out the Pilot Program. Such joint regulations shall reflect that the Administrator will have primary responsibility for executing the Pilot Program, using Small Business Administration personnel and the programmatic authority provided in this section, and applicable law. In accordance with the operating plan developed by the Licensing Committee under subsection (f), the Administrator may issue regulations modifying and augmenting existing Small Business Administration authority or program criteria, as necessary, to accommodate the special needs of the Pilot Program. Those Small Business Administration regulations which are modified or adopted to facilitate the Pilot Program shall also be reviewed by the Licensing Committee and, if approved by the Licensing Committee, shall become part of the joint regulations.

"(5) The Secretary shall, utilizing Department of Commerce technology personnel and the programmatic authority provided in this section and under applicable law, institute and implement a complementary information and technical assistance pilot program designed to facilities matches between high-technology companies seeking financing and venture capitalists looking for meritorious early-stage critical technology investments.

"(6) Such funds as may be appropriated through this Act or any other Act to the Department of Commerce to implement the Pilot Program may be transferred by the Secretary to the Small Business Administration, as necessary to carry out the purposes of this section, in accordance with subsection (c)(1).

"(b) ACTIVITIES OF LICENSEES.—(1) Each civilian technology investment company licensed under this section may provide venture capital and loans to eligible technology firms and eligible joint ventures in such manner and under such terms as the licensee may fix in accordance with the joint regulations. Civilian technology investment companies may provide venture capital and loan directly or in coinvestments with other investors. The type of financing to be provide

shall be determined by the Licensing Committee, and shall include but shall not be limited to that provided by the Small Business Act or the Small Business Investment Act of 1958, or any regulation promulgated thereunder.

"(2) Each civilian technology investment company shall have authority to borrow money and to issue its debentures, promissory notes, securities, or other obligations under such general conditions and subject to such limitations and regulations as prescribed in the joint regulations.

"(c) ASSISTANCE TO LICENSEES.—(1) In order to encourage the formation and growth of civilian technology investment companies, the Licensing Committee is authorized, to the extent that funds are made available to the Department of Commerce in appropriations Acts, to transfer such funds as may be necessary to the Small Business Administration to purchase (or guarantee the timely payment of all principal, interest, and dividends, as scheduled, on) debentures or participating, nonvoting preferred securities issued by such companies, on such terms and conditions as are appropriate pursuant to the joint regulations to carry out the purposes of this section. The Small Business Administration is also authorized, in accordance with sections 321 and 322 of the Small Business Investment Act of 1958, and regulations promulgated thereunder, to issue and guarantee such trust certificates as are necessary and appropriate to provide funding for qualified civilian technology investment companies. Such issuance and funding shall take place in the manner and on the terms and conditions as the Licensing Committee directs and shall not be limited to the terms and conditions that the Small Business Administration utilities for funding of small business investment companies under the Small Business Investment Act of 1958.

"(2) Guarantees and purchases of debentures and equity securities under this subsection shall be made on such terms and conditions as are necessary to ensure that the cost of the program established under this section shall not exceed 15 percent of its corresponding credit authority in any fiscal year. For the purposes of this subsection, the term 'cost' shall have the same meaning given such term in section 502(5) of the Federal Credit Reform Act of 1990, and the term 'credit authority' shall have the same meaning given such term in section 3 (10) of the Congressional Budget Act of 1974.

"(d) PURPOSES AND REQUIREMENTS.—The Licensing Committee shall require that any civilian technology investment company licensed and assisted under this section shall—

"(1) focus primarily on providing patient early-stage capital, either loans or equity investments, to eligible technology firms and eligible joint ventures in the United States in order to help those firms and joint ventures finance and accelerate the development and early-stage commercialization of critical civilian technologies;

"(2) provide financial assistance to critical civilian technology projects at eligible technology firms and eligible joint ventures; provided, however, that the Department of Commerce members of the Licensing Committee shall determine whether the products, processes, and service provided by firms assisted by a licensee in fact will assist in developing United States critical technologies;

"(3) demonstrate to the Licensing Committee credible procedures for ensuring that investments are made in critical technology projects for which eligible technology firms cannot obtain necessary financing solely through commercial capital markets; and

"(4) work with the Licensing Committee to establish methods to identify and evaluate projects to be assisted by the licensee, using, as appropriate, the existing expertise of the National Institute of Standards and Technology, and other organizations, including Regional Centers for the Transfer of Manufacturing Technology, universities, and other research institutions.

"(e) PAYMENTS.—All amounts received by the Small Business Administration from the payment of dividends, any profit allocation, the redemption of securities pursuant to this section, and any fees paid to the United States by a civilian technology investment company licensed pursuant to this section, shall be deposited in the Treasury, in accordance with the joint regulations and the requirements of the Federal Credit Reform Act of 1990.

"(f) OPERATING PLAN EFFECTIVE DATE; AND EVALUATION.—(1) The Secretary and the Administrator, acting through the Licensing Committee, shall jointly and in consultation with State and local governments, industry, and the financial community, prepare and submit to Congress within one year after the date of enactment of this title, an operating plan and draft joint regulations to carry out this section. In preparing such a plan, the Secretary and Administrator shall consider and evaluate alternative approaches to help technology firms and joint ventures in the United States develop and commercialize critical civilian technologies. As part of their report, they shall make recommendations to Congress as they deem appropriate.

"(2) Except for the requirements set forth in subsection (a) and paragraph (1) of this subsection, the provisions of this section shall not take effect until 6 months after the date of the issuance of the report required in paragraph (1).

"(3) After appropriations are provided for the Pilot Program authorized under this section, the Licensing Committee, in consultation with industry and the financial community, shall evaluate annually the effectiveness of the Program and submit an annual report to appropriate committees of Congress on the findings resulting from such evaluation. Such report shall contain, on a confidential basis, appendices which include, but are not necessarily limited to, the type and amount of assistance provided to licensees under this section, key characteristics of such licensees, the number and size in net worth of the technology firms and joint ventures (and the participants comprising them) assisted by each licensee, the amount of assistance provided to each eligible technology firm or eligible joint venture, and the types of technology each eligible technology firm or joint venture is developing and commercializing. Such report also shall contain an analysis of the Pilot Program's impact on the Small Business Administration's Small Business Investment Company program.

"(4) Five years after appropriations have been provided for the Pilot Program authorized under this section, the General Accounting Office, in consultation with industry and the financial community, shall evaluate the effectiveness of the Program and submit a report to appropriate committees of Congress on the findings resulting from such evaluation. Such evaluation shall include an analysis of the Pilot Program's impact on the Small Business Administration's Small Business Investment Company program.

"(g) DEFINITIONS.—As used in this section, the term—

"(1) 'appropriate committees of Congress' means the Committee on Science, Technology, and Space and Committee on Small Business of the House of Representatives and the Committee on Commerce, Science, and Transportation and Committee on Small Business of the Senate;

"(2) 'critical civilian technology' means a technology not exclusively military which is identified in one or more of the biennial national critical technologies reports required under section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683);

"(3) 'eligible joint venture' means a joint research and development venture or joint production venture, as defined in section 2 of the National Cooperative Research Act of 1984 (5 U.S.C. 4301)—

"(A) which meets the requirements of section 28(d)(9) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9));

"(B) whose purpose in seeking financing is the development of products, processes, and services based on critical civilian technologies; and

"(C) which meets size standards set by the Licensing Committee, which size standards need not comply with the Small Business Act or the Small Business Investment Act of 1958, or any regulation promulgated thereunder of interpretation thereof;

"(4) 'eligible technology firm' means a company—

"(A) which meets the requirements of section 28(d)(9) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9));

"(B) whose purposes in seeking financing is the development of products, processes, and services based on critical civilian technologies; and

"(C) which meets size standards set by the Administrator;

"(4) 'finance and investment expert' means an individual who has administered or participated in a venture capital or similar financing program, or has operated a venture capital company; and

"(5) 'licensee' means a civilian technology investment company licensed by the Licensing Committee pursuant to this section.".

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

SEC. 401. DEPARTMENT OF COMMERCE TECHNOLOGY ADVISORY BOARD.

The Stevenson-Wydler Technology Innovation Act of 1980 (as amended by sections 211 and 213 or this Act) is further amended by inserting after section 103 (as added by section 211 of this Act) the following new section:

"SEC. 104. DEPARTMENT OF COMMERCE TECHNOLOGY ADVISORY BOARD.

"(a) ESTABLISHMENT.—There is established a Department of Commerce Technology Advisory Board (in this section referred to as the 'Advisory Board'), the purpose of which is to advise the Secretary, Under Secretary, and Director on the plans, programs, and policies of the Technology Administration, including ways in which to—

"(1) promote the development and rapid application of advanced commercial technologies, including advanced manufacturing technologies such as skill-based production technologies;

"(2) strengthen the programs of the Technology Administration; and

"(3) generally improve the global competitiveness of industries within the United States.

"(b) COMPOSITION.—The Advisory Board shall be composed of at least 17 members, appointed by the Under Secretary from among individuals who, because of their experience

and accomplishments in technology development, business development, or finance are exceptionally qualified to analyze and formulate policy that would improve the global competitiveness of industries in the United States. The Under Secretary shall designate one member to serve as chairman. Membership of the Advisory Board shall be composed of—

"(1) representatives of—

"(A) United States small businesses;

"(B) United States manufacturers;

"(C) research universities and independent research institutes;

"(D) State and local government agencies involved in industrial extension;

"(E) national laboratories;

"(F) industrial, worker, and technical and professional organization; and

"(G) financial organization; and

"(2) other individuals that possess important insight to issues of national competitiveness.

The Under Secretary shall make an effort to ensure the appointment of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) to the Advisory Board.

"(c) MEETINGS.—(1) The chairman shall call the first meeting of the Advisory Board not later than 90 days after the date of enactment of this section.

"(2) The Advisory Board shall meet at least once every 6 months, and at the call of the Under Secretary.

"(d) TRAVEL EXPENSES.—Members of the Advisory Board, other than full-time employees of the United States, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code, while engaged in the business of the Advisory Board.

"(e) CONSULTATION.—In carrying out this section, the Under Secretary shall consult with other agencies, as appropriate. The Advisory Board, as appropriate, shall establish communication and coordination mechanisms with other Federal advisory committees to help ensure integrated Federal private consideration of technology and manufacturing policies and programs.

"(f) TERMINATION.—Section 14 of the Federal Advisory Committee Act shall not apply to the Advisory Board.

"(g) SECRETARIAL DISCRETION.—Notwithstanding any other provision of this section, the Secretary shall have the discretion to decide whether to establish the Advisory Board or create a more cost-effective way to achieve the goal of closer cooperation with industry. If the Secretary exercises such discretion and establishes an alternative mechanism, the Under Secretary shall make an effort to ensure the participation of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) in the alternative mechanism.".

SEC. 402. INTERNATIONAL STANDARDIZATION.

(a) FINDINGS.—The Congress finds that—

(1) private sector consensus standards are essential to the timely development of competitive products;

(2) Federal Government contribution of resources and more active participation in the voluntary standards process in the United States can increase the quality of United States standards, increase their compatibility with the standards of other countries, and ease access of products manufactured by United States manufacturers to foreign markets; and

(3) the Federal Government, working in cooperation with private sector organizations including trade associations, engineering societies, technical organizations, and other standards-setting bodies can effectively promote Federal Government use of United States consensus standards and, where appropriate, the adoption and Federal Government use of international standards.

(b) STANDARDS PILOT PROGRAM.—Section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102-245; 106 Stat. 10) is amended—

(1) by inserting "(1)" before "Pursuant to the";

(2) By striking "matching funds" and inserting in lieu thereof "financial contributions deemed appropriate by the Secretary"; and

(3) by adding at the end the following new paragraph:

"(2) As necessary and appropriate, the Institute shall expand the program established under section 112 of the National Institute of Standards and Technology Authorization Act for Fiscal Year 1989 (15 U.S.C. 272 note) by extending the existing program to include other countries that request assistance with standards-related activities from official representatives of the United States Government. The Institute may enter into additional contracts with non-Federal organizations representing United States companies described in section 28(d)(9)(B) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9)(B)) or with United States-based professional societies and other standards-setting bodies that participate in the development of standards. Such contracts shall require cost sharing between Federal and non-Federal sources for such purposes. In awarding such contracts, the Institute shall seek to promote and support the dissemination of United States technical standards to additional foreign countries and shall seek, as the Director deems appropriate, to promote the adoption of international standards supported by United States industry, and shall seek to assist private sector developers of standards, including engineering societies which participate in the development of standards in expediting the development of domestic and other standards which enable the introduction of technologies, products, or technology-based services which are being delayed due to the lack of available standards. The Institute and such contractors shall, in carrying out the preceding sentence, cooperate with governmental bodies, private organizations (including standards setting organizations and industry), and multinational institutions that promote economic development. The organizations receiving such contracts may establish training programs to bring to the United States foreign standards experts for the purpose of receiving in-depth training in the United States standards system.".

(c) REPORT ON GLOBAL STANDARDS.—(1) Section 508(a) of the American Technology Preeminence Act of 1991 (15 U.S.C. 3701 note) is amended—

(A) by inserting "standards development and international" after "a thorough review of international";

(B) by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively; and

(C) by inserting before paragraph (2), as so redesignated, the following new paragraph:

"(1) Current and potential future roles of the Federal Government in the development and promulgation of domestic and global product and process standards.".

(2) The Secretary, in consultation with the Institute and the Department of Commerce Technology Advisory Board established under section 104 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by section 401 of this Act) and with, as appropriate, the active participation of the private sector, shall submit to the Congress a report describing the appropriate roles of the Department of Commerce in aid to United States companies in achieving conformity assessment and accreditation and otherwise qualifying their products in foreign markets, through the development and promulgation of domestic and global product and quality standards, and through Department of Commerce programs related to conformity assessment and accreditation procedures based upon such standards, including a discussion of the extent to which each of the policy options provided in the March 1992 Office of Technology Assessment report on global standards, contributes to meeting the goals of—

(A) increasing the international adoption of standards beneficial to United States industries; and

(B) improving the coordination of United States representation at international standards setting bodies.

SEC. 403. MALCOLM BALDRIGE AWARD AMENDMENTS.

(a) RESTRICTION.—Section 111(c)(3) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is amended to read as follows:

"(3) No award shall be made within any category or subcategory if there are no qualifying enterprises in that category or subcategory.".

(b) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—(1) Section 111(c)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is amended by adding at the end the following new subparagraph:

"(D) Educational institutions.".

(2)(A) Within 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report containing—

(i) criteria for qualification for a Malcolm Baldrige National Quality Award by various classes of educational institutions;

(ii) criteria for the evaluation of applications for such awards under section 111(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act; and

(iii) a plan for funding awards described in clause (i).

(B) In preparing the report required under subparagraph (A), the Secretary shall consult with the National Science Foundation and other public and private entities with appropriate expertise, and shall provide for public notice and comment.

(C) The Secretary shall not accept applications for awards described in subparagraph (A)(i) until after the report required under subparagraph (A) is submitted to Congress.

SEC. 404. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 202(d)(2)(A) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(7) of this Act, by inserting "including Federal test and evaluation facilities," after "by a Federal agency,".

SEC. 405. PROGRAM EVALUATIONS.

Section 101 of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(2) of this Act and as amended by this Act, is further amended by adding at the end the following new subsection:

"(g) PROGRAM EVALUATIONS.—(1) The Secretary, through the Under Secretary, shall—

"(A) provide for the conduct of research and analyses to advance knowledge of the ways in which the economic competitiveness of United States companies can be enhanced through Federal programs established under the National Competitiveness Act of 1994 or the amendments made by that Act; and

"(B) as appropriate, provide for evaluations of Federal technology programs established or expanded under the National Competitiveness Act of 1994 or the amendments made by that Act in order to judge their effectiveness and make recommendations to improve their contribution to United States competitiveness.

"(2) All executive departments and agencies shall assist the Secretary in carrying out this subsection as appropriate.

"(3) Nothing in this subsection shall authorize the release of information to, or the use of information by, the Secretary or Under Secretary in a manner inconsistent with law or any procedure established pursuant thereto.

"(4) The head of any Federal agency may detail such personnel and may provide such services, with or without reimbursement, as the Secretary may request to assist in carrying out the activities required under this subsection.".

SEC. 406. STUDY OF SEMICONDUCTOR LITHOGRAPHY TECHNOLOGIES.

Within 9 months after the date of enactment of this Act, the Critical Technologies Institute established under section 822 of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 6686) shall, after consultation with the private sector and appropriate officials from other Federal agencies, submit to Congress a report on advanced lithography technologies for the production of semiconductor devices. The report shall include the Critical Technologies Institute's evaluation of the likely technical and economic advantages and disadvantages of each such technology, an analysis of current private and Government research to develop each such technology, and any recommendations the Critical Technologies Institute may have regarding future Federal support for research and development in advanced lithography.

SEC. 407. CLEARINGHOUSE ON STATE AND LOCAL INITIATIVES

Section 105(a) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is amended by striking "Office of Productivity, Technology, and Innovation" and inserting in lieu thereof "Technology Administration".

SEC. 408. WIND ENGINEERING RESEARCH PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Wind Engineering Program Act of 1994".

(b) FINDINGS.—Congress finds and declares the following:

(1) Hurricanes and tornadoes kill more Americans and destroy more property than any other natural disaster.

(2) Each year, in the United States, extreme winds cause billions of dollars of damage to homes, schools, and other buildings, roads and bridges, electrical power distribution networks, and communications networks.

(3) Research on wind and wind engineering has resulted in improved methods for making buildings and other structures less vulnerable to extreme winds, but additional research funding is needed to develop new, improved, and more cost-effective methods of wind-resistant construction.

(4) Federal funding for wind engineering research has decreased drastically over the last 20 years.

(5) Wind research has been hampered by a lack of data on near-surface wind speed and distribution during hurricanes, tornadoes, and other severe storms.

(6) Many existing methods for wind-resistant construction are inexpensive and easy to implement but often they are not applied because the construction industry and the general public are unaware of such methods.

(7) Various Federal agencies have important roles to play in wind engineering research, but at present there is little interagency cooperation in this area.

(8) Establishment of a Federal Wind Engineering Program would result in new technologies for wind-resistant construction, broader application of such technologies in construction, and ultimately decreased loss of life and property due to extreme winds.

(c) PURPOSE.—The purpose of this section is to create a Wind Engineering Program within the National Institute of Standards and Technology, which would—

(1) provide for wind engineering research;

(2) serve as a clearinghouse for information on wind engineering; and

(3) improve interagency coordination on wind engineering research between the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, the National Science Foundation, the Federal Aviation Administration, and other appropriate agencies.

(d) ESTABLISHMENT.—Within the National Institute of Standards and Technology, there shall be established a Wind Engineering Program which shall—

(1) conduct research and development, in cooperation with the private sector and academia, on new methods for mitigating wind damage due to tornadoes, hurricanes, and other severe storms;

(2) fund construction and maintenance of wind tunnels and other research facilities needed for wind engineering research;

(3) promote the application of existing methods for, and research results on, reducing wind damage to buildings that are usually incompletely- or non-engineered, such as single family dwellings, mobile homes, light industrial buildings, and small commercial structures;

(4) transfer technology developed in wind engineering research to the private sector so that it may be applied in building codes, design practice, and construction;

(5) conduct, in conjunction with the National Oceanic and Atmospheric Administration, post-disaster research following hurricanes, tornadoes, and other severe storms to evaluate the vulnerability of different types of buildings to extreme winds;

(6) serve as a point of contact for dissemination of research information on wind engineering and work with the private sector to develop education and training programs on construction techniques, developed from research results, for reducing wind damage;

(7) work with the National Oceanic and Atmospheric Administration, the Federal Aviation Administration, and other agencies as is appropriate, on meteorology programs to collect and disseminate more data on extreme wind events; and

(8) work with the National Science Foundation to support and expand basic research on wind engineering.

SEC. 409. ENVIRONMENTALLY SENSITIVE CONSTRUCTION TECHNOLOGIES.

(a) SHORT TITLE.—This section may be cited as the "Environmentally Sensitive Construction Act of 1994".

(b) FINDINGS AND PURPOSE.—Congress finds the following:

(1) As the world economy develops, environmental concerns are becoming increasingly critical.

(2) Developing the world economy through the use of environmentally sound technologies will pay dividends for years to come.

(3) The United States should be a leader in developing environmentally sound technologies.

(4) As shelter is a basic human need, the development of environmentally sound construction techniques should be a priority area.

(5) Establishment of a Federal Environmentally Sensitive Construction Program within the Institute would result in new technologies for environmentally sensitive construction, broader application of such technologies in construction, and an improved world economy and environment.

(c) ESTABLISHMENT.—Within the Institute, there shall be established a Federal Environmentally Sensitive Construction Program which shall—

(1) conduct research and development, in cooperation with the private sector and academia, on construction materials and techniques which result in structures which pose low environmental and health risks for their occupants and minimize waste generation and other environmental problems;

(2) as appropriate and permitted by appropriations, support academic research projects in regions around the Nation to develop and demonstrate environmentally sensitive construction; and

(3) disseminate information on environmentally sensitive construction technology.

SEC. 410. AMERICAN WORKFORCE QUALITY.

(a) WORKFORCE ACTIVITIES.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and after consultation with the Secretary of Labor, shall ensure that Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers utilize, when appropriate, their expertise and capability to assist managers and workers of manufacturers in the United States in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by making available assessments of the needs of manufacturers in the United States for worker training in the effective utilization and operation of specific technologies the manufacturers have adopted or are planning to adopt;

(2) by making available to manufacturers in the United States information on commercially and publicly provided worker training services, including those provided by United States sources of technologies, in the effective utilization and operation of specific technologies the manufacturers have adopted or are planning to adopt; and

(3) by providing information to client firms and their workers to enable them effectively to utilize and operate specific technologies that the firms have adopted or plan to adopt.

(b) WORKFORCE ANALYSIS AND INFORMATION DISSEMINATION.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and in consultation with the Secretary of Labor and other appropriate Federal officials and with leaders of industry and labor, shall assist managers and other workers of manufacturers in the United States in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by establishing and managing a clearinghouse for information, to be available through an appropriate entity to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Centers when they are established, to other technology training entities, or directly to manufacturers, on the best available training material and services for the effective utilization and operation of specific advanced manufacturing technologies and modern technologies;

(2) by encouraging United States providers of advanced manufacturing technologies and modern technologies for manufacturers to develop training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies; and

(3) by establishing as an important criterion in the assessment of advanced manufacturing technologies and modern technologies the availability of training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies.

SEC. 411. SEVERABILITY.

If any provision of this Act or the amendments made by this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the amendments made by this Act, and the application thereof to other persons or circumstances, shall not be affected thereby.

SEC. 412. USE OF DOMESTIC PRODUCTS.

(a) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—(1) A person shall not intentionally affix a label bearing the inscription of "Made in America", or any inscription with that meaning, to any product sold in or shipped to the United States, if that product is not a domestic product.

(2) A person who violates paragraph (1) shall not be eligible for any contract for a procurement carried out with amounts authorized under this Act, or under any amendment made by this Act, including any subcontract under such a contract pursuant to the debarment, suspension, and ineligibility procedures in subpart 9.4 of chapter 1 of title 48, CFR, or any successor procedures thereto.

(b) COMPLIANCE WITH BUY AMERICAN ACT.—(1) Except as provided in paragraph (2), the head of each agency which conducts procurements shall ensure that such procurements are conducted in compliance with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a through 10c, popularly known as the "Buy American Act").

(2) This subsection shall apply only to procurements made for which—

(A) amounts are authorized by this Act, or by any amendment made by this Act, to be made available; and

(B) solicitations for bids are issued after the date of enactment of this Act.

(3) The Secretary, before January 1, 1995, shall report to the Congress on procurements covered under this subsection of products that are not domestic products.

(c) PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS.—(1) It is the sense of Congress that any recipient of a grant under this Act, or under any amendment made by this Act, should, when practical, purchase only American made equipment and products when expending grant monies.

(2) In allocating grants under this Act, or under any amendment made by this Act, the Secretary shall provide to each recipient a notice describing the statement made in paragraph (1) by the Congress.

(d) DEFINITION.—For the purposes of this section, the term "domestic product" means a product—

(1) that is manufactured or produced in the United States; and

(2) at least 50 percent of the cost of the articles, materials, or supplies of which are mined, produced, or manufactured in the United States.

SEC. 413. PERSONNEL.

Notwithstanding any other provision of law, the personnel management demonstration project, established under section 10 of the National Bureau of Standards Authorization Act for Fiscal Year 1987 (15 U.S.C. 275 note), is extended until December 31, 1998.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 501. TECHNOLOGY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary, to carry out the activities of the under Secretary and the Assistant Secretary of Commerce for Technology Policy, in addition to any other amounts authorized for such purposes, for the Office of the Under Secretary—

(1) $6,000,000 for fiscal year 1994;

(2) $11,300,000 for fiscal year 1995, of which $2,000,000 are authorized for program evaluations under section 101(g) of the Stevenson-Wydler Technology Innovation Act of 1980, as added by section 405 of this Act; and

(3) $14,000,000 for fiscal year 1996.

(b) NATIONAL TECHNICAL INFORMATION SERVICE FACILITIES STUDY.—As part of its modernization effort and before signing any lease for a new facility, the National Technical Information Service, in consultation with the General Services Administration, shall study and report to Congress on the feasibility of accomplishing all or part of its modernization by signing a long-term lease with an organization that agrees to supply a facility and supply and periodically upgrade modern equipment which permits the National Technical Information Service to receive, store, and manipulate in electronic form, and print, electronically-created documents and reports and to carry out the other functions assigned to the National Technical Information Service.

SEC. 502. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) INTRAMURAL SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES.—(1) There are authorized to be appropriated to the Secretary, to carry out the intramural scientific and technical research and services activities of the Institute, $240,988,000 for fiscal year 1994, $320,000,000 for fiscal year 1995, and $350,000,000 for fiscal year 1996.

(2) Of the amounts authorized under paragraph (1)—

(A) $1,000,000 for each of the fiscal years 1994, 1995, and 1996 are authorized only for the evaluation of nonenergy-related inventions;

(B) $8,054,000 for fiscal year 1994 and $8,113,000 for each of the fiscal years 1995 and 1996 are authorized only for the technical competence fund; and

(C) $5,000,000 for each of the fiscal years 1994, 1995, and 1996 are authorized only for the standards pilot project established under section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102-245; 106 Stat. 10).

(b) FACILITIES.—In addition to the amounts authorized under subsection (a), there are authorized to be appropriated to the Secretary $62,000,000 for fiscal year 1994, $110,392,000 for fiscal year 1995, and $112,000,000 for fiscal year 1996, for the renovation and upgrading of the Institute's facilities. The Institute may enter into a contract for the design work for such purposes only if Federal Government payments under the contract are limited to amounts provided in advance in appropriations Acts.

(c) EXTRAMURAL INDUSTRIAL TECHNOLOGY SERVICES.—(1) In addition to the amounts authorized under subsections (a) and (b), there are authorized to be appropriated to the Secretary, to carry out the extramural industrial technology services activities of the Institute—

(A) for the Manufacturing Extension Partnership, $40,000,000 for fiscal year 1994, $70,000,000 for fiscal year 1995, and $100,000,000 for fiscal year 1996;

(B) for the Advanced Technology Program, $200,000,000 for fiscal year 1994, $475,000,000 for fiscal year 1995, and $575,000,000 for fiscal year 1996; and

(C) for quality programs at the Institute, $2,800,000 for fiscal year 1994, $10,000,000 for fiscal year 1995, and $10,000,000 for fiscal year 1996.

(2) The Secretary shall ensure that audits are performed by outside auditors on the programs for which funds are appropriated pursuant to this subsection. The summary results of such audits shall be submitted to Congress by the end of each of the fiscal years 1994 and 1995, and not more than $2,000,000, or 2 percent of the aggregate amount made available under this subsection, whichever is greater, shall be used in each such fiscal year for performing the audits.

(d) TRANSFERS.—(1) Funds may be transferred among the line items listed in subsection (a) and among the line items listed in subsection (c) so long as—

(A) the net funds transferred to or from any line item do not exceed 10 percent of the amount authorized for that line item in such subsection;

(B) the aggregate amount authorized under subsection (a) is not changed; and

(C) the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives are notified in advance of any such transfer.

(2) The Secretary may propose transfers to or from any line item listed in subsection (a) exceeding 10 percent of the amount authorized from such line item, but such proposed transfer may not be made unless—

(A) a full and complete explanation of any such proposed transfer and the reason therefor are transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, and the appropriate authorizing committees of the House of Representatives and the Senate; and

(B) 30 days have passed following the transmission of such written explanation.

(e) WIND ENGINEERING.—(1) There are authorized to be appropriated to the Institute for the purposes of section 408 of this Act, $1,000,000 for fiscal year 1994 and $3,000,000 for each of the fiscal years 1995 and 1996.

(2) Of the amounts appropriated under paragraph (1), no less than 50 percent shall be used for cooperative agreements with the National Oceanic and Atmospheric Administration, the National Science Foundation, and the Federal Aviation Administration, or other agencies, for wind engineering research, development of improved practices for structures, and the collection and dissemination of meteorological data needed for wind engineering.

(4) ENVIRONMENTALLY SENSITIVE CONSTRUCTION PROGRAM.—There are authorized to be appropriated to the Institute for the purposes of section 409, $1,000,000 for fiscal year 1994 and $3,000,000 for fiscal year 1995.

SEC. 503. ADDITIONAL ACTIVITIES OF THE TECHNOLOGY ADMINISTRATION.

In addition to the amounts authorized under sections 501 and 502, there are authorized to be appropriated to the Secretary to carry out additional duties of the Under Secretary—

(1) for the establishment and management of a technology training clearinghouse, $2,000,000 for each of the fiscal years 1994 and 1995 and $3,000,000 for fiscal year 1996;

(2) for the support of policy experiments relating to intelligent manufacturing systems, $2,000,000 for fiscal year 1995 and $4,000,000 for fiscal year 1996;

(3) for carrying out responsibilities for technology monitoring and competitiveness assessment, $10,000,000 for each of the fiscal years 1994 and 1995 and $12,000,000 for fiscal year 1996;

(4) for the National Technical Information Service revolving fund, $20,000,000 for each of the fiscal years 1995 and 1996; and

(5) for the purpose of carrying out the technology financing pilot program under section 306, $2,000,000 for fiscal year 1994 to prepare the operating plan and promulgate regulations required under that section and $50,000,000 for each of the fiscal years 1995 and 1996 to carry out the provisions of that section.

SEC. 504. NATIONAL SCIENCE FOUNDATION.

In addition to such other sums as may be authorized by other provisions of law to be appropriated to the Director of the National Science Foundation, there are authorized to be appropriated to that Director, to carry out the provisions of section 221, $50,000,000 for fiscal year 1994 and $75,000,000 for each of the fiscal years 1995 and 1996.

SEC. 505. AVAILABILITY OF APPROPRIATIONS.

Appropriations made under the authority provided in this title shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS

SEC. 601. SHORT TITLE.

This title may be cited as the "Information Technology Applications Act of 1994".

SEC. 602. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds and declares the following:

(1) High-performance computing and high-speed networks have proven to be powerful tools for improving America's national security, industrial competitiveness, and research capabilities.

(2) Federal programs, such as the National High-Performance Computing Program established by Congress in 1991, have played a key role in maintaining United States leadership in high-performance computing, especially in the defense and research sectors.

(3) High-performance computing and high-speed networking have the potential to revolutionize many fields, including education, libraries, health care, and manufacturing, if adequate resources are invested in developing the technology needed to do so.

(4) The Federal Government should ensure that the technology developed under research and development programs such as the National High-Performance Computing Program can be widely applied for the benefit of all Americans, including Americans with disabilities.

(5) The Federal Government, in cooperation with computer users, private industry, and others, should support research and development projects which will provide large economic and social benefits. These projects, designed to address major National Challenges, should include the development of computing tools for teaching, digital libraries of electronic information, computer systems to improve the delivery of health care, and computer and networking technology to promote United States competitiveness. These applications should be designed and operated in ways which protect privacy and intellectual property rights.

(b) PURPOSE.—It is the purpose of this title to expand the scope of the National High-Performance Computing Program to identify and promote the development of applications of high-performance computing and high-speed networking which will provide large economic and social benefits to the Nation.

SEC. 603. INFORMATION TECHNOLOGY APPLICATIONS.

(a) FINDINGS, PURPOSE, AND DEFINITIONS OF HIGH-PERFORMANCE COMPUTING ACT.—The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended—

(1) in section 2, by amending paragraph (4) to read as follows:

"(4) High-capacity and high-speed computer networks would provide researchers and educators with access to computer and information resources and act as test beds for further research and development.";

(2) in section 3—

(A) by amending paragraph (1)(A) to read as follows:

"(A) accelerate the creation of a universally accessible communications network for the Nation;";

(B) in paragraph (1)(C), by striking "available for use through the Network";

(C) in paragraph (1)(G), by inserting "and National Challenges" after "Grand Challenges"; and

(D) by striking "and" at the end of paragraph (1)(I); by striking the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and by adding after paragraph (2) the following new paragraph:

"(3) promoting the widest possible application of high-performance computing and high-speed networking by—

"(A) identifying and addressing specific National Challenges, and generally expanding Federal support for research and development of high-performance computing and high-speed networking, in order to—

"(i) improve education at all levels, from preschool to adult education, including the development of new educational technologies;

"(ii) build digital libraries of electronic information accessible over computer networks;

"(iii) improve the provision of health care, including furnishing health care providers and their patients with better, more accurate, and more timely information; and

"(iv) increase the productivity of the Nation's industry, especially in the manufacturing sector; and

"(B) improving coordination of Federal efforts to deploy these technologies in cooperation with the private sector as part of an advanced national information infrastructure.";

(3) in section 4, by striking paragraph (4); by redesignating paragraph (5) as paragraph (7); and by inserting after paragraph (3) the following new paragraphs:

"(4) 'information infrastructure' means a network of communications systems and computer systems designed to exchange information among all citizens and residents of the United States;

"(5) 'National Challenge' means a technical or operational difficulty or problem which, if successfully solved, will result in an application of high-performance computing or high-speed networking that will provide large economic and social benefits to a broad segment of the Nation's populace;

"(6) 'Network Program' means the National Research and Education Network Program established under section 102; and".

(b) NATIONAL HIGH-PERFORMANCE COMPUTING PROGRAM.—Section 101 of the High-Performance Computing Act of 1991 is amended—

(1) in subsection (a)(2)—

(A) by amending subparagraphs (A) and (B) to read as follows:

"(A) foster and encourage competition and private-sector investment in networking within the telecommunications industry:

"(B) encourage—

"(i) a diversity of public and private sources for information products and services based on government information; and

"(ii) the dissemination of government information to the public on a timely, equitable, and affordable basis and in a manner that will promote the usefulness of the information to the public;"; and

(B) by striking "and" at the end of subparagraph (H); by striking the period at the end of subparagraph (I) and inserting in lieu thereof a semicolon; and by inserting after subparagraph (I) the following new subparagraphs:

"(J) provide for the development and, as appropriate, implementation of applications of high-performance computing and high-speed networking, through projects which address National Challenges in the fields of education, library science, health care, manufacturing, provision of government information, and other appropriate fields;

"(K) identify each Program agency's responsibility for addressing National Challenges in high-performance computing and high-speed networking; and

"(L) provide for the development, to the extent technologically feasible, of technology to protect privacy, security, and intellectual property rights (including copyrights).";

(2) in subsection (a)(4)C), by inserting "development of applications technology," after "development,"; and by inserting "Program established in section 102" after "Network"; and

(3) in subsection (a)(4), by striking "and" at the end of subparagraph (D); by striking the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon; and by adding at the end the following new subparagraphs:

"(F) include a summary of the achievements of Federal efforts during the preceding fiscal year to develop technologies needed for an advanced information infrastructure;

"(G) identify steps agencies are taking to develop technology to protect privacy, security, and intellectual property rights (including copyrights) for computer networks; and

"(H) provide any recommendations regarding additional action or legislation which may be required to assist in achieving the purposes of this title."; and

(4) by inserting after subsection (c) the following new subsection:

"(d) COPYRIGHT LAW.—Nothing in this Act shall be construed to modify or otherwise change any provision of title 17, United States Code.".

SEC. 604. APPLICATIONS FOR EDUCATION AND LIBRARIES.

(a) NATIONAL SCIENCE FOUNDATION ACTIVITIES.—Section 201 of the High-Performance

Computing Act of 1991 (15 U.S.C. 5521) is amended—

(1) in subsection (a), by striking "and" at the end of paragraph (3); by striking the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and by adding at the end the following new paragraphs:

"(5) the National Science Foundation and the Department of Education, in cooperation with other appropriate agencies, shall provide for the development of advanced computing and networking technology for use in education at all levels; and

"(6) the National Science Foundation, the Department of Education, and other appropriate agencies shall provide for the development and use of technologies needed for digital libraries of computerized data and information and, as appropriate, may work with private and nonprofit institutions to develop prototype digital libraries to serve as test beds for advanced computing systems, software, standards, and methods."; and

(2) in subsection (b), by striking "$305,000,000" and inserting in lieu thereof "$339,000,000"; and by striking "$354,000,000" and inserting in lieu thereof "$404,000,000".

(b) NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ACTIVITIES.—(1) Section 202(a) of the High-Performance Computing Act of 1991 (15 U.S.C. 5522(a)) is amended to read as follows:

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I, the National Aeronautics and Space Administration shall—

"(1) conduct basic and applied research in high-performance computing, particularly in the field of computational science, with emphasis on aerospace sciences, earth and space sciences, and remote exploration and experimentation; and

"(2) provide for the development of technologies needed for digital libraries and electronic information.".

(2) Section 202(b) of the High-Performance Computing Act of 1991 (15 U.S.C. 5522(b)) is amended by striking "$134,000,000" and inserting in lieu thereof "$154,000,000"; and by striking "$151,000,000" and inserting in lieu thereof "$181,000,000".

(c) ROLE OF DEPARTMENT OF EDUCATION.—Section 206 of the High-Performance Computing Act of 1991 (15 U.S.C. 5526) is amended to read as follows:

"SEC. 206. ROLE OF THE DEPARTMENT OF EDUCATION.

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I—

"(1) the Secretary of Education is authorized to conduct basic and applied research in computational research with the emphasis on the coordination of activities with libraries, school facilities, and educational research groups with respect to the advancement and dissemination of computer science and the development, evaluation, and application of software capabilities; and

"(2) the Department of Education, in cooperation with the National Science Foundation and other agencies as appropriate, shall provide for the development of advanced computing and networking technology at all educational levels; the development and use of technologies needed for digital libraries of computerized data and information; and the development and implementation of training programs for teachers, students, and librarians in the use of local and national computer networks.

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated to the Department of Education, there are authorized to be appropriated for the purposes of carrying out responsibilities under subsection (a) of this section, $11,900,000 for fiscal year 1994; $22,100,000 for fiscal year 1995; and $2,300,000 for fiscal year 1996.".

SEC. 605. APPLICATIONS FOR MANUFACTURING AND INFORMATION.

Section 204 of the High-Performance Computing Act of 1991 (15 U.S.C. 5524) is amended—

(1) in subsection (a)(1), by striking "and" at the end of a subparagraph (B), and by inserting after subparagraph (C) the following new subparagraph:

"(D) develop, refine, test, and transfer, in coordination with other agencies when appropriate, advanced computer-integrated, electronically-networked manufacturing technologies and associated applications; and";

(2) in subsection (a), by striking the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and by adding at the end the following new paragraph:

"(3) the Secretary of Commerce and, as appropriate, other Federal officials shall, in consultation with the Superintendent of Documents, identify and support projects to develop and apply high-performance computing and high-speed networking technologies to provide improved public access to information generated by Federal, State, and local governments, including environmental monitoring information."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting "(other than Advanced Manufacturing Program activities)" after "Program" and by striking "and" at the end of the paragraph;

(B) by striking the period at the end of paragraph

(2) and inserting in lieu thereof "; and;" and

(C) by adding at the end the following new paragraph:

"(3) to the Secretary of Commerce to carry out Program activities under subsection (a)(3), $30,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995.".

SEC. 606. APPLICATIONS IN ENERGY AND OTHER AREAS.

Section 203 of the High-Performance Computing Act of 1991 (15 U.S.C. 5523) is amended by adding at the end the following new subsection:

"(f) APPLICATIONS.—(1) The Secretary of Energy shall, consistent with the Program, develop, test, and apply high-performance computing and high-speed networking technologies in areas within the Department's missions, including—

"(A) energy demand management and control, including vehicle efficiency and utilization, energy efficiency in commercial and residential buildings, and industry energy use and practices;

"(B) environmental monitoring, modeling, and remediation;

"(C) manufacturing;

"(D) materials;

"(E) the generation of electricity and the production and consumption of oil, natural gas, and coal; and

"(F) other areas in which the Department's computing expertise may assist industry and others, including applications in health care, education and training, financial services, and law enforcement.

"(2) The Secretary of Energy shall provide for cooperative projects involving the Department of Energy and one or more Department of Energy laboratories and appropriate non-Federal entities in carrying out this subsection.

"(3) In carrying out projects under paragraph (2), the Secretary of Energy shall, where appropriate, seek to address the technical and other considerations critical to further development of the technologies and applications useful for a national information infrastructure.

"(4) There is authorized to be appropriated to the Secretary of Energy for purposes of this subsection, $50,000,000 for fiscal year 1994, $100,000,000 for fiscal year 1995, and $150,000,000 for fiscal year 1996.".

SEC. 607. APPLICATIONS FOR HEALTH CARE; ACCESS TO NETWORKS.

The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended—

(1) by redesignating sections 207 and 208 as sections 209 and 210, respectively; and

(2) by adding after section 206 the following new sections:

"SEC. 207. ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I, the Secretary of Health and Human Services shall, through the Public Health Service, the National Institutes of Health, the National Library of Medicine, and the Centers for Disease Control and Prevention, in cooperation with the National Science Foundation and other appropriate agencies, develop and support the development of interoperable technologies for applications of high-performance computing and high-speed networking in the health care sector. In developing these technologies, emphasis shall be placed on applications that can produce significant savings in national health care costs. Such technologies shall, when feasible, build on existing Federal programs for developing information technology applications in the health care sector.

"(b) AUTHORIZATION OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated, there are authorized to be appropriated to the Department of Health and Human Services for the purposes of this section, $9,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $50,000,000 for fiscal year 1995.

"SEC. 208. ACCESS TO NETWORKS.

"(a) CONNECTIONS PROGRAM.—The National Science Foundation, the Department of Education, Department of Commerce, particularly the National Telecommunications and Information Administration, and other appropriate agencies shall—

"(1) foster the creation of computer networks, including but not limited to high-performance computer networks, in geographical areas which will connect institutions of higher education, elementary and secondary schools, libraries and depositary libraries, and Federal, State, and local governments to each other; and

"(2) provide for connection of such networks to other networks.

"(b) TRAINING.—The National Science Foundation, the Department of Education, the Department of Commerce, particularly the National Telecommunications and Information Administration, and other appropriate agencies shall provide for programs to train teachers, students, librarians, and Federal, State, and local government personnel in the use of local and national computer networks. Training programs for librarians shall be designed to provide skills and training materials needed by librarians to instruct the public in the use of hardware and software for accessing and using local and national computer networks.

"(c) REPORT.—The Director shall, within 1 year after the date of enactment of the Infor-

mation Technology Applications Act of 1994, submit a report to Congress which shall include—

"(1) findings of an examination of the extent to which the education and library communities and State and local governments have access to local and national networks;

"(2) a statement of the extent to which connections to local and national networks exist for the education and library communities and State and local governments;

"(3) an assessment of the factors limiting access by schools, libraries, and State and local governments to local and national networks and an estimate of the cost of providing universal access for those institutions to those networks; and

"(4) recommendations for collaborative programs among Federal, State, and local governments and the private sector to expand connectivity to local and national computer networks for educational institutions, libraries, and Federal, State, and local governments.

"(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out the purposes of this section, there are authorized to be appropriated—

"(1) to the National Science Foundation, $5,000,000 for fiscal year 1994 and $12,500,000 for fiscal year 1995; and

"(2) to the Department of Education, $5,000,000 for fiscal year 1994 and $12,500,000 for fiscal year 1995.".

SEC. 608. HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.

Section 101(b) of the High-Performance Computing Act of 1991 (15 U.S.C. 5511(b)) is amended to read as follows:

"(b) HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.—The Director shall establish an advisory committee on high-performance computing and applications consisting of non-Federal members, including representatives of the research, elementary and secondary education, higher education, and library communities, consumer and public interest groups, network providers, and the computer, telecommunications, information and publishing industries, and other groups who use networks, who are specially qualified to provide the Director with advice and information on high-performance computing and on applications of computing and networking. The Director shall consider the recommendations of the advisory committee in reviewing and revising the Program. The advisory committee shall provide the Director with an independent assessment of—

"(1) progress in implementing the Program;

"(2) the need to revise the Program;

"(3) the balance between the components of the activities undertaken pursuant to this Act;

"(4) whether the research, development, and demonstration projects undertaken pursuant to this Act are helping to maintain United States leadership in computing and networking technologies and in the application of those technologies;

"(5) whether the applications and technologies developed under the Program are successfully addressing the needs of targeted populations, including assessment of the number of users served by those applications; and

"(6) other issues identified by the Director.".

SEC. 609. NATIONAL RESEARCH AND EDUCATION NETWORK PROGRAM.

Section 102 of the High-Performance Computing Act of 1991 (15 U.S.C. 5512) is amended to read as follows:

"SEC. 102. NATIONAL RESEARCH AND EDUCATION NETWORK PROGRAM.

"(a) ESTABLISHMENT.—As part of the Program described in section 101, the National Science Foundation, the Department of Defense, the Department of Energy, the Department of Commerce, the National Aeronautics and Space Administration, the Department of Education, and other agencies participating in the Program shall, in consultation with the Superintendent of Documents, support the establishment of the National Research and Education Network Program. The Network Program shall consist of the following components:

"(1) Research and development of software and hardware for high-performance computing and high-speed networks.

"(2) Support of experimental test bed networks for—

"(A) developing and demonstrating advanced networking technologies resulting from the activities described in paragraph (1); and

"(B) providing connections and associated network services for purposes consistent with this Act.

"(3) Provision of support for researchers, educators, students, libraries, and other appropriate institutions in order to ensure their access and use of networks.

"(4) Federal networks for linking Federal agency facilities and personnel to each other and to non-Federal networks.

"(b) PROGRAM REQUIREMENTS.—The Network Program shall—

"(1) be closely coordinated with the computer hardware, computer software, telecommunications, and information industries, and network users in government, industry, and research and educational institutions;

"(2) foster and encourage competition and private sector investment in networking within the telecommunications industry;

"(3) promote and encourage research and development leading to the creation of data transmission standards, enabling the establishment of privately developed high-speed commercial networks;

"(4) provide for the appropriate application of Federal laws that provide network and information resources security, including those that protect intellectual property rights, control access to data bases, and protect national security;

"(5) enable interoperability of Federal and non-Federal computer networks, to the extend appropriate, in a way that allows autonomy for each component network;

"(6) promote the research and development of high-capacity and high-speed computing networks, including related applications; and

"(7) demonstrate, in cooperation with users and others in the private sector, how advanced computers, high-capacity and high-speed computing networks, and data bases can contribute to the national information infrastructure.

"(c) NETWORK ACCESS PLAN.—The Federal agencies participating in activities under this section shall develop a plan with specific goals for implementing the requirements to subsection (a)(3), including provision for financial assistance to educational institutions, public libraries, and other appropriate entities. This plan shall be submitted to the Congress not later than one year after the date of enactment of the Information Technology Applications Act of 1994. Each year thereafter, the Director shall report to Congress on progress in implementing subsection (a)(3).

"(d) DEPARTMENT OF DEFENSE RESPONSIBILITIES.—As part of the Program, the Department of Defense, through the Advanced Research Projects Agency, shall support research and development of advanced fiber optics technology, switches, and protocols.

"(e) INFORMATION SERVICES.—The Director shall assist the President in coordinating the activities of appropriate agencies to promote the development of information services that could be provided over computer networks consistent with the purposes of this Act. These services may include the provision of directories of the users and services on computer networks, data bases of unclassified Federal data, training of users of data bases and computer networks, and technology to support computer-based collaboration that facilitates research and education. In carrying out this section, the Director shall consult with the Superintendent of Documents in order to facilitate compatibility of information systems and eliminate unnecessary redundancy.

"(f) USE OF GRANT FUNDS.—All Federal agencies and departments are authorized to allow recipients of Federal research grants to use grant funds to pay for computer networking expenses.

"(g) USE OF PROGRAM FUNDS.—(1) Each agency in the Program, when using Program funds for the procurements of communications networking services for Program activities, shall develop, provide access to, or use communications networks through the acquisition of commercially available network services or through contracting for customized services when such acquisition cannot satisfy agency requirements. Nothing in this section shall be construed to modify or otherwise change the Federal Property and Administrative Services Act of 1949.

"(2) In using Program funds to provide grants or assistance to non-Federal entities for the support of communications networking services, the head of each agency in the Program shall provide funding only to non-Federal entities which agree to develop, provide access to, or use communications networks—

"(A) through the acquisition of commercially available communications networking services; or

"(B) if no such services are satisfactorily available, through contracting for customized services, with the determination of satisfactory availability including consideration of geographic access to and affordability of service, and timeliness and technical performance standards in providing services.

In neither subparagraph (A) or (B) may the grantee use Federal funds for purposes other than the purposes for which they are awarded.

"(3) The provisions of this subsection shall apply only to procurements, grants, or agreements for assistance entered into by Program agencies for Program activities after the date of enactment of the Information Technology Applications Act of 1994.".

SEC. 610. SUPPORT FOR COMPUTER EDUCATION PROGRAMS.

(a) EDUCATION PROJECT.—The Administrator of the National Aeronautics and Space Administration (hereafter in this section referred to as the 'Administrator') shall establish a Computer Technologies for K–12 Education Project (hereafter in this section referred to as the 'Project') to test and demonstrate educational applications of advanced computer technologies, including but not limited to high-performance computing technologies, in public school systems providing precollege education. The Project shall award, on a competitive basis, grants

to plan, deploy, manage, and operate advanced educational applications of computer technologies in K–12 public school systems in the United States in response to proposals requested by the Administrator. The Administrator shall ensure that non-Federal funds committed to support such proposals shall amount to not less than 30 percent of the Federal grant from the Project.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Aeronautics and Space Administration $8,000,000 for each for the fiscal years 1994 and 1995, to carry out the provisions of paragraph (1). No funds shall be awarded under the Project other than through the competitive process established by the Administrator pursuant to this section.

SEC. 611. SUPPORT FOR STATE-BASED DIGITAL LIBRARIES.

(a) PROGRAM TO SUPPORT DIGITAL LIBRARIES.—The National Science Foundation, in consultation with the Department of Education, the Department of Commerce, the Advanced Research Projects Agency, the Library of Congress, the Superintendent of Documents, and other appropriate agencies, is authorized to initiate a competitive, merit-based program to support the efforts of States and, as appropriate, libraries to develop electronic libraries. In carrying out this section, the National Science Foundation shall consult with the Superintendent of Documents in order to facilitate compatibility for Federal information systems and eliminate unnecessary redundancy. These libraries shall provide delivery of and access to a variety of databases, computer programs, and interactive multimedia presentations, including educational materials, research information, statistics and reports developed by Federal, State, and local governments, and other information and informational services which can be carried over computer networks.

(b) AUTHORIZATION OF APPROPRIATIONS.—To carry out the provisions of this section, there are authorized to the Director of the National Science Foundation $10,000,000 for fiscal year 1994, and $25,000,000 for fiscal year 1995.

(c) COPYRIGHT LAW.—Nothing in this section shall be construed to modify or otherwise change any provision of title 17, United States Code.

SEC. 612. SUPPORT FOR COMPUTING ACTIVITIES AT TRIBAL COLLEGES.

The Director of the National Science Foundation shall design and implement a pilot program to provide financial assistance, through competitive selection processes, to States in which are located two or more tribally-controlled community colleges. The objective of the pilot program shall be to institute interactive telecommunications systems among such tribally controlled community colleges in such States, so as to assist the tribal community in education, job training, and other appropriate activities.

SEC. 613. DEPARTMENT OF EDUCATION SUPPORT FOR COMPUTER EDUCATION PROGRAMS.

(a) EDUCATION PROJECT.—In addition to the general responsibilities set forth in section 206 of the High-Performance Computing Act of 1991 (15 U.S.C. 5526), the Department of Education, in cooperation as appropriate with other Federal agencies, shall establish a project to test and demonstrate educational applications of advanced computer technologies, including but not limited to high-performance computing and networking technologies, in school systems providing precollege education. This project shall award, on a competitive basis, grants to plan, deploy, manage, and operate advanced educational applications of computer technologies in response to proposals requested by the Secretary of Education. The Secretary of Education shall ensure that non-Federal funds committed to such proposals shall amount to not less than 30 percent of the Federal grant.

(b) AUTHORIZATION OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated to the Department of Education, there are authorized to be appropriated to carry out the provisions of this section, $8,000,000 for each of the fiscal years 1994 and 1995. No funds shall be awarded under the provisions of subsection (a) other than through the competitive process established by the Secretary of Education pursuant to this section.

TITLE VII—FASTENER QUALITY ACT AMENDMENTS

SEC. 701. FASTENER QUALITY ACT AMENDMENTS.

(a) TECHNICAL AMENDMENTS.—(1) Section 3 of the Fastener Quality Act (15 U.S.C. 5402) is amended—

(A) in paragraph (8), by striking "Standard" and inserting in lieu thereof "Standards"; and

(B) in paragraph (14), by striking "which defines or describes" and all that follows through "of any fastener".

(2) Section 5(b)(1) of the Fastener Quality Act (15 U.S.C. 5404(B)(1)) is amended by striking "section 6; unless" and inserting in lieu thereof "section 6, unless".

(3) Section 7(c)(2) of the Fastener Quality Act (15 U.S.C. 5406(c)(2)) is amended by inserting "to the same" before "extent".

(b) CLARIFYING AMENDMENTS.—(1) Section 5(a)(1)(B) of the Fastener Quality Act (15 U.S.C. 5404(a)(1)(B)) is amended by striking "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(2) Section 5(a)(2)(A)(i) of the Fastener Quality Act (15 U.S.C. 5404(a)(2)(A)(i)) is amended by striking "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(3) Section 5(c)(4) of the Fastener Quality Act (15 U.S.C. 5404(c)(4)) is amended by inserting "except as provided in subsection (d)," before "state".

(4) Section 5 of the Fastener Quality Act (15 U.S.C. 5404) is amended by adding at the end the following new subparagraph:

"(d) ALTERNATIVE PROCEDURE FOR CHEMICAL CHARACTERISTICS.—Notwithstanding the requirements of subsections (b) and (c), a manufacturer shall be deemed to have demonstrated, for purposes of subsection (a)(1), that the chemical characteristics of a lot conform to the standards and specifications to which the manufacturer represents such lot has been manufactured if the following requirements are met:

"(1) The coil or heat number of metal from which such lot was fabricated has been inspected and tested with respect to its chemical charactistics by a laboratory accredited in accordance with the procedures and conditions specified by the Secretary under section 6.

"(2) Such laboratory has provided to the manufacturer, either directly or through the metal manufacturer, a written inspection and testing report, which shall be in a form prescribed by the Secretary by regulation, listing the chemical characteristics of such coil or heat number.

"(3) The report described in paragraph (2) indicates that the chemical characteristics of such coil or heat number conform to those required by the standards and specifications to which the manufacturer represents such lot has been manufactured.

"(4) The manufacturer demonstrates that such lot has been fabricated from the coil or heat number of metal to which the report described in paragraphs (2) and (3) relates. In prescribing the form of report required by subsection (c), the Secretary shall provide for an alternative to the statement required by subsection (c)(4), insofar as such statement pertains to chemical characteristics, for cases in which a manufacturer elects to use the procedure permitted by this subsection.".

(c) SALE OF FASTENERS SUBSEQUENT TO MANUFACTURE.—Section 7 of the Fastener Quality Act (15 U.S.C. 5406) is amended—

(1) in subsection (e)(1)—

(A) by striking "or any person who purchases any quantity of fasteners for resale at wholesale" and inserting in lieu thereof ", importer, or private label distributor"; and

(B) by striking "or such person" and inserting in lieu thereof ", importer, or private label distributor";

(2) by adding at the end of subsection (e) the following new paragraph:

"(3) Notwithstanding paragraph (1), fasteners may be sold to an end user in commingled lots if—

"(A) any packaging of such fastener includes a conspicuous disclaimer message indicating that the fasteners are manufactured and tested in compliance with this Act but have been commingled with like items from different lots; and

"(B) the person selling such fasteners has a written statement from the end user purchasing such fasteners granting permission to the seller to provide commingled lots. A written statement described in subparagraph (B) shall be kept on file for at least 10 years for any later review or audit."; and

(3) by amending subsection (f) to read as follows:

"(f) SUBSEQUENT PURCHASER.—It shall be unlawful for any person to sell fasteners, of any quantity, to any end user who requests lot traceability, unless the container of fasteners sold is conspicuously marked with the number of the lot from which such fasteners were taken.".

Mr. HOLLINGS. Mr. President, I am pleased that the Senate today is considering a substitute amendment which I am offering to S. 4, the National Competitiveness Act of 1993. This important bill has a single purpose: To help industry to promote American economic growth and jobs. The bill accomplishes this goal by strengthening the technology and manufacturing assistance programs of the Department of Commerce [DOC], by furthering manufacturing research and education at the National Science Foundation [NSF], and by authorizing research in new applications of high-performance computing. I introduced S. 4 last year with the support of both the distinguished majority leader and several of our colleagues, and last May the Commerce Committee approved it without objection.

BACKGROUND

There are many important reasons to pass this bill. S. 4 is important because technology is important. Technology is the engine of economic growth. In an increasingly competitive world econ-

omy, American industry appropriately views technology as a strategic advantage. Professors Roger Noll of Stanford and Linda Cohen of the University of California recently summarized, in a 1991 book, the evidence on this point when they wrote that the consensus among economists is that improvement in knowledge, including technological change, is:

probably the most important source of growth in per capita national income. Moreover, societies with high wages can continue to experience high rates of growth only if they are continuously on the edge of the technical frontier. If know-how is roughly the same everywhere, rapid growth in a high-wage society is unlikely to be sustained in competition with a low-wage society. As an empirical matter, the most economically advanced nations tend to be the principal producers and exporters of the most technically sophisticated products.

Since technology is vital to economic growth, and since the Federal Government spends $70 billion a year on research and development, it stands to reason that the Government should make its research and development programs as useful as possible to industry.

S. 4 reflects this awareness by reauthorizing and strengthening existing programs which fall within a bipartisan technology policy tradition that dates back to at least 1980. The Reagan administration proposed the Federal Technology Transfer Act, and the Bush administration requested funds for the DOC programs reauthorized in S. 4. President Bush's administration summed up the consensus well in its September 1990 statement on U.S. technology policy, when it said that the Federal Government has a responsibility to participate:

with the private sector in precompetitive research on generic, enabling technologies that have the potential to contribute to a broad range of government and commercial applications. In many cases these technologies have evolved from government-funded basic research, but technical uncertainties are not sufficiently reduced to permit assessment of full commercial potential.

Furthermore, early last year President Clinton announced a major technology policy initiative, and his commitment to furthering this policy is reflected in his recent fiscal year 1995 budget request.

This bipartisan policy calls for research cooperation between industry on the one hand and universities, Federal agencies, and Government laboratories on the other hand, and has been promoted by many specific laws and programs in addition to DOC technology programs, which have received bipartisan support. These include the Bayh-Dole Act of 1980, which encourages university-industry cooperation; the Federal Technology Transfer Act of 1986, which facilitates cooperation between Federal laboratories and industry; continued support for aeronautical research at the National Aeronautics and Space Administration [NASA]; NSF-sponsored engineering research centers; and dual-use Department of Defense initiatives such as Sematech and the technology reinvestment project. These laws and programs have certain common features: Federal research programs that are more useful to companies; competitive, peer-reviewed selection processes for technology grants; and a focus on precompetitive research on high-risk but valuable technologies, coupled with a strict prohibition against using Federal money to help companies to develop or make commercial products.

The bipartisan interest in these programs also is reflected in general congressional action over the years to aid industry. For 200 years, ever since Treasury Secretary Alexander Hamilton wrote his famous "Report on Manufactures," bipartisan majorities of Congress have passed bills to promote industry. Earlier Congresses have approved agricultural research and extension; the research and development tax credit; Export-Import Bank loans, aeronautical research; programs at the National Institutes of Health; funding for Sematech; university research; and Federal laboratory technology transfer, to name a few. Congress has long supported industry, realizing the importance of these programs in helping industry to increase profits and create jobs. S. 4 continues in that bipartisan tradition. It is a bill to promote industrial development and economic growth, and its bipartisan support indicates the continuing interest in these programs. In the last Congress, S. 1330—a precursor to S. 4—passed the Senate by unanimous consent, and last year the Senate Commerce Committee reported S. 4 without a dissenting vote.

S. 4 promotes these bipartisan proposals without adding to the deficit. The administration is proposing a fiscal year 1995 budget for S. 4's technology programs within the tough new budget cap that freezes discretionary spending. Funds are being reallocated within the research and development budget to make that budget more useful in an era with the cold war over and economic growth now the Nation's highest priority.

Some might argue that S. 4 is industrial policy. Critics of Federal technology programs often imply that these programs provide, or will provide, massive subsidies to prop up individual companies and help them to make products. This argument is nonsense. All of these programs prohibit the use of Federal money to develop or make commercial products—we are not picking winners and losers, or anything of that sort.

The need for S. 4 is clear. According to a 1990 report by the Department of Commerce during the Bush administration, America is losing, or losing badly, relative to Japan and Europe in many of the key new emerging technologies. By the year 2000, world markets for products based on these technologies could total $1 trillion annually. The United States also lags in the deployment of new manufacturing technologies. The United States has 350,000 small manufacturing firms with 500 or fewer employees; yet the Nation ranks far below other industrialized nations in the adoption of advanced machine tools and other technologies.

Up to now, the U.S. Government's research and development budget has reflected the priorities of the cold war. According to official NSF statistics, as recently as 1992 the Federal Government spent 59 percent of its research and development on defense and only 0.3 percent for the direct support of industrial development. Our major economic competitors, however, have chosen to emphasize the support of the new basic industrial technology. Their percentages of government research and development money used to support industry are impressive: in Germany, 13.3 percent; in France, 12.6 percent; in Italy, 14.3 percent. Other nations also provide major assistance to help their small manufacturers—Japan funds 170 assistance centers, for example. Today, with the cold war over and economic growth a higher priority than ever, it is appropriate—indeed imperative—that we use some of the Federal Government's $70 billion annual research budget to support the development of the new basic technologies and manufacturing practices that are absolutely central to national prosperity.

S. 4's programs also are of the highest quality. I am proud of the programs that S. 4 reauthorizes and strengthens. The DOC programs are industry-led, cost-shared, and peer-reviewed. There is no pork, and these activities enjoy a stellar reputation. Moreover, these programs have the right focus. They support industry's efforts to perfect important new high-risk technologies and to improve basic manufacturing. However, they never subsidize the development or production of commercial products, which is appropriately left to the private sector.

In a world in which wealth and jobs go to those countries that can commercialize new inventions most quickly, and improve manufacturing most rapidly, these programs are major investments in our Nation's economic future. Given their clear value and high quality, they have broad support from major industry coalitions and engineering groups, such as the National Association of Manufacturers, American Electronics Association, and Computer Systems Policy Project, to name a few. The support for S. 4 shows its importance to the Nation's future.

MAJOR PROVISIONS

At the heart of S. 4 are, first, a clear restatement of DOC's mission in support of U.S. manufacturing and, sec-

ond, reauthorizations for the three main activities of DOC's National Institute of Standards and Technology [NIST]. These three activities are the Advanced Technology Program [ATP], which aids industry-led efforts to speed the development of new technologies; the manufacturing extension partnership [MEP], in which NIST supports State efforts to help small and medium-sized manufacturers to improve performance, save jobs, and boost profits; and the research and technical service programs at NIST's laboratories, which since 1901 have given U.S. industry the precise measurement and process control technologies necessary to make products quickly, precisely, and cost effectively. S. 4 also authorizes expanded activities at the National Science Foundation [NSF] in support of manufacturing education and research. All of the grant programs which I have mentioned—the ATP, the MEP, and NSF's support for manufacturing—are competitive, merit-reviewed programs. They enjoy a strong reputation for quality, careful evaluation, and fairness.

In addition, title VI of S. 4 authorizes a computer applications research program, originally proposed by Vice President GORE when he chaired the Commerce Committee's Science Subcommittee. This initiative, which also emphasizes competitive grant procedures, will support innovative demonstration projects run by computer users and vendors to develop and test new applications of high-performance computing. An emphasis is placed on research that contributes to the Nation in areas of particular public concern, including education, health care, manufacturing, and libraries. This initiative will help to ensure that the fundamental computing research that the Government is already supporting will be applied effectively in these key areas, helping to deliver better services to the public as well as boost the competitiveness of the U.S. computer industry.

THE SUBSTITUTE AMENDMENT

The text now before the Senate is a substitute amendment. It follows the reported version of S. 4 closely, and incorporates refinements that resulted from our conversations with interested Members and the administration. There are several important features of the substitute.

First, the essence of the original NIST and NSF provisions has been kept. The substitute reauthorizes NIST programs, expands the ATP to the point where it can make significant contributions to industry's technology efforts, makes needed technical amendments to NIST programs, and expands NIST's existing, and proven, manufacturing extension programs. S. 4 as amended still will enable NIST to expand its support for U.S. technology and manufacturing.

For example, NIST currently supports seven State-sponsored manufacturing technology centers [MTC's] around the country. Roughly analogous to agricultural extensions, these centers provide valuable advice to interested small manufacturers. Early evaluations show that the assistance provided by these centers has helped small manufacturers to improve technology and work practices, boost sales and exports, and increase jobs. Japan operates over 170 such centers, with apparent great success. The President has proposed to increase the number of MTC's and create a new generation of smaller manufacturing outreach centers [MOC's], which will be based at junior colleges and other local groups around the country. S. 4 as amended authorizes that expansion. When properly funded, the legislation will create a national network of State and local-led centers that can assist all interested small manufacturers. That network will be an important step in trying to save small American firms—and small-firm jobs—that are now facing intense foreign competition.

The NSF portions of the substitute are the same as the reported version, with the addition of a provision allowing for one new activity to support student internships at small manufacturing companies. The substitute, like the reported bill, contains a pilot program to support venture capital firms which help to support new technology ventures. This provision has been modified, however, as the result of discussions between DOC and the Small Business Administration and among Senators ROCKEFELLER, BUMPERS, and PRESSLER.

The revised S. 4 computer title contains the same basic provisions as before, and also includes clarifying language on one key provision—the section ensuring that Federal support for computer networks does not create unfair competition to commerical phone companies, while still providing that Federal agencies remain free to operate their own internal mission networks.

CONCLUSION

Mr. President, I want to thank the many individuals and groups which helped us to craft this legislation. I thank in particular our ranking member, Senator DANFORTH, for his leadership on his side of the aisle; Senator MITCHELL, our principal cosponsor, and Senator ROCKEFELLER, our Science Subcommittee chairman. In the House, Chairman GEORGE BROWN and his colleagues on the Science Committee have worked closely with us on this bill for over 2 years. In addition, JOHN DINGELL. We have had the support and apparent guidance of our distinguished Vice President and Secretary of Commerce Ron Brown with respect to all Commerce matters. We worked closely with him and with the administration on information and communication. All of these Members and their staffs have contributed greatly to this legislation and deserve much credit.

From the beginning, S. 4 was written not only to support industry but also in close cooperation with industry and worker organizations. In this regard, special thanks goes to several groups. The National Coalition for Advanced Manufacturing, the National Association of Manufacturers, the Modernization Forum, the Work and Technology Institute, the American Society for Training and Development, the Engineering Societies, and, very importantly, the Advanced Technology Coalition, let by the American Electronics Association, Honeywell Corp., and others, have contributed greatly to this product.

In preparing the computer title, the Computer Systems Policy Project, the American Electronics Association, and a range of educational groups and telecommunications companies, as well as the Vice President's office and the Office of Science and Technology Policy [OSTP], worked with us to perfect legislative language. The Secretary of Commerce and DOC technology officials, as well as officials from OSTP, the National Economic Council, and the Office of Management and Budget have worked hard to make this a sound bill and to ensure that the programs authorized in the legislation will be of the highest quality.

For over 40 years after World War II, the Federal Government's large budget focused on the needs of the cold war and a few other specific Government missions. Even though our trading partners focused most of their research and development funding on industrial development, we assumed the burden of world leadership in confronting communism and devoted very little of our research and development resources directly to helping our civilian manufacturing industries and workers to succeed in an increasingly competitive world economy. As recently as only a few years ago, less than 1 percent of the U.S. Government research and development budget went to support the technology efforts of general civilian industry. Our economic competitors have pursued very different priorities.

Now the United States faces a new era—one of diminished military threat and greatly increased economic competition. The economic challenge has become relentless. Despite leading the world in science and new inventions, our country faces major trade deficits, factories all too often moved overseas, workers face wrenching changes, and we continue to see other countries commercialize American inventions. If the United States is to obtain jobs and profits from the industries of the future, and if we are to help small as well as large manufacturers across the land to restore competitiveness, we must act now.

The President and Members on both sides of the aisle are committed to investing in long-term economic growth. As one vital step in this effort, we must strengthen Federal civilian technology and manufacturing programs and, even more importantly, we must shift budget resources away from old research and development priorities to the urgent needs of today. Technology programs, properly designed and funded, can strengthen the U.S. economy, and S. 4 is a major building block in the new American national technology policy. This new technology policy—combined with stronger trade policies, improved training and education, and long-term deficit reduction—can help to make the difference in determining whether this Nation and our people prosper or decline in this harsh world economy.

I thank my colleagues for their contributions and support, and urge the Senate to pass S. 4 as amended.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from Missouri.

Mr. DANFORTH. Madam President, my hope is that for the next day or so while S. 4 is considered in this Chamber we as a Senate will have the opportunity to address fundamental questions about the relationship between the Federal Government and the private sector. I really believe that Senator HOLLINGS, with his very strong leadership, has brought before the Senate a very important question.

I must say to my chairman that while I was not terribly enthusiastic about S. 4 as it winded its way through the Commerce Committee, I viewed it at the time as somewhat more innocuous than I view it now. I think now particularly, given the status of the GATT agreement that has been negotiated by our country and other countries of the world, the issue that has been raised in S. 4 is one that is of really tremendous significance to our country. I believe it is one that should be debated on the floor of the Senate.

So my hope is that for the next couple of days—I do not think this is going to be on the floor of the Senate for a very long time, but my hope is that for the next couple of days Senators will focus on the question that is raised by this legislation. The question really is summed up in the words "industrial policy."

I hope Members of the Senate will ask themselves what should be the appropriate relationship between the Federal Government and the private sector of America. To what degree should the Federal Government be weighing in with particular industries, to what extent should the Government of the United States be subsidizing particular industries, particularly high-technology industries, deciding those industries that have promise and putting Federal resources behind those industries.

Now, all of us believe in science. All of us are very proud of the technological abilities of Americans. All of us believe that the future of our country and the future of our economy is related to the ability of Americans to produce new kinds of products and to bring those products to the market.

So the question that will be before us for the next day or so has nothing to do with whether we believe in science. We do believe in science. It has nothing to do with whether we believe in advanced technology. We do believe in advanced technology. The only issue is what is the Federal Government supposed to do about it? How does the Government relate to the private sector? Does the Government weigh in? Does the Government attempt to help out, to identify those industries that are promising and to help those industries, or instead is the better approach of the Federal Government, frankly, to get out of the way?

We have addressed this question in the Commerce Committee in connection with telecommunications; the so-called infrastructure issue in telecommunications has been before us for a number of years. I think it was back in 1991 that then Senator, now Vice President, GORE introduced a bill, and the bill was the telecommunications infrastructure bill. The basic approach of that bill was that the Federal Government should spend money in creating a telecommunications infrastructure for America.

That idea has changed, and it has changed very dramatically. Right now, the Commerce Committee has before it, under the leadership of our chairman, a bill which does not have the Government in the business of developing infrastructure but, rather, the Government is getting out of the way. The Government under our legislation would deregulate telecommunications. It would allow the telephone companies to get into the cable business and the cable companies to get into the telephone business. Government would say we are not going to regulate so heavily. We are going to get out of the way, and we are going to let the private sector do its job.

It is a major shift in philosophy between then Senator GORE's infrastructure idea of 3 years ago and the infrastructure concept that is now before the Commerce Committee. It is a difference between a very involved and directive Federal Government and a Federal Government that allows the private sector to function. Now we have before us legislation which creates new expansions of the Federal Government's relationship with the private sector, significant increases in funding so that the Federal Government can pick favored industries and the Federal Government can subsidize those industries, particularly with respect to the doing of research.

I believe that before we do this, we should debate it so that this greatest of all deliberative bodies can reach a decision on the basis of due deliberation. Do we really believe in Government subsidies for research? Do we really believe that the Government subsidization of research is the way to move the country forward, the private sector forward toward the future? Or do we believe that the Government and its subsidies is not the best approach?

All of us have supported governmental subsidies for research. The Federal Government does research. The Federal Government does research through grants to universities. The Federal Government does research through the National Institutes of Health and through the Defense Department. The Federal Government buys research into weapons systems and supports general research on matters of health.

But the kind of research that is advanced by this legislation is a different sword. This is targeted research. It is research designed to affect specific industries and to bring about results within those specific industries. And, therefore, there is a fundamental difference between basic research or defense research designed for a purpose and the sort of industrial policy, product-oriented research, sector-oriented research that is so much a part of this legislation.

I would like to say to the Senate that my own interest in this issue, which as I indicated earlier was mild until very recently, accelerated very dramatically as I focused on what the administration brought about in the negotiation of the GATT agreement; what the administration brought about in negotiating the GATT agreement last winter, after the Congress adjourned after the last session of Congress.

Without advance knowledge, I think, on the part of any of us, the administration altered a longstanding position of past administrations with respect to permissible subsidies that governments can put in place around the world for favored industries.

And the administration, at its insistence in the trade negotiations, the GATT negotiations, brought about the so-called "green lighting" of research and development subsidies. Heretofore the kinds of specific product-oriented subsidies that we are talking about were subject to countervailing duty. Under the subsidies code as it has existed and as it currently exists, if a country subsidizes research and subsidizes development, those subsidies are subject to countervailing duty. Injured countries, countries whose products have been injured and whose economy has been injured by the subsidies granted by other governments, can impose countervailing duties in order to offset or to penalize the subsidy. That practice, that subsidies code, is being

dramatically altered as a result of the GATT agreement, and it is being dramatically altered under the leadership and at the insistence of the Clinton administration.

So if the GATT agreement is agreed to, if it actually comes into being, henceforth research subsidies up to 75 percent of their cost and development subsidies up to 50 percent of their cost can be subsidized by governments without any countervailing duties being possible.

This is a major change and it is a change that was insisted upon by the Clinton administration. And the rationale for the change is set forth in a memorandum dated November 27, 1993.

I ask unanimous consent that the memorandum be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GATT AND DEVELOPMENT SUBSIDIES

The following addresses the question of reducing GATT disciplines on development subsidies in light of the known positions of U.S. industry and the possible economic effects of this action. Annex I briefly describes the current treatment of development subsidies under the 1979 GATT Subsidies Code, the U.S. countervailing duty (CVD) law, and the Dunkel Draft Subsidies Code.

INDUSTRY PERSPECTIVES ON "DEVELOPMENT"

Going into the Uruguay Round, only the aerospace and consumer electronics industries provided specific advice on how government subsidies to research and development should be treated. The table below compares the position of those industries with the results of the draft Uruguay Round subsidies text.

	Industry position	Draft text
Basic research	100 percent green	50 percent green.
Applied research	100 percent yellow	25 percent green.
Development	100 percent red	100 percent yellow.

Since the draft text was issued, many advisory groups have reiterated or refined their advice on R&D. The ACTPN Industrial Subsidy Task Force issued guidance last December which recommended collapsing basic and applied research under a new, single "research" definition, for which 100 percent of government assistance would be made nonactionable. However, the ACTPN also recommended that the term "development" be defined—so as to make clear what activity was not exempted from subsidy disciplines—and that the language make clear that the creation of prototypes was to be considered a development activity.

Over the past year, U.S. Trade and technology officials also consulted with a number of industries which participate in technology partnerships with federal agencies. Some of those partnership activities probably involve "development," such as the advanced battery consortium with U.S. automakers. Although these groups expressed concern about the impact of subsidy rules on their partnership activities, their concern extended as much to the manner in which research was greenlighted as to the manner in which development was not. Moreover, the aircraft industry's preoccupation with the treatment of development arises out of concrete experience with the Airbus consortium, whereas the anxiety of other industries about coverage of R&D probably is more reflective of a "fear of the unknown" than a studied assessment of how their international competitive position would be affected if assistance for development were exempted from subsidies disciplines.

HOW COULD ONE "GREENLIGHT" DEVELOPMENT?

The easiest way to "greenlight" development is to indicate that 100 percent of government assistance for research and development is non-actionable. The only logistical problems posed by this option are how to distinguish R&D from other production activities and discern which operating costs are related or allocable to R&D. However, this approach would overlook the fact that assistance for product development is apt to be far more distortive of the conditions of competition than most government subsidies. If the United States is considering such a step, it should first rethink its overall policy objective of disciplining government subsidies.

Short of a total greenlight, one must weigh the benefits and risks of moving both horizontally (i.e., broadening the non-actionable definitions) and vertically (i.e., raising the permitted level for non-actionable assistance). First, we could consider including a reference to prototype creation in the applied research definition. This would have the advantage of giving the EC part of what it wants (the EC's own R&D rules are expressed in this way) without establishing a formal precedent that development is non-actionable. On the down side, it would make prototype creation 100 percent non-actionable (based on last week's decision to raise the levels for two research categories to 100 percent).

Alternatively, we could establish a definition for development and make government assistance for such activity non-actionable up to a negotiated level. This would allow us to discourage government development subsidies beyond a given level, but it would reintroduce many of the problems we have just decided to avoid by raising the research ceilings to 100 percent. That is, the notification and administration of subsidy programs is made much more difficult as soon as one limits to a specific percentage the amount and kinds of costs that may safely be subsidized.

ECONOMIC AFFECTS

Analysis of the economic effects of removing subsidies disciplines on development assistance depends on two things:

Whether subsidies (i.e. targeted government support) are or are not effective and efficient methods of industrial development which help to confer a real competitive advantage.

The relative abilities and willingness of the U.S. and foreign governments to provide subsidies in a thoughtful and effective manner.

The first item is assumed to be true; otherwise we would not wish to use subsidies ourselves, or be concerned about their use by others.

If the green category of the Dunkel Draft Subsidies Code is expanded to include development subsidies, the USC will ostensibly choose between matching or exceeding foreign subsidies or accepting the reduced competitiveness of U.S. manufacturers. If the first choice is made, budget resources will have to be made available or the choice is illusory, and the reduction of subsidies discipline would create a net loss to the U.S. economy, as others could subsidize and we would not.

The overall effect on the economy can be positive only as long as we remain willing and able to exceed foreign subsidies, and to be selective in the particular areas subsidized. If we simply match others' subsidies the economic effect will be neutral, unless the lag time involved in following the lead of others actually places us in a slightly disadvantageous position. In any case, we should not allow foreigners to influence, by their choices, which sectors we subsidize. We will need to get out in front so that our choices are directed by our priorities, and not through reaction to particular U.S. industries seeking subsidies equivalent to those of their foreign competitors. Thus, a decision to reduce subsidies disciplines requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given, if we are to ensure positive economic effects for the United States. Because the Code will be in effect for many years, the commitment must also be long-term.

Choosing to decrease disciplines but not match foreign subsidies is not a real choice at all. If we could not or would not match foreign subsidies, there would be no reason to give "green-light" status to development subsidies, unless we were certain that subsidies do not work, and that, in any event, their use by others could not harm us. The latter conclusion would be inconsistent with our position on agricultural subsidies and countervailing duties. If we believe that subsidies do work, but we do not have the resources to play, or do not wish to engage in a subsidies war, we would maintain GATT disciplines on subsidies.

ANNEX I—DOMESTIC AND INTERNATIONAL TREATMEMT OF DEVELOPMENT SUBSIDIES

1979 CODE

The 1979 Code grants no special status to development subsidies. While it prohibits export subsidies by developed countries (except for agriculture), all other subsidies are "actionable". That means that an aggrieved party may refer a subsidy to a GATT panel to determine if the subsidy is causing adverse effects to its interests. However, since the Code does not contain definitions of "subsidy" or "adverse effects" and provides no guidance as to what should be done if both are found, it in fact provides little meaningful discipline on development or any other types of subsidies, other than those granted for export. It is not surprising that there have been no successful challenges of development or other actionable subsidies on industrial products. The process has been used only on prohibited subsidies, and there, the ability of losers to block adoption of panel reports makes even a victory problematic.

U.S. LAW

The U.S. countervailing duty law provides that if subsidized imports into the United States cause injury, a duty equal to the subsidy shall be imposed. This law has been used effectively many times by domestic industry and is extremely useful at offsetting subsidies on imports. Development subsidies have not been frequent targets however. Most cases have related to general assistance, such as grants, low interest loans, equity infusions, and special tax treatment for exports or other export subsidies. However, since U.S. law is limited to imposing duty on imports, it is of no help to domestic industry facing subsidized competition in export markets.

THE DUNKEL DRAFT SUBSIDIES CODE

Recognizing the impotence of the GATT Subsidies Code disciplines and the limited reach of U.S. CVD law, the U.S. negotiation goals were to strengthen the former and

avoid weakening the latter. The negotiations resulted in the "stop-light" approach. Subsidies were divided into three categories: Prohibited (Red), Actionable (Yellow) and Non-Actionable (Green). Development subsidies are Yellow in the current draft. While this is the same status they had in the 1979 Code, the Dunkel Draft, by defining subsidy and adverse effects, and requiring removal of the subsidy or its adverse effects if the panel agrees, and making panel reports binding on parties, makes subsidies disciplines real rather than theoretical. Subsidies in the green category are non-actionable, i.e., they are not subject to investigation by GATT panels or national CVD laws. The green category currently includes research and subsidies and regional development subsidies.

Mr. DANFORTH. Madam President, I would like to read from page 4 of the memorandum. U.S. Trade Representative Mickey Kantor tells me that this memorandum came out of the U.S. Commerce Department. It says as follows:

If the green category—

That is, the permissible subsidy—

of the Dunkel Draft Subsidies Code is expanded to include development subsidies, the ISG—

Which is the U.S. Government—

will ostensibly choose between matching or exceeding foreign subsidies or accepting the reduced competitiveness of U.S. manufacturers. If the first choice is made, budget resources will have to be made available or the choice is illusory, and the reduction of subsidies discipline would create a net loss to the U.S. economy, as others could subsidize and we would not.

The overall effect on the economy can be positive only as long as we remain willing and able to exceed foreign subsidies, and to be selective in the particular areas subsidized. If we simply match others' subsidies the economic effect will be neutral, unless the lag time involved in following the lead of others actually places us in a slightly disadvantageous position. In any case, we should not allow foreigners to influence, by their choices, which sectors we subsidize. We will need to get out in front so that our choices are directed by our priorities, and not through reaction to particular U.S. industries seeking subsidies equivalent to those of their foreign competitors. Thus, a decision to reduce subsidies disciplines requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given, if we are to ensure positive economic effects for the United States. Because the Code will be in effect for many years, the commitment must also be long-term.

Madam President, this was the position taken by somebody in the Commerce Department at the time that the GATT agreement was being negotiated. It talks about the necessity, if we are to green light the subsidies, of the United States being a subsidy leader. We are to lead the way in this new world of subsidies. And if we are going to have international subsidies, we had better lead the way or else Airbus is going to be replicated over and over again. What happened with Airbus was that our aircraft manufacturers, for one reason or another, did not want to press the issue of countervailing duty.

The Europeans were able to subsidize research and development of Airbus to the tune of over $26 billion, so that Airbus has never made any money, and Airbus has now about one-third of the international market on commercial aircraft. I think this is likely to happen over and over again.

What I want to do in this debate is to try my best to focus our attention on the issue. If we are going to get into the business of outsubsidizing the Europeans or the Japanese or whoever else, let us at least do so with our eyes open to reality. It is the judgment of this Senator that governmental subsidies will never work as well as the marketplace.

It is the judgment of this Senator that governmental officials will never be the shrewd venture capitalists that we will find in the marketplace. Why is that? It is because, first of all, I do not believe there is any special genius that resides in Washington, DC. I do not think people who work for the Federal Government in Washington necessarily have a wisdom that is special to Washington. I do not believe we have a wisdom that exceeds the wisdom of the marketplace.

Beyond that, Madam President, we are politicians, and politicians apply grease to the squeaky wheel. We are less likely to make decisions on the basis of merit than on the basis of political considerations, such as: In what district does the company seeking the subsidy reside? In which State does it reside? We have seen this with respect to Government subsidies for education, Government grants for research and education. We have told ourselves in legislative language that we are going to do it by peer review. But when it comes down to it, we do not do it by peer review.

I am concerned that Government subsidies for research and development in the private sector are going to gravitate toward those parts of the private sector with the most political clout. Oftentimes, those are not going to be the small varying operators but increasingly are going to be those entrenched operations where, in a particular congressional district, the demise of that operation would be viewed as politically and economically a terrible thing.

Venture capitalists make decisions on the basis of the merits. If a program is not panning out, a venture capitalist will just stop it, cut the losses. I have not noticed our ability to cut losses around here. We do not get rid of programs. We are notorious for not getting rid of programs. We keep them going year after year. Inertia. One of the major forces that exists in Washington, DC, is inertia. In a world of high technology and rapid change, inertia is exactly what we cannot stand. Inertia is what is going to be created if we rely on Government to pick what is going to be subsidized and what is not going to be subsidized.

I have to say that I am especially concerned about the GATT agreement. I am especially concerned, because I believe that this green lighting of subsidies, this permitting of subsidies, has created for us and will create for us in the future the horns of a dilemma. Either we are not going to keep up with the rest of the world and we are going to see Airbus repeated over and over again in all kinds of different industries, or we are going to get in a subsidies war and who knows where the money is going to come from, and all of the problems that I have attempted to outline are going to come about.

I hope we can do something about this GATT agreement. With respect to S. 4, Madam President, it is industrial policy. There is no other way to express it. It is the picking of winners and losers. It is creating a fund of money with which somebody in Washington is going to be able to say to industry "A": You were favored. And to industry "B": You were not favored.

I do not think that we in Washington are particularly adept at making those decisions. Therefore, I think that we should recognize the issue and we should defeat this bill.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, that is an astounding conclusion, that we should defeat the bill, particularly in light of the statement just made about peer review.

This bill was commenced 6 years ago, when I included as an amendment on the Trade Act the provisions for the restructuring of the National Bureau of Standards into the National Institute of Standards and Technology, instituting the advance technology program, the regional manufacturing technology centers, modeled on the hugely successful agriculture programs, whereby we have the land grant colleges, the regional research centers, the extension service, the experimental stations.

If I wanted to plant a victory garden at my home on McComb Street here in Washington, I could call the farm extension agent this afternoon, and he would have somebody there at 8 o'clock in the morning to give me a soil test. It is that detailed and that responsive and that successful. That was 6 years ago.

The distinguished Senator from Missouri and I did have discussions relative to this particular measure, beginning in detail, some 4 years ago, when we both agreed that this should not be a porkbarrel program, we should not politically make the decisions in Washington, as the Senator has referred to. We wanted to make absolutely sure this would not end up in earmarking in subcommittees—I pick one and you pick one and so on—that we would insist on peer review, and that we include, and still have included in the

measure before us, the National Academy of Engineering.

We are not talking about politicians picking winners, Madam President. We are talking about industy picking winners. Private industry must come forward with at least half a pocket full of money, at least 50 percent. In general now, through experience, that equates on their part to about 70 to 75 percent. The Government's contribution in that research cannot exceed, under the law, 50 percent, and generally speaking will be a mere 25 percent. This will be an industry initiative, with merit review by the National Academy of Engineering. And the bill itself passed the Commerce Committee, of which the Senator was chairman and now is ranking member, passed the House of Representatives, and in June 1992, 2 years ago, we had met in conference and had conferenced the disputed portions between the House and the Senate, and had a bill ready on the floor that last month for again a unanimous consent with no objection.

But the other side of the aisle, and the best I can tell—and this is my reasoning, because I had to do the shepherding as chairman of the committee—was that the campaign committee on the other side of the aisle determined that I was running for reelection and in no sense did they want me to have this as a fine issue to run upon. We were not going to pass any Hollings bill. There is only a month. So they went from pillar to post, from post to pillar, from pillar to post, and they kept me running around, and they said: "I do not really have a hold on it, Fritz. Maybe you ought to talk to so-and-so." And then I talked to so-and-so.

Anyway, we did not get any bill passed, but it was unanimous in the committee, on the floor of the Senate, and ready to be reported again; and again, in May of last year, it was unanimous out of the Commerce Committee, and has been on the calendar all that time.

Yes, the Senator wants to get into a GATT argument. This is not GATT. He is on the Finance Committee.

I happen to oppose GATT for different reasons. One particularly about the sovereignty and how we are going to control our own affairs. Article I, section 8 of the Constitution says the Congress of the United States shall regulate foreign commerce—not the World Trade Organization; not this group nor that group nor the next group; not GATT.

So I have similar arguments about GATT. But this is not the time for GATT. But this should not be permitted to hold up this measure.

We have dutifully gone, as I enunciated here in my opening comments to everyone, to the House colleagues who were interested in it, in giving leadership; to the Senate colleagues, the leadership not only in our committee, but in the Finance Committee, the Small Business Committee, the Subcommitee on Labor, Health and Human Services, and Education, and we have worked this out. We have a bill that should not even be debated. It ought to be passed by consent.

But if they want to argue trade philosophy and how we are changing it, then you are on to one of my favorite subjects: the philosophy of the Founding Fathers on trade.

It has been a rather uphill battle for this particular Senator to get this crowd sobered up on the matter of picking winners and losers. That is all we have been doing when you get industrial policy.

When I say you are going to have a minimum wage, I am not letting the market forces determine the minimum wage. I am saying the people's representatives in Washington will determine that minimum wage. When I say we are going to have to have Social Security, I am not letting the market forces, who are so wise, determine it. I am letting the people's representatives in Washington determine the pensions and Social Security of this particular society.

When I set up Medicare and Medicaid, another industrial policy, I am not letting market forces for the particular manufacturing industry determine that particular policy and whether the venture capital can support it or not, and we are cutting losses and not cutting losses. Oh, no. We are saying let the people's representatives in Washington decide with respect to Medicare and with respect to Medicaid.

When I say that you ought to have a safe workplace, oh, no, do not let the market forces decide what is safe. Society got sick and tired of workers being cut up and injured and the market forces turning a blind eye to it. So America demanded the industrial policy of the people's representatives in Washington deciding that we are going to have a safe working place. Then they also decided we were not going to have the market forces decide with respect to safe machinery. They constantly had to get safeguards, we thought, because the market would not do it. So we let the people's representatives in Washington, with the Occupational Safety and Health Act, determine safe machinery in having inspections under the Department of Labor.

We have seen unfettered market forces at work. I have an old-time picture of little 11- and 12-year-olds tied to looms in the textile industry, as dictated by market forces. We said: No, we were not going to let the market forces do it. We wanted a humane industrial policy relative to child employment where we were not going to have them tied to that loom.

You ought to be a Governor of one of the States and go over to the adult education center. We had, in my time, 378,000 functional illiterates, adults who could not read and write, and I would go to the program we put in, and give a high school diploma, finally, or an elementary school diploma, finally, to a 78-year-old with tears streaming down her cheeks, saying, "Thank you, Governor. For the first time, I can read the newspapers. I worked 50 years in the mill, and all I got was a gold watch and I still could not read. But now I can read the newspaper."

Why? Because this society, we as a people, in order to form a more perfect Union, said: To heck with the worst abuses of market forces; we are going to have the people's representatives in Washington determine the industrial policy with respect to child labor.

When it came to the matter of plant closing notices, well, plants would just pick up and go off to Mexico with no notice at all. And they said we were not going to let the market do it because we know what happens. They pick up and go and just leave everybody high and dry after working 30 years and 40 years, with health care gone and everything else. So we said: Wait a minute. You have to have plant closing notice. We are not going to let the market forces do that, and the venture capital to decide the right and wrong. We want the people's representatives to determine that particular industrial policy.

Back in the first days of our Republic we were told just exactly what the distinguished Senator is saying, only in a different way. We were told, in a sort of economist's jargon—David Ricardo, Economics 101, "The Doctrine of Comparative Advantage." The Brits corresponded with Alexander Hamilton, and they told Mr. Hamilton: "Now, you fledgling country, you have your freedom. You are a nation state now. And what you should do is trade with us what you produce best and we will trade back with you what we produce best." Free trade, free trade; market forces; no industrial policy.

In response, Alexander Hamilton wrote the book, "Report on Manufacturers," and there is one copy left over here at the Library of Congress. In a line—I wish I had time to read that booklet to this august body—Hamilton said, "Bug off." He said, "we're not going to remain Britain's colony."

And the second bill—the first had to do with the oath of office—the second bill that passed this Congress on July 4, 1789, was a trade bill, a tariff bill, a tariff of 50 percent on 30 articles, beginning with iron, textiles, going right on down the list. The Congress said, "We are going to build our own productive capacity. We are not going to remain your colony and ship to you the timber and the coal and the iron ore and the wheat and the foodstuff and you furnish us the finished products. No way. No way."

Lincoln did the same thing with the transcontinental railroad opening up the West. And it was told then to Lincoln, "Now, we ought to get that steel from the factories in Great Britain." He said, "No. We are going to build our own steel plants and when we get through we will not only have the railroad, we will have our own steel production, too."

The best example, of course, is the protective quotas on agriculture and wheat, oats, barley, and the other things under Franklin Delano Roosevelt, where we put in price supports—subsidies, if you please—not relying on the marketplace. If you leave it to the marketplace, with Mother Nature coming in with floods, hurricanes, earthquakes, storms, and droughts, and everything like that, you would have no agricultural production. No one, no venture capital, as the Senator said, would ever invest in it. Yes, that is right. Venture capital would cut all its losses and cut out agricultural production.

So, instead, we said we are going to have support prices and we are going to have import quotas to protect those supports. We are going to have an industrial policy in agriculture and not leave it to the market. The politicians in Washington support it 100 percent now. Look at their votes, Republican and Democrat.

And when it came to oil in 1954, under Eisenhower, he said, "Look, we will not have sufficient capacity." He was much like Winston Churchill in World War I. "By way of national security, we have to have a capacity for oil to get our Navy to sea and protect the security of this country." And so, under Eisenhower, in 1954–55, we passed protective oil quotas, industrial policy by politicians in Washington and not, my dear friends, not the market forces, because politicians will only react, as they say, with political considerations.

You bet your boots we are swayed by political considerations. That is the body politic. I am proud to be here. I know the populist tactic of demeaning the Congress and demeaning the Government, and riding politicians on a rail outside—term limitations and all that nonsense.

But I can tell you, yes, "We the people, in order to form a more perfect union," we got together. This is the one gift we have given free man the world around, democratic self-rule. And those considerations by politicians here have been made by both parties, by Republican Presidents, by Democratic Presidents, down the line since the beginning. We built this industrial empire with protectionism.

They do not want to listen to that. They do not want to hear it because these global multinationals and big banks and retailers are calling the shots. We currently have some $70 billion in research. Much of that $70 billion, I would say a majority, is in the aeronautics industry. The majority of it has been used by Lockheed, Boeing, McDonnell Douglas, and the aircraft business.

We are trying to meet competition, and the competition is helping its industry. And that is what Roosevelt did in the days of the Depression. In order to keep the banks open, he closed the doors. In order to save the farms, he planted under the crops. And today, in order to remove a subsidy or barrier, you have to raise a subsidy or barrier and then remove them both. That is the proper governmental role.

We have not been able to do away with Japan's governmental involvement with industry. We talk about managed competition. The Japanese have been the masters of it. It has worked. They are richer than you and me.

They were totally distraught. We had the only industry, the only wealth at the end of World War II. We taxed ourselves to rebuild that Pacific rim with the Marshall plan, and it worked. We sent over our technology, and it worked.

But they did not put in—oh, no—they did not put in antitrust policies. In America, we said, "Wait a minute. These big combines will come and have predatory pricing and monopolistic practices." So here we put in the Sherman Antitrust Act and we put in the other antitrust provisions.

In contrast, Japan put in protrust—protrust. They said, "Oh, no. Here is how we are going to finance it, through the Ministry of Finance. Here is how we are going to direct it, through the Ministry of International Trade & Industry [MITI]. And they have been doing the financing and they keep you off Main Street. You do not open a door on that Main Street unless the other people in the block vote for you to do it.

We cannot break into the Japanese market because we go whining, "We saved you and rebuilt you from World War II. Now, why don't you be nice to us? Be fair. Be fair."

Whoever heard anybody in business being fair? Business' job is to make a profit. If I can take this pad of paper here and charge you 5 cents for it and you buy it, fine. If I can charge you $5 and get it, that is the market forces.

And the market forces today include Government participation in the particular policies that have market force.

The Senator says this bill represents a major shift in philosophy. But what we have here is what we have always had and what he has voted for and what we have continued to have. He was a leader on Sematech. He had been a leader over in the Finance Committee on trade matters.

But I would implore the colleagues, let us not muck up this bill with Finance Committee problems and GATT. I am going to be ready to debate that at the appropriate time. But do not come now, after we have a unanimous vote and have it all worked out on both sides of the aisle with all Senators of good will to get a technology authorization that is less than 2 percent of the $70 billion in this Government's investment total.

Agriculture has far more; $40 billion over in Defense; Energy has way more in research. We found out when we invented VCR's that we did not commercialize our technologies. Our scientists won the Nobel Prize but the Japanese correlated 22 entities and they won the profits. They learned how to commercialize.

We see they are doing as we have done over 100-and-some years now in agriculture with the land grant colleges, America's success story. We still outproduce the world on that particular score.

Now, despite the fact that the distinguished Senator has made up his mind, having voted for it twice, let it go by on unanimous consent over a 2-year period, he says that something happened in GATT to change things. The Senator says, "I want to do something about this GATT agreement." Let us do that on the GATT agreement and not this bill. I plead with him to let this measure go forward now so we can. I do not know of any amendments. But what we ought to be doing now is not starting a GATT debate, unless we are going to bring GATT out here and bring out the attendance sheets and bring out the letters that apparently the Senator has and whatever it is. In that instance I think we are going to agree right quickly.

My particular economy, the economy that I represent in the State of South Carolina, the textile industry, was a donor industry. We did not get a foot in the door. We had letters. We will show the letters promising a 10-year phase-out of the multifiber arrangement. We did not get that. We did not get any entry in. We got them coming in and cleaning our clock. We were not to get into their markets. They did not strengthen the dumping provisions we wanted and those kinds of things.

On the sovereignty question, we are ready to debate GATT when that comes. But this is a technology bill. It is ongoing now. It is a slight increase. It still does not come up to near the research moneys we have at all these other divisions of Government. It is not a major shift in philosophy. Heavens above. We have never left matters strictly to market forces. We already have an industrial policy, and always have.

That was the hue and cry of the previous administration in 1988. Instead, the Congress almost overwhelmingly, by 93 votes, passed these measures—bipartisan—in this, saying it was not industrial policy. That question was

raised when we debated it on the trade bill. Since that time the Bush administration changed its mind and requested funds for it because they reviewed it and saw we had peer review in there, that it was industry-initiated; not Government or politicians picking and choosing, but rather the industry was doing it.

So, I hope we can move forward. If we are going to debate that, I hope we will hold that up until the GATT treaty comes, which has to be submitted sometime this year. The distinguished Senator is a leader on the Finance Committee. As a leader on that Finance Committee, I am sure his views are going to be respected, as they have been before. Then they will report out something and we will have some of those recommendations, perhaps. And that can be included in the documents when we adopt or reject GATT, whatever it is.

But this technology policy is for the Government to move forward now and help us commercialize our technology, help small industries that cannot afford Price Waterhouse or Booz, Allen, or another study group. If you are General Electric and you think of a particular initiative and you go to the board, the board can say, "Yes, we ought to look at that. We will hire such-and-such a research firm, $5 million, and give them 6 months and tell them to report back here by January 1." Small business cannot do that. It has to look to the Government. And we look to see whether that is sound public policy.

That does not interfere. This could not make a beep in the market as compared to the influence of market forces, but it makes all the difference in the world with respect to the competitiveness of our industry in this country and the retention of our work force.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Madam President, I do not think this is as small an issue as my chairman has led us to believe it is. I think this is more than a "beep." I think this is a very big question and that it is a question in the minds of many people in our country and many Members of the Senate that is in flux.

I spoke a few weeks ago with a very thoughtful Member of the Senate from the other side of the aisle. I was talking to this individual about the basic question of the Government's participation in business research and development. This person said to me, very frankly, "Honestly, I just have not thought it out." I think that is true with a lot of people in the Senate. We have not really thought it out. I believe we should think it out. Because if we do not think it out then incrementally we will move in the direction of accepting Government subsidies for research and development as being the way we function.

I am concerned that other Members of the Senate will, in years to come, be in exactly the same position that my chairman has so ably explained that I am in. Over a period of years, saying either openly or tacitly, "This is all right. This is the kind of legislation we should pass." And then having it hit you between the eyes at some future date, as it did when I reflected on the Uruguay Round, the GATT agreement, that things I went along with tacitly without really thinking out were just plain wrong. It was a mistake. It was not the direction we should move in.

So my hope in this debate is to try to keep other Senators from the same mistakes that I made and to try to ask ourselves, as a Senate and as a country, how do we really feel about the Government subsidizing business research and development? That is the issue.

Is it a good idea or is it not a good idea? Does it help the country for the Government to get into the business of picking those industries which should be subsidized and saying you are the future and we in Government are going to put our thumb on the scale in favor of your industry? Is that a good approach? Or is it not a good approach?

I can understand the Senator saying research is so important, Government has to help; technology is so important, that Government has to help. I understand that. I think it is even a commendable sentiment, to say if something good is out there or something promising is out there, surely we in Government should nurture it and support it with our dollars. That is a position to take. If we are going to take that position let us do so recognizing the consequences.

I do not mean, as my chairman has suggested, to in any way demean politicians. I spend a fair amount of my time going around to various groups saying that in my opinion the bashing of politicians is totally overdone and misplaced. Some of the best people I have ever known in my life have served in Government and in politics and in the United States Senate. I do not demean them. All I am saying is to have a very high regard for politicians is not necessarily the same as saying that, therefore, politicians should take the place of the market.

To have the highest regard for Members of the Senate, to have the highest regard for those who are in nonelective parts of our Government is not the same as entrusting those people with the decisionmaking power that should be in the marketplace.

The question is not whether you like politicians or do not like politicians; the question is: What kinds of decisions are marketplace decisions and what kinds of decisions are governmental decisions or political decisions? That is the issue now before the U.S. Senate. That is the issue raised very ably by the chairman of the Commerce Committee and by the supporters of S. 4.

Some would say, well, Japan does it. Japan recognizes the close relationship between Government and business. Japan recognizes that there should be great coordination and identity of interests between Government and business, and Japan has done very well. So maybe we should be like Japan. I think that is an argument that my chairman has made. MITI has done it. We should be like MITI. This bill has, in fact, programs for our Commerce Department to spend money to help industries, high-technology industries, in research and development. Let us turn the U.S. Department of Commerce into MITI USA. Why not? Let us be like Japan.

I think there are two arguments. The first is that I am not sure MITI is all that great. It has made mistakes. MITI tried to keep Sony out of the electronics market. It tried to keep Honda and Mazda out of the automobile business. It picked the wrong technology for high-definition television. Governmental decisionmakers can make mistakes. So can private decisionmakers. The problem is that it is often harder for Government to extricate itself from bad mistakes than it is for the private sector to extricate itself from bad mistakes.

So one argument against trying to be like Japan is that MITI is hardly a model of perfection. And the second argument is, this is not Japan. This is not Japan. We are not the same homogenous, regimented country that Japan is. Maybe some people lament that fact, but most of us do not. Most of us say, let us be American, and the strength of America is that market forces work.

The United States of America still is the most admired country in the world. For all of our self-criticism, we are, not because we have the biggest Government or the wisest bureaucracy or governments that are best able to make the fine-tuning decisions for our economy that might be made, but because the American people out there doing the job, spending the dollars, making the decisions, do operate as the invisible hand which directs the course of the economy. So I do not think we should try to be like MITI.

Does all this mean that the Government of the United States should be passive; that S. 4 is nothing? Is it my argument that Government does nothing at all or should do nothing at all, totally laissez-faire? I do not make that argument. I make the argument that we should not weigh in with specific grants to specific high-technology industries to try to foster those industries.

But there are other, more generic ways that Government can help the economy without being so directive. How can we do that? One we mentioned earlier. Basically, it is the approach of

deregulation, and it is the approach that we are taking with respect to telecommunications, where Government acts as an impediment to what should be happening out there in the marketplace. Let Government clear away the impediment. That is one approach.

Another is to look at our Tax Code, to look at our Tax Code with respect to whether we are doing what we should be doing in order to foster the economy. I am one of the parents—and it is a good idea so I guess a lot of people claim parenthood—I am one of the parents of the research and development tax credit. We have been debating for a long time whether to make it permanent. Of course the research and development tax credit should be a permanent tax credit. It should not be extended for a year or 2 or 3 at a time. Why is that? Because the testimony that has come before the Finance Committee is that businesses make research decisions on about an 8-year cycle, not a 1- or 2- or 3-year cycle. We can make other improvements in the R&D credit. There is a bipartisan group of Senators who have introduced legislation to do just that.

So there are things that we can do to help research and to help development. But to help research generically, as with the R&D tax credit, is not the same as weighing in on behalf of specific and chosen industries in the detailed way that is envisioned by S. 4. It is just an entirely different kind of approach.

One final point, and it is whether somehow I am jumping the gun on the GATT debate. I believe that the issues raised by the proposed changes in the subsidies code in the GATT agreement are precisely the same as the issues raised by S. 4. I believe that the time has come to focus on how to address those issues. Every Republican Senator signed a letter to Mickey Kantor, the U.S. Trade Representative, asking the administration what the administration's intentions are with respect to how we can handle the new world of green-lighted subsidies; what is our administration's intention with respect to Government subsidies? And Mickey Kantor answered that no decisions had been made; there are not any intentions. That is really flying blind. If we insist on provisions in the GATT agreement which allow for R&D subsidies and then we do not say, "Well, here is our intention with respect to subsidies," that is just operating with our eyes closed.

Then we have S. 4, which is specifically a program to create and expand Government subsidies for businesses doing research and development.

I believe that just as there is a state of flux that exists in the Senate, there is a state of flux that exists within the administration. I believe there are people within the administration, and probably the President himself, who believes that the Government should invest—and that is the word people use now with respect to spending—that Government should be investing in the future.

I also believe that there are people within the administration who are not yet sold on the idea of Government investing in private sector research and development. I believe—although I am not sure, but just sort of on the basis of scuttlebutt—with respect to the subsidies code provisions that were insisted on by the administration, there were differences within the administration on that.

What I am suggesting is we are now involved in a national consideration on this whole question of subsidies. Better to be involved in that consideration in a very direct and open way than to do it by stumbling along, by accident. So I think that exactly the issues that we are going face on the GATT agreement and should be faced before April 15, when the signing deadline comes, I believe these are exactly the same issues that should be debated in this Chamber. That is what this body is for. It is a major question for the future of the country, and it involves the relationship between the Federal Government and the private sector. It is about as fundamental as questions of taxing and spending. What do we think about the Federal Government? How confident are we in the Federal Government? Do we believe that this is where the money is and this is where the genius is and this is where the decisions should be made?

If we decide that we should be subsidizing business research and development by a total of $2.8 billion over 2 years, there is no way that that is not going to manipulate decisions in the private sector. It is the purpose of doing it. There is no way we can spend that kind of money without manipulating decisions that are made out there in the private sector.

How do we feel about that? Is that the way we want it? Do we really believe that that is Government at its best, that the role of Government is to make these kinds of decisions? Do we really believe that we have that kind of genius, that we can create that kind of leadership? Or do we believe that the leadership exists out there in the country and all kinds of entrepreneurs and inventors and scientists and people out there trying to get the venture capital and people who are supplying the venture capital, do we believe that is where the basic strength and the genius of the country is?

That is an important debate, and it is not jumping the gun. It is just saying let us open our eyes right now in connection with this bill, and not blunder along month after month, decision after decision and, before you know it, we have embarked upon a course which seems to be the permanent course for the country.

If we want industrial policy, then let us decide it on this bill. If we do not want industrial policy, let us decide that in voting on this bill.

So I think it is an important issue. I do compliment my chairman for bringing it to the Senate. It has been a great, great privilege for me to work with Senator HOLLINGS over so many years, 2 years of which I was the chairman of the Commerce Committee, the golden age of the committee, and now 8 years or so since Senator HOLLINGS has been the chairman. It has just been a wonderful relationship and still is. But I think within wonderful relationships you can have wonderful debates, and I believe this is an opportunity for a very important debate.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from South Carolina.

Mr. HOLLINGS. The distinguished Senator is correct. They were the golden years, and we continued the golden years. And that is what sort of nonpluses the Senator from South Carolina in that I remember even in that committee, working on the Chrysler bailout, he and I supported it. There have been other bailouts, subsidies for industry. In fact, I will have to look at the record, but I am sure he had a bill called the Aeronautical Technology Consortium Act. He and others cosponsored that and likened it to Sematech, and on down the line.

That is what gets me, because all of a sudden, having supported what he is now so severely characterizing in the harshest and most lurid terms—calling industrial policy a new departure, a new philosophy. Nothing new about it. It is a necessity here in the fierce global competition.

I think they ought to explain how they can support aerospace research, but not research for anyone else. The truth of the matter is S. 4 is not for a particular industry. It is peer review research by the National Academy of Engineering, research that would go to all of industry. It is not in the sense, as characterized by the Senator, that it is for this particular industry, we are going to pick this winner or pick this loser. We are looking.

Let me give a good example. It disappointed me in a way because my textile friends came in a couple of years ago, and they were looking under the Advanced Technology Program for a consortium of what they characterized as advanced technology. The asked the Advanced Technology Administration over in the Commerce Department for a grant, or at least a joint effort of research. It was reviewed by the National Academy of Engineering and found wanting. They did not qualify. It had mainly to do with the refinement of computerization but not advanced technology. Did not qualify.

Madam President, they turned around and went out to California to

Livermore, and when they ended up they announced a $350 million research program. That is bigger than the Advanced Technology Program for all of industry. But here, the crowd from my own backyard, they know how to go where the money is, and they went out there and they got it and they got the program going. They announced it down in Raleigh, NC, had a big press conference and everything else and it is ongoing.

We did not talk then about this being a new philosophy. But I wish to emphasize that this is not, as has been described, a new departure here where we are going to pick winners and losers constituting industrial policy. It is in line with other major programs we have passed on a bipartisan basis.

Consider the basic list of these programs passed by overwhelming bipartisan votes: The Agricultural Research and Extension Program, the aerospace research at NASA, the nuclear energy projects including last year's vote on the integral fast reactor, the Department of Energy's $8.5 billion budget for civilian energy research, cost-shared cooperative agreements between industry and Federal laboratories, notably the Department of Energy, the National Institutes of Health, the National Institute of Standards and Technology; DOD, Department of Defense cost-shared programs to create dual-use technologies including the technology reinvestment project, Sematech, the National Institutes of Health's biomedical research which helped create the American biotechnology industry, the National Science Foundation's cost-shared Engineering Research Centers, small business innovation research grants, a major program just reauthorized last year.

These programs are standard operating procedure of the Federal Government supported overwhelmingly by both parties.

Do not come now, when you get a little technology bill to try to bolster the information highway, to bolster advanced research, to try to bolster commercialization of technology, to try to help small industry, and all of a sudden say, "Wait a minute now; this is a radical new departure." It is nothing of the kind.

It is not a new departure, Madam President, when they support agricultural price supports and other financial aid to farmers. Export-Import Bank loans to finance exports of aircraft, a billion there, right there in the Senator's own backyard, McDonnell Douglas, right there in St. Louis, the research and experimentation tax credit and, as the distinguished Senator said, investment tax credit, the research and development tax credit, the full range of SBA programs; the Lockheed bailout, the Chrysler bailout.

Madam President, when it comes to these things, look at the industries themselves, representing 329,000 engineers, 3,500 electronic firms, 13,500 companies, and 5 million workers. This bill is supported by the American Electronics Association; the National Association of Manufacturers; the Modernization Forum; the Microelectronics and Computer Technology Corp.; Honeywell, Inc.; the National Society of Professional Engineers; Business Executives for National Security; IEEE USA; Semiconductor Equipment Materials International; Institute for Interconnecting and Packaging Electronic Circuits; Wilson and Wilson; American Society for Training and Development; Catapult Communications Corp.; Dover Technologies; Texas Instruments, Inc.; Columbia University; Motorola; Intel Corp.; Cray Research; Electron Transfer Technologies; Electronic Data Systems; American Society of Engineering Education; U.S. Western, Inc.; Electronic Industries Association; Carrier Computer Co.; Southeast Manufacturing Technology Center; Convex Computer Corp.; Association for Manufacturing Technologies; Semiconductor Research Corp.; American Society of Engineering; AT&T.

Madam President, I could go on and on. I worked on measures before, but I have never enjoyed such overwhelmingly broad support from so many business groups. They know and they deal in this global competition, these entities that we are talking about, and they know the realities of the day. They have no use for further contemplation and study. They have thought and worked and worked and thought and competed and invested.

With respect to debt, I have a letter from the White House, Dr. John H. Gibbons, assistant to the President for science and technology. I happen to know Jack Gibbons because I have been on the Technology Assessment Board since its beginning. There has been no more distinguished director—totally bipartisan, unanimous votes, Republicans and Democrats, for his confirmation. When either party changed the chairmanship, they maintained Jack.

Of course, Jack Gibbons was unanimously endorsed by the Congress itself. Here is what he writes to our distinguished majority leader on March 7.

Dear Senator MITCHELL: I am writing to express my full support for the GATT agreement that has emerged from 8 years of international negotiations of the Uruguay Round. It is an excellent document that will promote freer and fairer trade and enrich the nations of the world, including our own.

I am particularly pleased with the outcome of the Subsidies Code in the GATT agreement. It puts real teeth in the disciplining of unfair, trade-distorting production and export subsidies. At the same time, it protects economically desirable U.S. Government investment in research and development from potential challenge by foreign countries.

I applaud the successful efforts by our trade negotiators in Geneva to improve the language in the Subsidies Code relating to Government research and development investments. The agreement, as negotiated, protects challenge by threats to U.S. Government programs that have long had widespread bipartisan support. Among them are, one: Research for the National Institutes of Health that leads to commercial pharmaceutical or biotechnology products; two, support for aeronautical and space research dating back to 1915 for aeronautics from NASA; three, Sematech, the Government-industry consortium to improve semiconductor manufacturing technology that is widely credited with helping to restore the U.S. industry's position as world leader; four, the Technology Reinvestment Program, a cornerstone of our defense conversion program; five, the Commerce Department's advanced technology program designed to promote the growth of knowledge-intensive, wealth-creating industries that generate good, new jobs; six, the thousands of cooperative research and development agreements that industry has signed with our national laboratories to turn Government research into technologically advanced commercial products.

We must not put these excellent programs in jeopardy. I am proud and grateful that our trade negotiators achieved an agreement that reflects American values and an American approach to R&D partnerships between industry and Government while putting the brakes on free-for-all subsidies.

With kindest regards,

JOHN H. GIBBONS,
Assistant to the President for Science and Technology.

Madam President, I do not have the GATT agreement. I have not yet studied it in full depth. I have followed along, and with misgivings. But we do not have the GATT agreement here today to debate. The Senator from Missouri says that is a debate. Now we have to stop and think. He has found a Senator that has not stopped to think. He says: Yes, maybe I have not thought of that. And fine business. Let us think of it. Let us testify and listen to the testimony before the Finance Committee of which the distinguished Senator is a member. Let us see what his committee recommends, and then let us treat with it when it comes to the floor with the GATT debate.

Heavens, now. Do not take a bill that we worked on for 3 years, a bill that passed unanimously 2 years ago in this body without a dissenting vote, and over on the House side in a similar fashion. We conferenced the bill and had it signed by all the conferees. Republicans and Democrats had signed off on it and were ready to have it enacted. But it got caught up in some party politics. Thereby we put it again before the committee last year, reported it out in May of last year unanimously, Republicans and Democrats, from the Commerce, Science, and Transportation Committee, and now we come to the floor and say: Wait a minute, GATT. I have changed my mind. This is a new philosophy. We had not thought of it. This is industrial policy. There is no peer review to this thing. It is just giving industry what they want. We will sit around as politicians and pick winners and losers.

Not so. Not at all. We would not put our names on that kind of legislation. We refused to do it when we enacted it in the first authorization just a year before; just the year before last, the authorization for the National Institute of Standards and Technology, the Advanced Technology Program, the manufacturing research centers, and these other things that are all included in this particular bill.

The Senator has something in mind, I understand, maybe a sense-of-the-Senate resolution. I am ready to vote on it. Nobody is going to delay votes. In fact, I hope that we can go ahead—I know there are not any votes today—but lay down what they have and any other amendments, so tomorrow we can vote and get this measure over to the House of Representatives.

It is too bad that, when it comes time to do our jobs on technology, on competitiveness, on research, on a program all agreed to by the National Science Foundation and all of industry, then one particular Member says: I do not like what they agreed to on GATT.

That is the debate and we are all going to argue GATT. If there is an amendment on GATT, pull it up and vote on it, or whatever. But let us try not to misrepresent this particular measure as a harem-scarem political industrial policy where we are going to sit around as Senators and pick winners and losers. The President will never sign such a thing. The distinguished Presiding Officer would never vote for such a thing. I would not either. It is not that at all.

We have been judiciously trying to make sure it did not happen that way. In the markup—and I can tell a true story with respect to the markup of the Appropriations Subcommittee for this particular endeavor. There was a suggestion made that we ought to write it in. I said, "Oh, no, we are not going to set any precedent and write in anybody's pet program in this appropriations bill. Otherwise, I am not taking it back to the Senate." So this Senator has had to confront just exactly one particular initiative and faced it down. We have never had in the advance technology program the picking of a winner or loser. It is private industry that says: On behalf of all industry similarly situated, we think this is a program to be funded. We are willing to pay 50 percent or more. We want it reviewed by the National Academy of Engineering and if we pass muster, let us go to work together for all of industry.

There is no better, well thought-out approach than that. It really is way off base to try to put this into that shibboleth of "industrial policy" that ran its course back in the 1980's when the political rule was: When in doubt, do nothing, and stay in doubt all the time.

Mr. DANFORTH. Madam President, just a few comments in response.

First, I am not sure that it is accurate to say that this is simply what has been voted out of the Commerce Committee. As I understand it, there is a substitute. I do not know if it is before us or will be brought before us. But it provides for $644 million in additional funding over and above the bill reported out of the Commerce Committee.

Does the chairman want to respond to that? I do not know the status of this substitute, whether it has been offered or will be offered.

Mr. HOLLINGS. The substitute is—of course, we could not have it unless we had a majority of the committee. We asked that it be reported. That is what we laid down. I was authorized by a majority of the committee to put this modification in the committee amendment in the nature of a substitute. And then we had OMB go down, and when that particular matter became an issue, to make sure we were within all the caps. It may be in one particular instance as reported out of the committee—in the first instance—but it is reported out by a majority of the committee right now. I am sure the Senator has a schedule of this summary of the authorizations because it is a 2-year bill.

Mr. DANFORTH. Yes, I do. Madam President, it is my understanding that this version before us is $644 million higher than what we reported out of the Commerce Committee.

Mr. HOLLINGS. Madam President, this is a 2-year authorization. It is 1995 and 1996. Let me give you the entire authorization. It is $696 million. Let us get the bill. For 1995, it is $1.37 billion. That is one-sixth of agriculture subsidies right this minute.

In 1996, it goes to $1.478 billion. I am not able to respond to the exact amount because I do not know what figure the distinguished Senator is using when he says $696 million. This is the committee bill, and those are the figures, and that is less than 2 percent of the research budget of the U.S. Government. The U.S. Government puts up a grand total of $70 billion for research. We have $40 billion in defense. We have about $7.8 billion in energy. We have nearly $2 billion in agriculture, and going down the list. So we have yet—manufacturing accounts for over 15 percent of the employment in this country, even up to that. I do not know about the $670 million, because it is double that overall, $1.37 billion for 1994 and $1.478 billion for the National Science Foundation, for the Department of Commerce program, for the NIST funding, and you can go right down. Advance technology programs, extension services, and so on. There was an intern program by the distinguished Senator from Montana [Mr. BURNS], of our committee. He got his little intern program also included in there.

Mr. DANFORTH. Parliamentary inquiry. Has there been a committee substitute that has been offered?

The PRESIDING OFFICER. I am informed the bill was reported out of committee with an amendment in the form of a substitute. Since then, the chairman has modified the committee substitute, which he has a right to do.

Mr. DANFORTH. Madam President, so is the modification of the committee substitute now before the Senate?

The PRESIDING OFFICER. That is correct.

Mr. DANFORTH. Is this presented to the Senate in the form of an amendment to an underlying bill, or is this the bill as it now appears before the Senate and, therefore, open to amendments in the first and second degree?

The PRESIDING OFFICER. The answer to the Senator's question is, yes, it is open to amendment in the first and second degree and, say, an amendment to a complete substitute.

Mr. DANFORTH. Madam President, I just wanted to make a couple of comments in response to the points made by Chairman HOLLINGS. The first point is that the chairman referred to the research and development tax credit. I know I am repeating myself because just a little while ago in debating, I stated that one of the things we could do in order to help American business in research is to make permanent the R&D tax credit. The R&D tax credit—which could be made permanent and which could be improved and should be improved —is very different from an industry specific grant of funds, because it is generic. It applies to all industries, and it keeps at risk dollars that are invested by the private sector. So I do not view it as the kind of industry-specific approach that is taken in this legislation.

With respect to the so-called Aerotech proposal, the chairman is correct. In response to the agreement that was reached by the prior administration with Airbus, it was the position of this Senator that that agreement adopted the position that certain subsidies for the aerospace industry would henceforth be permitted, very much the same as the green-lighting and the subsidies code that has been agreed to in the GATT would permit certain subsidies.

It was my position then and is my position now that, if the U.S. Government is going to agree that subsidies are going to be permitted, then we better figure out where we go from here. The position that I took—I think it was last year, maybe the year before—was to introduce two bills which were in the alternative. One bill would have mandated a countervailing duty case against Airbus, and the other bill would have said, if we are not going to have a countervailing duty bill, then we are going to have to match them with subsidies. In other words, if you have every country in the world functioning on the basis of subsidies, yes, we are going to have to match them.

That is why it is important for this administration to be very open about telling us what its proposal is with respect to future subsidies.

The worst thing that can happen to American business is if we permit other countries to subsidize and we do not do it ourselves. That is part of the overall debate, I believe. I think the best approach to take is not to greenlight subsidies, not to authorize subsidies, and to file countervailing duty cases. But if we are not going to file countervailing duty cases, then the only alternative to our getting into this subsidy chase is to concede markets, whether it is in aerospace or high-definition television or pharmaceuticals, or anything else, to other countries. It is a totally unworkable situation.

So I think what this administration has done in the GATT negotiations is to put us on the horns of a dilemma. The dilemma is either we do not subsidize and we give up market after market, depending on what country in the world wants to subsidize, that we will not keep up with it and we cannot countervail; or, on the other hand, we get into the S. 4 business of trying to get into the subsidies chase.

I would rather vote for S. 4 if we are not going to countervail. If the only choice is Aerotech and S. 4 and subsidies, we better be prepared for subsidies in a big way or we are going to see catastrophe in the American economy. That is not to say I like S. 4. That is not to say I like industrial policy. It is just to say that we are entering into a brave new world now in which subsidies are going to be the accepted fact and there is not any possibility to do anything about them.

The final point that I make is with respect to the long list of industry endorsements. Yes, that is true, and it is not surprising. I will tell you how to get industry endorsements. Promise money. If we have $2.8 billion dangling before the industries of America saying this is a plum and you can pluck the plum, of course they are going to gather around to pluck the plum. I mean this is real money. It is borrowed, and we do not have a lot of money in our Treasury now to offer up to all these industries. So it is borrowed money. But I guess we have accepted that funny money. We have accepted that.

I am not even making the budget argument. Maybe other Senators will want to make it. I am not even making it. All I am saying is even if it is funny money, $2.8 billion dangled before the outstretched arms of American industry gets an awful lot of endorsements.

I would certainly agree that it is passing strange that business people who are constantly complaining about Government and the excesses of Government and the terrible problems of the Federal deficit are the ones that say, yes, please pass this bill authorizing an additional $2.3 billion so that we can get to the public trough, the sooner the better. It is strange, but it is really not very surprising.

However, there are those who see the problem. For example, Mr. Don Valentine, who is a director of Apple Computer and a venture capitalist, was quoted as saying:

> To Washington I say, please do not help us. The world of technology is complex, fast changing, unstructured, and thrives best when individuals are left alone to be different, creative, and disobedient * * *

Well, that is one venture capitalist saying to Washington "Do not help us. Let us do our thing." I hope there are more like that. But I can understand when there is money to be had, there are endorsements to be given.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from South Carolina.

Mr. HOLLINGS. Madam President, the Senator says dangle money. We have been dangling it—defense $38.1 billion, up to $40 billion; NASA $8.5 billion—dangling money—civilian energy and research and development, $6 billion. You could go right on down about how you get people—you dangle money.

Emerges the 2-year—it is a 1-year, $1.3 billion and the next year $1.4 billion. And the reason for that change, a minute ago asking about it, was $474 billion difference because the original bill had 1994 and 1995. This bill now has 1995 and 1996.

So, it is very, very modest, but it is not dangling little plums. It says we are opening the door and we are opening that door of opportunity by saying to you with the tough financing now and the venture capital shortage and otherwise that if you come with a majority of the money—and they have—if you are willing to go through peer review where it is not just for your particular little industry but for all of industry, we want to back you up in that kind of research. It is in the public interest to do so.

That is what we determined, and that is why many, many businesses without the contacts, and so forth, in Washington, generally speaking, say: "Out of here. We do not want to have anything to do with it."

I have made the talk before myself many times and people being different and everything else.

But I hope it was not the former head of Apple Computer now, who seems to have gone broke, that he is reading from who wants to be different. He is not different at all. We have had a lot of bankruptcies, and he is not different if that is the kind of difference he wants.

The Senator from Missouri asks that we get President Clinton to go to other countries and say, "Drop your research programs." That is exactly what he says. He says now all other countries should abandon their research programs.

How can the Clinton administration ask the other countries to do that? Where they find it is in their self-interest and working, that is what is done.

There is an old saying in equity that he who seeks equity must do equity; he who comes in must come with clean hands.

How do we welcome Airbus and not make any complaint? They have just got more of it.

For years on end every time we got the NASA space program, I know at least for the past almost 27 years, any time that subject has come up on the floor of this Senate we immediately talk about the spinoff and how our aircraft industry is doing so well.

Now, apparently it is not doing as good as Airbus or whatever it is because they are just paying it out at a total loss. Ours was DOD research, Department of Defense research, and all that technology, all that National Aeronautical and Space Administration research, all that technology was going into the private Lockheeds, Boeings, McDonnell Douglass. In addition to that, it was not helping exports. It was to subsidize the Export-Import Bank to a tune at least of $1 billion, the last figure I saw, and that was a debate several years ago. It was to subsidize the exported sales of those aircraft.

So we pay for the research and we pay for the sales here as politicians, and then we want to get sanctimonious about an alleged new philosophy here, that this is a dangerous new departure, and we had better ask the Senate to think about it. Nonsense.

Regarding GATT, again, I say to the Senator, I do not see what section of the bill is in conflict. Regarding the underlying philosophy of the bill, I would like to see the amendment to what section it is that he dislikes, because I know he went over it the year before last and approved it. I know he went over it last year and approved it and supported it. I know he helped me clear the floor in order to try to get it to the conference 2 years ago. And I know he has helped clear it to get it up for consideration right now.

There was no question until this GATT measure came up. Now we do not have the GATT papers before us.

But I put in the best provisions I can obtain at this particular time in consultation with the gentleman in charge of technology, and he says that the Clinton administration went about it in the appropriate fashion. Trying to protect what? To protect the aircraft subsidies, as he characterized it; to protect NIH, National Institutes of Health subsidies; agriculture subsidies. All countries have such subsidies for agriculture.

Now to get up and say we are just not going to play the game—this do-noth-

ing approach has been America's problem for the past 45 years. We have not put in a competitive industrial policy. We intentionally did not put it in at the end of World War II. We had the only industry. We said, "Heavens above, how do you expect these other economies in Europe and Asia to revive?"

"Let them make the textiles," they told me. "Let them make the shoes. We will make the computers and the airplanes."

Now they are making the airplanes and the computers, and the argument comes to the floor, "Well, let's not do anything about it," because certainly it is not going to change these other countries around. We did not enforce any of our trade bills until the current administration came into office.

So I hoped we could move on here and try to deal with what amendments we have. If an individual Senator has an individual problem on GATT, then that is most appropriately addressed later, when we consider GATT. But do not bring it up here in the middle, in the first part of March, when we are trying to get out this legislation that has been agreed to. This bill has been agreed to, just waiting its turn. This is not the time to bring up the GATT agreement. GATT is going to come before us sometime later this summer.

I yield the floor.

The PRESIDING OFFICER. Who yields time? Who seeks recognition?

Mr. HOLLINGS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Madam President, I have before me a release today from the National Association of Manufacturers, entitled "NAM Says S. 4, National Competitiveness Act Will Help Small, Medium-Sized Manufacturers Modernize." Let me quote from the press release:

"Legislation almost exactly the same as S. 4, the National Competitiveness Act, has been before the Congress during the past two sessions. The National Association of Manufacturers supported the basic purpose of this legislation when it was introduced, and we continue to support it today," Howard Lewis, vice president, international and economic affairs at the National Association of Manufacturers, said Monday.

"As we have made clear over the past several years, our support for the National Competitiveness Act centers largely on Titles II and VI, which deal with manufacturing extensions programs (Title II) and high performance computing and networking (Title VI)," he said.

"The NAM believes that a more coordinated manufacturing extension program, building on current efforts in this area, would help U.S. manufacturers, especially small- and medium-sized firms, learn about and adopt new manufacturing technologies," Lewis added.

"The ultimate responsibility for adopting these new technologies and techniques lies with the private sector. The NAM has long recognized, however, that there is an appropriate role at all levels: Federal, State, and local," he emphasized.

"We believe title II of the National Competitiveness Act would help strengthen and coordinate current manufacturing extension programs.

"If we are to speed the development and deployment of modern manufacturing processes to a broad cross-section of American industry, and not just to several hundred big companies, we need to learn from and build on our current efforts. Title II in S. 4 would help achieve this goal," said Lewis.

"S. 4 also builds on bipartisan efforts to maintain the U.S. lead in high-performance computing and networking. It provides a good framework for areas of mutual benefit to industry and Government research and development efforts," Lewis concluded.

Madam President, I think that is an outstanding statement as to the context of this particular measure. It is just a matter of politicians plucking plums, as has been described, but rather it is a matter of lending a hand to small business, to boost the competitiveness of small business.

We have talked and talked and talked. The U.S. industrial worker is the most productive in the world. Japan is No. 8, the Netherlands is No. 2, and Germany, No. 3.

You get the U.S. Department of Labor and the U.N. data, and they both agree on the productivity per manhour. But we burden industry with minimum wage, Medicare, Medicaid, Social Security, unemployment compensation, clean air, clean water, plant-closing notice, parental leave, all of these things go in.

Before I open up my Hollings Manufacturing, I have to comply with all of those things. That is a cost of doing business. It requires more bureaucracy, employees to keep the records, a safety director. This is at the heart of the great American standard of living—but it comes at a cost in terms of competitiveness.

Now without that standard, Japan and others have come along with a government orchestrated assault to seize market share. They do not care about short-term profit. They want market share.

I have asked the Secretary of Commerce to please get in and bring a dumping case on behalf of the U.S. automobile industry. The Toyota Cressida sells right now for approximately $21,800 in the United States. It sells for $29,300 in downtown Tokyo. That is an $8,500 difference; it is dumping, pure and simple.

We had the figures the year before last where Japan had lost some $3.2 billion by dumping automobiles, whereby, they made it up with over $11.1 billion in domestic profits due to the way they orchestrate and control their home market. So they highball it there, and they make up those amounts otherwise, and they are trust procedures.

So we could well bring a dumping case. We could do a lot of these other things. But for right now, recognizing small business and the research needed, and the suggestions made and studies, consulting for the commercialization of this technology—this is the particular measure we have all voted for and all supported.

I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Madam President, as the Senate considers S. 4, the National Competitiveness Act, I would like to address an issue I have been working on for over a year. As the ranking member on the Small Business Committee, I would like to make clear for the record the chronology of events surrounding this controversy.

While I am troubled by a variety of provisions contained in S. 4, one has troubled me greatly from the very start. Specifically, it is the provision in the original bill that would have created a Civilian Technology Investment Companies [CTIC's] Pilot Program within the Department of Commerce. CTIC's would invest Government money in high-risk, long-term, advanced technology projects. They would provide venture capital to private businesses.

The problems with this pilot program are twofold. First, it would create a new Federal program that nearly duplicates a program already in operation at the Small Business Administration [SBA]. The SBA Small Business Investment Company [SBIC] Program has been successfully financing technology ventures for more than 35 years. In fact, in 1992, 25 percent of SBIC financing went directly to high-technology ventures. SBIC success stories include Apple Computers, Cray Research, Intel Corp., and Compaq Computers. The SBIC Program clearly has the experience necessary to make venture capital investment work—experience the Department of Commerce would have to build from the bottom up. The SBA has the structure and the know-how to implement the program immediately and efficiently.

Second, project funds may not go to the firms most in need of such help—small- and medium-sized companies. S. 4 contains no limit on the size of recipient companies and it specifically authorized joint ventures. This would open the door to channeling Federal funds to Fortune 500 companies. Are these large companies in need of taxpayer dollars? Certainly not. Unlike big business, smaller companies are often shut out of traditional capital markets and cannot take on the risks

of technology development alone. Scarce Government resources should not go toward putting big businesses on the Government gravy train. If a large company has an advanced technology product that is just around the corner, such a company can raise capital in private financial markets without a Government handout. If Government is going to play the role of venture capitalist, the funds should be awarded only to the smaller technology firms that truly need assistance.

In February 1993, I questioned Commerce Secretary Ron Brown about CTIC's during a Commerce Committee hearing. In a written response he asserted that, "The CTIC proposal attempts to channel funding to smaller high-technology companies needing less than $2 million and that may be years away from payoff." Secretary Brown also agreed that the program should be targeted toward small business.

In March of last year, I was joined by eight of my Small Business Committee colleagues, from both sides of the aisle, in contacting Chairman HOLLINGS to express our reservations concerning S. 4's CTIC provision. We all believed strongly that the SBIC Program is a more appropriate delivery mechanism for the type of assistance envisioned by the CTIC pilot program. These same concerns were expressed to Secretary Brown, Budget Director Leon Panetta, Acting SBA Administrator Dayton Watkins, and White House Aide Bob Rubin. I ask unanimous consent that a copy of the letter sent to Secretary Brown be included in the RECORD immediately following my remarks. As the letters were identical, I will not ask for the others to be printed.

The PRESIDING OFFICER (Mr. REID). Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. At his nomination hearing on May 6, 1993, SBA Administrator Erskine Bowles responded to my questions about the capability of the SBIC Program to take on the CTIC Program. He pointed to recent legislation reforming the SBIC Program and to SBIC's increasing emphasis on technology development. He also stated that "SBA could easily modify the existing SBIC Program to establish a dedicated CTIC Program . . . such a program could be operational within 1 year of the enactment of the enabling legislation and program funding." Administrator Bowles estimated it would take at least 4 years for another agency to start such a program from scratch.

S. 4 was passed out of the Commerce Committee on May 25, 1993, with the CTIC Program under the jurisdiction of the Department of Commerce. I then filed a floor amendment to remedy the problems in the committee version by moving the CTIC Program from the Department of Commerce to the SBA.

The Small Business Committee held a hearing on the promotion of critical civilian technology on June 9, 1993. The testimony of the SBIC Program in fostering the development of high technology. One witness testified that the May 24, 1993, issue of Business Week listed the 100 best small companies and at least 10 of these firms were financed by SBIC's; 7 of the 10 are technology-based companies.

This issue has attracted Nationwide attention. George Will and the Wall Street Journal have written about the limited role Government should play in high-technology ventures. Mr. President, I ask unanimous consent that these two articles be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PRESSLER. The National Venture Capital Association, the National Association of Manufacturers, the National Association of Small Business Investment Companies, Project Services International, and Pennsylvania Small Business United all have expressed support for housing the CTIC Program at the SBA.

I am pleased that the distinguished chairman of the Small Business Committee, Senator BUMPERS, and the Senator from West Virginia, Senator ROCKEFELLER, have worked with me to achieve major adjustments to the CTIC provisions of S. 4. While certainly not perfect, this section of the bill has been improved. The revised language creates a CTIC pilot program jointly run by the SBA and the Department of Commerce. The Licensing Committee created by the legislation would be made up of representatives from both the SBA and the Department of Commerce. I hope the vision of helping small businesses, expressed to me by Secretary Brown in February 1993 is not lost.

Now that the CTIC Program is a joint project of the SBA and the Department of Commerce, the Senate Small Business Committee would have oversight authority over the program. My colleagues can be assured that Chairman BUMPERS and I will exercise that authority to ensure small businesses are helped, not harmed, by this new program. In addition, the bill has been modified to authorize CTIC's to share their revenue with the Federal Government once they become profitable. The legislation also no longer contains an open ended funding authorization and it would require one Commerce Department member of the Licensing Committee to have financing expertise.

I am proud to have fought this battle for small business. I also would like to thank my good friend and chairman of the Small Business Committee, Senator BUMPERS, and Senator ROCKEFELLER. This should not be seen as a committee turf battle. It has been a healthy and worthwhile debate over the proper role for the Federal Government in financing startup critical technology. I want the record to be clear that I will continue to fight to eliminate Government waste and to see that taxpayer dollars are directed to their most efficient and equitable purposes.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, April 16, 1993.

Hon. RONALD H. BROWN,
Secretary, U.S. Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: As members of the Senate Business Committee, we are concerned about the proposal to create Critical Technology Investment Companies (CTICs) which is contained in S. 4, the "National Competitiveness Act of 1993."

We commend and support the goal of maintaining the United States' advantage in developing and marketing critical technologies. Much of the success of American companies can be attributed to utilizing advanced technology that is properly integrated with highly trained labor. However, we disagree that the establishment of CTICs, which duplicates the Small Business Administration's (SBA) well-established Small Business Investment Company (SBIC) program, is necessary to accomplishing that goal.

As you may know, the advanced technology industry has been significantly boosted by the SBIC program administered by the SBA. The SBIC program provides almost $200 million each year in government financing for small businesses—17 percent of which goes to small businesses in the technology industry. This government leverage allows for hundreds of millions of dollars of additional private capital to be used for small business financing. Successful companies helped by the program include Intel Corporation, Apple Computer, Cray Research and Compaq. A major three-year effort to reform and improve the SBIC program resulted in legislation which was enacted in September 1992. Once the changes are implemented, the popularity of the program is expected to increase, likely providing even more money for investment in high technology companies.

Sections 322 and 323 of S. 4 would create CTICs which seems to virtually duplicate the SBIC program and the financing services it provides. In fact, the House companion legislation to S. 4 incorporates much of the 1993 SBIC legislation by reference. Also, S. 4 would require the U.S. Department of Commerce to create a managerial apparatus parallel to that of the SBA to administer the CTICs.

We believe the SBIC program is an appropriate delivery mechanism for the type of assistance envisioned by the CTIC provisions of S. 4. It is in the nation's best interest to promote the development of advanced technology while reducing government waste and duplicative spending. Focusing resources on proven programs would increase the effectiveness of federal dollars and lead to improved development of advanced technologies in the United States.

We look forward to working with you to promote advanced technologies effectively and efficiently. Improved utilization of tech-

nology will help small business grow and create more jobs for American workers.

Sincerely,

DALE BUMPERS,
DIRK KEMPTHORNE,
PAUL WELLSTONE,
CARL LEVIN,
LARRY PRESSLER,
HOWELL HEFLIN,
ROBERT F. BENNETT,
MALCOLM WALLOP.

EXHIBIT 2

[From the Wall Street Journal, June 9, 1993]

SBA, COMMERCE SQUARE OFF ON HIGH TECH FINANCING

(By Jeanne Saddler)

WASHINGTON.—The Small Business Administration and the Commerce Department are heading for a showdown over which agency will take the lead in developing new high technology companies.

Officials at both agencies want to head up a new government venture-capital program for small and midsize high technology companies that Congress may create as early as this month. The outcome of the fight could heavily determine what size and type of companies get funding through the new program—and at what stage of their development. The fight could also shed light on how much power the SBA will have in the Clinton era.

The Senate Small Business Committee is scheduled to hold hearings on the issue this morning. The Commerce Department would be the winner under the proposed legislation, which the full Senate is scheduled to take up this month and which the House already has passed.

But the SBA and its backers in the Senate argue that the new effort would be almost an exact duplication of the SBA's small-business investment company program and are pressing to wrap it into the agency's existing effort. Like the SBA program, the new plan calls for venture capital firms to obtain a government license and then add federal funds to their own to boost investments in emerging companies.

The administration still hasn't decided which agency it wants to run the new financing program. A White House official said the administration clearly wants to expand the Commerce Department's role in advancing high technology, but said it is uncertain whether the department will have a role in financing it.

The SBA knows exactly how it stands on the issue. "I feel very strongly the program should be here," says Erskine Bowles, the new SBA administrator who previously headed his own investment banking firm in North Carolina. "You don't have to be a high tech guru to decide which venture capitalists you should deal with. I have more experience dealing with venture capital than anyone in this government."

Mr. Bowles is pitted against Commerce Secretary Ronald Brown, who has embraced the administration's effort to advance critical technologies. Commerce officials say the agency is studying how the program would fit in with its "leadership role" on civilian technology programs.

The SBA's investment-company program was started 35 years ago, after the Russian Sputnik rocket was launched, to fund high technology start-up businesses. But beginning in 1986, many of the investment companies that the program sponsored ran into serious financial trouble. The SBA had to liquidate the assets of 191 of these concerns. Investigators blamed the problems on the recession and poor SBA oversight. Currently about 300 of the investment companies are operating.

The program was overhauled last year to make it focus more on equity investments rather than loans. But Barbara Plantholt, president and chief executive officer of Triad Investors Corp., of Baltimore, Md., says she "gave up on the SBA program last fall." She said her venture-capital firm had considered joining the SBA program, but decided against it because, under the rules, the federal government must be the first investor to get its share of the profit from an investment. She says that rule would force the private partners to wait even longer for a return, a prospect they didn't like. But Ms. Plantholt said versions of the Commerce program she's seen are too complicated.

Sen. Jay Rockefeller, one of the main proponents of putting the new investment program in the Commerce Department, says the SBA's program doesn't address the decline in venture capital for early-stage investments in critical technologies. "Only 19% of SBIC funds go to anything within the broadest definition of technology," the West Virginia Democrat says. "Further, the SBA focuses . . . only on small businesses. But critical technology isn't found solely in small companies." (Most discussions of the Commerce program have focused on small and midsize companies, however.)

The new program would provide early-stage investment money, or seed capital, for companies in industries such as advanced electronics, new industrial materials and biotechnology, says an aid to the senator. The Senate bill provides $100 million over a two-year period for the effort, beginning in fiscal year 1995. The SBIC program provided about $396 million in financing last year, including about $70 million for technology companies.

Venture capitalists have lined up on both sides of the emotional dispute. Patricia Cloherty, president of Paricof & Co., a New York venture-capital fund who wrote the reforms for the SBA program that Congress later adopted, is particularly incensed. She says the proposed Commerce Department program would favor large businesses and would offer them funding more cheaply, without safeguarding the government's money.

"It giver money away with no strings attached. This is destructive and a sure money-loser," says Ms. Cloherty, who is also vice president-elect of the National Venture Capital Association. She believes two separate government-sponsored venture programs would invite abuse.

With the Senate scheduled to vote soon, several members of the Small Business Committee are lobbying their colleagues to simply broaden the mandate of the SBA's existing program instead of creating a new one. Committee Chairman Dale Bumpers (D., Ark.) and Sen. Larry Pressler (R., S.D.) say the Commerce Department program would serve only big companies that could get bank financing. "I'm really upset about this. To build a whole new program is silly; it's an example of what's wrong with government," Sen. Bumpers says.

[From the Washington Post, June 10, 1993]

GOVERNMENT AS VENTURE CAPITALIST

(By George F. Will)

At the Cato Institute, a libertarian think tank here, a recent lecturer drolly introduced himself in language fashionable in Clinton's Washington: "I am an excess of the 1980s."

He is T.J. Rodgers, president and CEO of Cypress Semiconductor, which he founded 10 years ago with one used computer and no other employee. He is one of those who, in Clinton's words, "profited most from the uneven prosperity of the last decade." (A question: What would "even" prosperity look like?)

Today he is wealthy. But forgive him that sin. His company, which has paid $60 million in taxes, has created 1,500 jobs for employees who have paid $150 million in taxes. They all own Cypress stock, which has generated today's market value of $500 million for shareholders.

"Venture experts," he says, "are wrong more often than they are right. But surely they are right more often than Washington would be." If that thought is sensible, the proposed National Competitiveness Act (H.R. 820) is not.

It would get government deeply into business as a venture capitalist, providing loans to, and buying preferred stock in, venture companies. This capital allocation would be done by the Commerce Department, currently run by Ron Brown, the former lobbyist and head of the Democratic National Committee. H.R. 820 could be a political slush fund for compliant companies.

If so, it might achieve the near impossible—making the Commerce Department's record even worse than it is. More than half the almost $1.2 billion lent by Commerce in the last two decades is in default. In the 1970s the Economic Development Administration at Commerce lent $471 million, of which just $60 million has been recovered. And what is the penalty for such failure in Washington? A reward, such as H.R. 820's fresh infusion of taxpayers' dollars. Do you wonder why there is so much failure in Washington?

Rep. Chris Cox (R-Calif.) notes that H.R. 820 would add more than $1 billion to the deficit in 1995. It would do so by authorizing the government to buy 20 percent of the equity capital in venture firms and to guarantee the dividends on preferred stock. "I suppose, therefore," Cox says with tart irony, "it is fitting that this bill is called the National Competitiveness Act, because it will give most private firms the opportunity to compete with government-subsidized securities."

Or perhaps H.R. 820 should be titled The Wesley Mouch Memorial Bill. "This whole plan," says Cox, "reeks of special interest favoritism and make-work waste for bureaucrats. Anyone who has read Ayn Rand's 'Atlas Shrugged' will see frightening similarities between this statist scheme and the disastrous projects of the novel's arch bureaucrat, Wesley Mouch."

But Cox's preferred title for H.R. 820 is The Jurassic Park Act because it will squander money cloning "new industrial dinosaurs." The bill's premise is that Commerce bureaucrats and political operatives make better investment decisions than do authentic venture capitalists and authentic investors when putting their own money at risk.

But when private investors guess wrong, the market liquidates their mistakes. When government capital-allocators guess wrong (as they are bound to do much more often than private investors, whose calculations are not colored by politics), the government just re-labels its mistakes as "jobs programs" and pours in more money to keep them afloat.

Cox quotes Don Valentine, a venture capitalist who helped launch a number of venture companies, including Apple Computer: "To Washington I say, please do not help us.

The world of technology is complex, fast-changing and unstructured. It thrives best when individuals are left alone to be different, creative and disobedient. Go help all the people who know how pork works and who want to be taken care of. But please do not help us."

Of course Cox and others have argued in vain. The Democratic-controlled House passed H.R. 820, not to enhance competitiveness but to concentrate yet more power in Washington, further permeating American economic life with the inefficiencies of politics.

Consider. Clinton wants to raise the top tax rate on the wealthy who do a disproportionate share of the nation's investing; and he wants to impose a 10 percent surcharge on those who have the most to invest; and he wants to increase the corporate rate; and he wants to keep high the capital gains tax rate that punishes people who increase the value of an enterprise. And yet he has the brass to say H.R. 820 is "wise," presumably because venture capital formation is inadequate. H.R. 820 is a paradigm of government fattening itself by pretending to cure problems it causes.

So, which do you prefer, T.J. Rodgers, the self-described "excess of the 1980s," or H.R. 820, a sample of the excesses of the 1990s?

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am confident the Senator from South Dakota signed off on this bill. In the new section 302, under subsection 4(C), eligible technology firm means a company "which meets size standards set by the Administrator."

That is the language we got from the distinguished Senator in the Small Business Committee. It should be noted not only they all signed off, but of course this Senator, as chairman, is just as vitally concerned about the SBA and its programs and success as any. It was only last week we had Erskine Bowles, the Administrator of the Small Business Administration, before the Appropriations Subcommittee, which I chair, for Small Business Administration. So we look not just at authorizing legislation and programs from time to time, but every dollar spent and the success of those dollars expended, and where we might improve on the administration.

I might also add, we have one of the most outstanding Administrators we have ever had in the Small Business Administration in Erskine Bowles. So, yes, this bill is signed off by SBA. They have worked and helped fashion the particular language.

So, as I understand it, there might be some other comments coming, but if there are any amendments, I hope they will come to the floor. I do not know what the strategy is here, being a Monday and not full attendance, of course, where they say there are not to be any rollcalls.

But tomorrow we will be courteous, we will be considerate and any amendment that comes up we will give time for those to be heard on their amendment but not just to prolong debate, just to stretch out the final approval of this particular measure because this measure has been waiting its turn long and long enough. I hope it is not being used as an instrument to debate foreign or alien considerations, such as the GATT agreement and what they did in December over in Geneva.

I know some have misgivings about GATT. That is fine business. I do, too. Let us take that up when the GATT agreement is presented before the Finance Committee and later on before the Senate itself.

Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, might I ask, what is the pending business?

The PRESIDING OFFICER. We are working on S. 4, a modified committee amendment to S. 4.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 5 minutes.

TRIBUTE TO SENATOR GEORGE MITCHELL

Mr. BAUCUS. Mr. President, I rise today to express the deepest respect for our distinguished majority leader, Senator MITCHELL. When Senator MITCHELL was appointed to this body, the conventional wisdom around this town was that he was going to be a short-timer. The word had spread inside the beltway that GEORGE MITCHELL, with his reserved and judicious manner, would never make it in the rough and tumble world of elected politics.

But those people did not know GEORGE MITCHELL. With his landslide election in 1982, he and the voters of Maine proved the Washington pundits wrong. And just a little more than 4 years later, Senator MITCHELL became our majority leader.

I was among the first in this body to support GEORGE MITCHELL, support him in his race for majority leader against two other outstanding Senators. While every Senator sometimes questions decisions he or she makes over the course of a career, I will never regret my support for GEORGE MITCHELL.

Like Montana's Mike Mansfield, GEORGE MITCHELL has set the highest standards of ethics and public service. At a time when this institution faces much criticism, there can be no better role model or spokesman for the Senate than GEORGE MITCHELL.

While much of his success as a majority leader can be attributed to the skills of a great diplomat and smart negotiator, he is also a fighter—a fighter for the principles and ideals that I personally believe personify the Democratic Party. Whether the issue is jobs, the environment, tax fairness, trade policy—whatever it may be—GEORGE MITCHELL always states his views with force, conviction, logic, perception, wisdom, and decency.

Beyond this, he is also a fighter for the State of Maine. His constituents could ask for no greater friend or a more tireless advocate. Through his almost weekly trips home and hundreds of town meetings around Maine, GEORGE MITCHELL never lost touch with his people, the people who sent him to Washington.

I might say, Mr. President, I was struck when, in the election before last, only one county in the State of Maine did not vote for GEORGE MITCHELL. What did he do? He sent letters to every voter in that county. He went back immediately and scheduled a visit with that county and asked them what he did wrong; what could he do to better represent them—the people in the one county he did not carry in the State of Maine.

In this last election, he carried that county. I think there were one or two precincts in the entire State of Maine that did not support him. Every precinct in the State of Maine voted for GEORGE MITCHELL in his last election but for two or three. Knowing GEORGE, had he run again for reelection, I know he would have worked hard to carry those remaining two or three precincts and every precinct in the State of Maine would have supported GEORGE MITCHELL. That is evidence of his dedication to his State.

Just outside this Chamber lies the Senate Reception Room which we all know about. It is a place where Senators step off the floor to meet with constituents, reporters and friends. It also might be considered our Senate's Hall of Fame.

In the 1950's, a young Senator named John F. Kennedy headed a special committee that voted to commission the painting of five portraits of outstanding Senators on the walls of our reception room. They chose Daniel Webster of New Hampshire; Henry Clay of Kentucky; John C. Calhoun of South Carolina; Robert La Follett of Wisconsin; and Robert Taft of Ohio.

While I believe Senator MITCHELL will want to achieve greatness outside the Senate, I also believe that his service to the Senate and to the United States ranks with those great persons whose faces now watch over the Senate Reception Room. For his successors as Senator from Maine and majority leader, he is going to be one tough act to follow.

To sum it up, Mr. President, I can think of no one that I have had the privilege to know in my life who is more intelligent, who is more articulate, who is wiser, who is more perceptive and, above all, more decent than GEORGE MITCHELL. He is one of the truly great Americans that I have had the privilege to know.

I say that also in part because as he once said—and I believe it to be true—there is no more noble human endeavor than public service, service generally, whether it is service to family, service to friends, service to community—service, there is no more noble human endeavor than service. And GEORGE MITCHELL serves this body and has served his people in Maine and the Senate and the country in many capacities. Whether it was as a judge or working on the staff in the Senate for Senator Muskie, whatever he did, he always served; he served people.

I feel confident, I know he will continue to serve in some other capacity. I do not know what it will be. But I deeply hope that whoever succeeds him in representing Maine and whoever succeeds him as majority leader looks back and follows that model and serves his people and his Nation as much as GEORGE MITCHELL.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, let me commend the Senator from Montana. I was committed to the distinguished Senator from Louisiana, Senator BENNETT JOHNSTON. I voted for him and I did not vote for Senator MITCHELL. But I certainly join in what the Senator from Montana is saying.

Ten years ago, I got to watch Senator MITCHELL in his own home State. I knew at the particular time that he was a disciple of Senator Muskie, like myself. I was a follower in much of Senator Muskie's footsteps. The fact of the matter is, when President Eisenhower appointed an intergovernmental relations advisory commission, Senator Muskie was a Senator appointee as a Democrat and I was a gubernatorial appointee back in the fifties at that time and later reappointed by President Kennedy.

Senator Muskie was a mentor to Senator MITCHELL. GEORGE MITCHELL was the hardest working fellow anyone could ever find. He had worked his way back in Maine and into law school here in Washington, DC, and, upon graduation, Senator Muskie had him appointed as a Federal judge. You know these Federal judges. That is the nearest thing to immortality on Earth. You are not going to get rid of them. They are never going to resign. Whatever they say or whatever they do, they have lifetime health care, lifetime pay and everything else of that kind.

Here was a gentleman, GEORGE MITCHELL, who really yearned so much for public service that he gave up the emoluments and lifetime guarantee of an income.

On that score, Senator BAUCUS has really touched on the matter of public service. Here in a day and age when all you can hear is the derision and the ridicule of those in public office and the general approach that no one should be trusted beyond two terms—somehow whenever you get in it you are bound to be corrupted, so the law should be that no one should serve more than two terms, term limitations and that fever and everything else—what Senator BAUCUS has taken as a point is well stated.

There is no greater opportunity to do more for people than in public office, period. Yes, the minister does well, the teacher in the classroom does well, but for even more people, for people generally of all ages and across a broad spectrum, if you look at public service, that is the great pay, because you have a wonderful opportunity to do so many things for so many people.

And with that yearn, GEORGE MITCHELL gave up that lifetime guarantee and got into hurly-burly politics and, in what is generally considered to be a Republican State, got elected as a Democrat.

I remember when he was so far behind people were even laughing at that particular time, but just through his hard work and determination, I say to the Senator from Montana, he really worked his way into the hearts of all Mainers.

I have campaigned in that State from Madawaska up in the north down to Kennebunkport, to Portland and Bangor, and I have been in little Waterville where the Mitchell family was raised, where his mother could not exactly speak the English language, working in the textile plant, and little GEORGE as a youngster was taken down to her at lunch time and everything else of that kind, very humble beginnings and all the brothers working and what have you. And here for him to take on the responsibility as majority leader and perform as he has is just astounding. I have not seen anyone better. I watched as a Governor and worked with Lyndon Johnson, and I watched the other majority leaders come along since that time, all outstanding.

The leadership post today is far and away the most complex role and mission in Congress. One of the things, for example, is that you are looked upon to make the case for the President's policies on the various Sunday news interview programs. GEORGE MITCHELL's measured tone of settling arguments here on the floor, summing up in very cogent, succinct, meaningful, understandable terms, has been remarkable. But even more remarkable has been his performance on these Sunday shows.

It made me proud to see GEORGE on these Sunday programs. Even when he was articulating a position that I was in opposition to, I had to credit him with the outstanding talent of an analytical mind, a lawyer and a judge's mind. He went about his particular task of persuading and never raised his voice. Senator Muskie and I used to talk about righteous indignation, and Senator Muskie would get a little heated and I would get a little heated but not GEORGE MITCHELL. He did it in very strong terms—as Senator BAUCUS said, a great fighter—but he did it in even stronger terms by his understanding and cogency, in the way he expressed his particular thought, most persuasive. He has been very, very considerate.

I guess if I had one little suggestion I have ever made is that he probably was too indulgent and too considerate of us as Senators. We all come filing in now saying I have to go to a meeting; please give me a window. I have a fundraiser; I have to go there. Can we not have any votes, and what have you.

Maybe that is the fault of all of us and not GEORGE's in that respect, because when I was first here we met every Monday morning and voted in the mornings and then in the afternoon had our hearings. And now with the television, of course, we have it reversed so everybody can get their releases out and make their press conference appearances and then come to the committees and make sure that questions are asked that are going to be on the 7 o'clock news. Maybe if we could do all that debating between 9 o'clock or 8 o'clock in the morning and 2 o'clock in the afternoon, then we would know there would only be a window for a TV appearance between 2 and 4 because the press crowd would not even cover you thereafter and that would limit a lot of these hearings and I think expedite things.

But that has just been a private view of my own, trying to get things moving and trying to help majority leader MITCHELL.

I guess at another time I will go get that record and make a more studied presentation, but I cannot let the moment pass with the comments made about GEORGE MITCHELL without me joining in. I have seen them all. He is the best. He has worked hard. He has worked with a rather cantankerous opposition. Ye, gads.

When Senator Mansfield was here, he called up a bill. Republicans will not let poor Senator MITCHELL call up a bill. They have to debate whether to even call it up, then ask about that. And then when you get on the subject, we used to sort of try to adhere to a germaneness rule. Now we are on the GATT when I am trying to get the technology bill. They are off and running on the tangent of international trade. And these are the monkey shines that go on. They know every way. They will not confirm.

I have a lawyer for the committee, the Senator's committee. He voted to approve her. I voted to approve her. We have all voted to approve her. We cannot bring nomination up. Why? Because they tell us they want to know what another appointment is going to be on the commission before we take up this one.

These are the kinds of shenanigans that Senator MITCHELL has had to put up with and still try to make progress, and everybody says, "Why don't we work harder? Why don't we do this? Why don't we do that."

The distinguished majority leader has had a more difficult time working out agreements around here than any other majority leader ever had in the history of government, and he has done it in an outstanding fashion.

So I commend the Senator from Montana in noting the shocking news that our GEORGE MITCHELL is going to leave. It is, as CARL LEVIN said, the worst thing that could possibly happen to the Senate at this particular time.

It is going to be very, very difficult to get someone with GEORGE's understanding, his brilliance, his humor, his sensitivity, and his consideration. So I will just rest my case there for the moment and thank the Senator from Montana for interrupting these proceedings.

Mr. PRESSLER. Madam President, in good humor, I might say that I have served in the Senate with the distinguished Senator from South Carolina under some Republican majority leaders, ROBERT DOLE and Howard Baker, and probably I could list some shenanigans from the other side. But I will not do that in good humor. But I just could not resist responding a little bit.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I rise with some reluctance to oppose the proposed amendment which I believe may be offered by the Senator from Missouri [Mr. DANFORTH].

I am in this position reluctantly because I have the highest regard for Senator DANFORTH as a leader on international trade issues. He and I have worked together, for example, to extend Super 301, win passage of NAFTA, win passage of the 1988 trade act, and win trade negotiating authority for at least two administrations.

I have the deepest admiration for his contributions to trade policy, and I see him as one of my most valued friends and allies in the Senate.

I also share his concerns regarding the impact of the new GATT agreement on our countervailing duty or antisubsidy laws. The fact is that our trade laws, that is, our American trade laws, counterveiling, antidumping, section 301, are critical to American trade policy.

These laws have taken us further in the direction of a genuinely free-trade provision than any other trade agreements. They are the backbone of American trade policy, and they cannot be traded away from any trade agreement. But I think with all respect to my friend from Missouri, before the Senate puts itself on record on this issue, we should at least listen and listen carefully to the administration's case. The administration has a number of arguments to make with regard to provisions of the Uruguay round which this resolution addresses. The administration's first chance to explain its views is a hearing being held by the Senate Finance Committee this Wednesday at 10 o'clock.

Further, I am disturbed by this resolution's suggestion that the GATT agreement be renegotiated. Frankly, it is just not realistic to renegotiate the Uruguay round. It took almost 7 years of painful negotiations between 107 nations to conclude the round. We are not about to go back and ask each of those 107 countries to come back and renegotiate another agreement. We cannot at this point go back to the table and demand specific changes without endangering the entire agreement, which on balance will mean tens of billions of dollars in additional economic growth and hundreds of thousands of new jobs.

I might also point out that other countries have plenty of provisions they also dislike, and they will certainly demand changes in exchange for the changes we want. The entire agreement could easily break down.

Senator DANFORTH may be entirely right about the subsidy issue. It may be right for the Senate to take the step. But we should not do it hastily, and we should consider what is at stake. The round is projected to raise world economic production by $270 billion a year, and it could raise American GDP by $65 billion a year. It means hundreds of thousands or even millions of high-paying export jobs for the United States.

This round has been a consensus goal of American trade policy since the mid-1980's. It is the product of three administrations. It is the perfect example of bipartisan cooperation. And, before we destroy it, let us at least look carefully and think hard. We should weigh the pros and cons of hearings and have this debate, but we should get the facts on the table first.

I have been working with Senator DANFORTH's staff on provisions for the Uruguay round implementing language that I think will protect our trade laws. It may be that we could address the problem he raises in implementing legislation. We may be able to create a special procedure that balances foreign research subsidization with counter subsidies on our side. We may be able to limit the scope of this provision and provide a congressional check on its extension beyond the 5 years agreed to in the GATT.

None of these options is perfect, but I am confident that we can protect section 301, and even strengthen it, in the implementing language. I am confident that we can protect our dumping laws, and even strengthen them, in the implementing language. I want to work with Senator DANFORTH to see if we can do the same to protect our countervailing duty law.

At this point, I consider a vote on this resolution unwise. It would be premature. I urge my friend from Missouri to work with us to find other solutions. If in the end we cannot find them, I may well be back working with him on this resolution at a future date, but not here today. For today is too early for this resolution, and I urge my friend to withdraw it—at least not offer it—and, if he does offer it, to then withdraw it so the administration can make its case and work with the rest of us in this Senate to find a solution that does not threaten this round.

I urge my friend, therefore, not to call up this amendment.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I am pleased to rise in support of S. 4, the National Competitiveness Act of 1994. Among other things, S. 4 creates a Civilian Technology Investment Company [CTIC] program aimed at fostering the development of critical technologies by small- and medium-sized businesses. In large part, the program is modeled after the Small Business Administration's [SBA's] successful Small Business Investment Company [SBIC] program which has helped develop such business superstars as Federal Express, Cray Research, and Apple Computer.

When S. 4 was reported by the Senate Committee on Commerce, Science, and Transportation, I could not have supported the CTIC program it contained. That version would have established a duplicative bureaucracy within the Department of Commerce to administer the program, which in many respects was identical to SBA's SBIC program. Further, that version would have permitted the CTIC program to use nonparticipating equity securities, thus permitting investment companies to circumvent sharing some of their federally sponsored profit with the Federal Government.

Happily, today S. 4 contains an improved CTIC program, thanks to the dedicated efforts of my colleagues, Chairman HOLLINGS and Senator ROCKEFELLER, their staffs, the Department of Commerce, the Small Business Administration, and my staff on the Senate Small Business Committee. Like the SBIC program, the CTIC pro-

gram will license investment companies which will provide financing through debt securities and participating equity securities, which parallel the recently created participating security created to finance SBIC's.

In a few key respects, however, the CTIC program is different from the SBIC program. First, the CTIC program will require that the licensed investment companies make investments exclusively in critical technology ventures. Recognizing that technology investments are often riskier than other types of investments and that the budget of the Federal Government is tight, S. 4 strictly limits to 15 percent the cost of the CTIC program under credit reform. This will allow for the subsidy cost of the CTIC security to exceed the currently estimated cost of SBIC's participating securities by more than 4 percentage points, yet it will ensure the costs of this program remain within reason.

Second, S. 4 establishes a Licensing Committee which will be responsible for granting licenses to CTIC's and for developing the operating plan and implementing regulations. The five-member Licensing Committee will have three members from the Department of Commerce, all of whom are well-versed in technology and one of whom is a finance and investment expert. The committee will also have two members from the SBA, both of whom shall be finance and investment experts. It is expected that all committee members will use their expertise to license only the most promising applicants which are financially sound and likely to succeed. After the licensing stage, the SBA will be responsible for administering and overseeing the program.

Third, CTIC's will provide financial assistance to small businesses, as defined by the SBA, and to joint ventures, as defined by the Licensing Committee. As chairman of the Committee on Small Business, I encourage the Licensing Committee to not use the resources of this program exclusively to finance joint ventures. As evidenced by some of the successes of the SBIC program, some small businesses are very bit as innovative and may be more deserving of Federal investment than their more substantial joint venture competitors, who may be able to draw on the resources of some of America's wealthiest corporations.

The issue of appropriations is a difficult one when joint programs are involved. S. 4 handles the issue by authorizing appropriations for the program to the Department of Commerce and directing that a portion of the appropriation be transferred to the Small Business Administration in proportion to its share of the program's administration. This is necessary to ensure that SBA has adequate salary and expense funds to administer the program responsibly.

From the Licensing Committee to the program's funding, cooperation is the key to success of this new CTIC program. It, like the technologies it seeks to encourage, is an innovation. Although Federal agencies often do not work well together, I have confidence that this program will be different, because the common goal of providing investment capital for the development of technology will overcome parochial concerns. I look forward to the progress of this program as it is jointly developed by the Department of Commerce and the Small Business Administration.

I can assure my colleagues that the Senate Small Business Committee will maintain rigorous oversight of this new program.

Mr. JOHNSTON. Mr. President, I rise to speak in support of title VI of S. 4, the National Competitiveness Act of 1994. Title VI establishes the Information Technology Applications Act of 1994. This act amends and builds on the High-Performance Computing Act of 1991.

The Committee on Energy and Natural Resources, which I chair, and the Committee on Commerce, Science, and Transportation, chaired by my distinguished colleague from South Carolina, Mr. HOLLINGS, worked together in crafting the 1991 act. Again, our committees have worked together and developed the Information Technology Application Act of 1994.

The program established by the administration pursuant to the High-Performance Computing Act of 1991, the High-Performance Computing and Communications Program or the HPCC Program, is an important Federal investment in high-performance computing and communications technologies, which are critical to the competitiveness and national security of the United States.

The HPCC Program has been universally proclaimed as a success, both in the results achieved and in the manner in which agencies have coordinated their programs together. Similar research and development programs have been initiated following the model of the HPCC Program in advanced materials, biotechnology, and manufacturing.

Since the establishment of the High-Performance Computing Act, however, the administration has proposed to expend the scope of the HPCC Program. The administration seeks to establish a new component of the program—the Information Infrastructure Technologies and Applications or the IITA. This effort will lead to the development of applications in high-performance computing and high-speed networking technologies for use in the fields of health care, energy, the environment, education, libraries, materials, and manufacturing. The Information Technology Applications Act of 1994 authorizes the IITA and provides direction to the administration in carrying it out.

I would like to take a moment to clarify the intent and purpose of several sections of the Information Technology Applications Act of 1994. The act makes no change to the management structure called for in the High-Performance Computing Act of 1991. The management and coordinating mechanisms in place today have produced remarkable interagency cooperation. There is no reason to change that structure and the IITA makes no changes. The main purpose of the Information Technology Applications Act is to call for, as part of the program created by the High-Performance Computing Act, the research and development of applications in high-performance computing and high-speed networking technologies.

Section 609 of the Information Technology Applications Act of 1994 restructures section 102 of the High-Performance Computing Act. Currently, the High-Performance Computing Act calls for the creation of the National Research and Education Network. The High-Performance Computing Act envisions a national network that is accessible to researchers and educators throughout the country. The High-Performance Computing Act does not direct any one entity, including the Federal Government, to build and operate such a network. The High-Performance Computing Act directs the agencies of the Federal Government to ensure that agency networking activities are coordinated with each other and with the private sector with the goal that computer networks throughout the Nation can be connected together. This, in fact, has happened.

Today, there are thousands of computer networks connected together allowing millions of researchers throughout the world to communicate with each other. Not one entity, however, has built or operates this national network. This national network has been created largely through the voluntary cooperation of those who build and operate networks. By agreeing on the same standards and protocols, computer networks can now be linked together and be operated as one national network. The role of the Federal Government in this effort has been to act as a central coordinating point and as a catalyst for creating this national network.

The Information Technology Applications Act would change the High-performance Computing Act by eliminating the creation of the National Research and Education Network. Instead a National Research and Education Network Program is created. As no one entity is creating a national network and the focus of the High-Performance Computing Act has always been on the Federal Government's contribution, the creation of a program is a much

better description of the Federal Government's efforts. The goal, however, has not changed—a national computer network accessible to researchers throughout the country. The Federal Government will continue to act as a catalyst and central coordinating point for connecting together the Nation's computer networks. The restructured section also calls for a much stronger effort in the research and development of applications technologies that may be used on computer networks.

To help catalyze the effort to establish a system of interconnected networks, the High-Performance Computing Act of 1991 calls for the Federal Government to carry out research and development of high-performance computing and high-speed networking technologies. This research has centered around the development of faster and more powerful supercomputers and networks, but has not focused on new uses or applications for high-speed computers and networks. The Information Technology Applications Act calls for a much stronger research program in the applications area for developing new uses for high-speed computers and networks in such fields as health care, energy, the environment, education, libraries, materials, and manufacturing. Applications in these areas are now possible because so much of the Nation has access to a national system of interconnected computer networks. For example, it is now possible for a doctor to communicate the results of a CAT scan as they are occurring to a colleague across country. The two can talk and look at the same time at the results of the CAT scan. A few years ago this would not have been possible. Additional research and development will lead to new applications in many other areas.

The Information Technology Applications Act would add a new section 102(g)(1) to the High-Performance Computing Act. This new section requires a point of clarification. This section calls for each agency to procure communications networking services through commercially available network services, or if these cannot satisfy agency requirements, then through contracting for customized services. This is a restatement of current law and of current practices. This language is not intended to change how agencies procure network services, but simply restates current agency practices to make clear that Federal agencies are to continue to competitively procure as much of their networking services as possible from the private sector as they do today. As agencies already do this, this section makes no change in current law.

The final point I would like to make relates to section 606 of the Information Technology Applications Act. This section amends the High-Performance Computing Act to direct the Secretary of Energy to develop, test, and apply high-performance computing and high-speed networking technologies in areas within the Department's missions such as energy, the environment, manufacturing, materials, health care, education and training, financial services, and law enforcement.

Historically, the Department has been the lead Federal agency in the development and use of high-performance computing technologies. The Department operates more unclassified supercomputers than any other entity in the world and has working relationships between its national laboratories and most of the high-performance computing vendors. The Department connects its laboratories and researchers located throughout the world together through one of the Federal Government's largest computer networks. Some of the Nation's premier high-performance computing systems, applications, and networking capabilities have been developed, perfected, and routinely utilized by the Department's scientists and engineers in pursuit of the Department's missions. the Department has unique and extensive capabilities that could provide major contributions to the administration's Information Infrastructure and Technology Applications or the IITA Program. Considering the Department's expertise in high-performance computing, the Department should have at least an equal, if not larger, role in the administration's IITA, than the other agencies.

Thus, I was disappointed that a role for the Department was not specified when the administration first proposed the IITA. The administration maintained that the Department had not established what role it could play in the IITA. The Department of Energy subsequently identified the potential applications and technology contributions it could make to the IITA. Section 606 would establish the Department of Energy's role in the administration's IITA.

Information is one of the Nation's most critical economic resources. I welcome the administration's efforts to improve on the High-Performance Computing Act by developing a program to develop new ways for this country to benefit from this resource. With the authorization and guidance provided by the Information Technology Applications Act, the administration can move forward with this most important initiative.

I urge my colleagues to support passage of the Information Technology Applications Act.

MORNING BUSINESS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of January 5, 1993, the Secretary of the Senate on March 4, 1994, received a message from the President of the United States submitting a nomination which was referred to the appropriate committee.

The nomination received on March 4, 1994, is shown in today's RECORD at the end of the Senate proceedings.

EXTENSION OF GSP BENEFITS TO UKRAINE—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 94

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate, on March 7, 1994, during the recess of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

I am writing to inform you of my intent to add Ukraine to the list of beneficiary developing countries under the Generalized System of Preferences (GSP). The GSP program offers duty-free access to the U.S. market and is authorized by the Trade Act of 1974.

I have carefully considered the criteria identified in sections 501 and 502 of the Trade Act of 1974. In light of these criteria, and particularly Ukraine's level of development and initiation of economic reforms, I have determined that it is appropriate to extend GSP benefits to Ukraine.

This notice is submitted in accordance with section 502(a)(1) of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 3, 1994.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1597. A bill to amend the Public Health Service Act to revise certain organ procurement and transplantation programs, and for other purposes (Rept. No. 103-233).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2257. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the programs of assistance for the destruction of weapons, demilitarization and nonproliferation in the former Soviet Union; to the Committee on Armed Services.

EC-2258. A communication from the Principal Deputy Under Secretary of Defense, transmitting, pursuant to law, a notice of the completion of a review of the officer personnel management system and the impending submission of a report; to the Committee on Armed Services.

EC-2259. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to a transaction with the Phillipines; to the Committee on Banking, Housing and Urban Affairs.

EC-2260. A communication from the Chairman of the National Commission on Manufactured Housing, transmitting, pursuant to law, the interim report of the Commission, dated March 1, 1994; to the Committee on Banking, Housing and Urban Affairs.

EC-2261. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, a report relative to the Traffic Alert and Collision Avoidance System; to the Committee on Commerce, Science and Transportation.

EC-2262. A communication from the Assistant Secretary of Interior (Land Management), transmitting, pursuant to law, a notice on leasing systems for the Central Gulf of Mexico; to the Committee on Energy and Natural Resources.

EC-2263. A communication from the Chairman of the Prospective Payment Assessment Commission, transmitting, pursuant to law, the annual report of the Commission; to the Committee on Finance.

EC-2264. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled, "Review of Various Opportunities That Allow Customers to Receive Water and Sewer at a Reduced Rate"; to the Committee on Governmental Affairs.

EC-2265. A communication from the Inspector General of the Department of Commerce, transmitting, pursuant to law, the Inspector General's report relative to the Byrd amendment for fiscal year 1993; to the Committee on Governmental Affairs.

EC-2266. A communication from the Director of the Woodrow Wilson Center, transmitting, pursuant to law, the Inspector General's report for the Center for fiscal year 1993; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHAFEE (for himself and Mr. BOREN):

S. 1889. A bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services; to the Committee on Finance.

By Mr. HEFLIN:

S. 1890. A bill to require certain disclosures of financial information to expose espionage activities by foreign agents in the United States; to the Select Committee on Intelligence.

By Mrs. KASSEBAUM (for herself, Mr. BENNETT, Mr. BROWN, Mr. CRAIG, and Mr. DANFORTH):

S. 1891. A bill to shift financial responsibility for providing welfare assistance to the States and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes; to the Committee on Finance.

By Mr. MCCAIN:

S. 1892. A bill to amend title II of the Social Security Act to phase out the earnings test over a 10-year period for individuals who have attained retirement age, and for other purposes; to the Committee on Finance.

S. 1893. A bill to amend title II of the Social Security Act to impose the social security earnings test on the retirement annuities of Members of Congress; to the Committee on Governmental Affairs.

S. 1894. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide that the cost-of-living adjustment of the annuities of Members of Congress may not exceed the cost-of-living adjustment of certain social security benefits, and for other purposes; to the Committee on Governmental Affairs.

By Mr. RIEGLE (by request):

S. 1895. A bill to consolidate under a new Federal Banking Commission the supervision of all depository institutions insured under the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. D'AMATO:

S. 1896. A bill to suspend temporarily the duty on certain PVC rain slickers; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1897. A bill to expand the boundary of the Santa Fe National Forest, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SPECTER (for himself, Mr. LEVIN, Mrs. MURRAY, and Mr. METZENBAUM):

S.J. Res. 166. Joint resolution to designate the week of May 29, 1994, through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1889. A bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services; to the Committee on Finance.

MEDICAID PATIENTS' ACCESS TO OSTEOPATHIC PHYSICIANS

Mr. CHAFEE. Mr. President, today I am introducing legislation to make a technical correction in the Omnibus Budget Reconciliation Act of 1990 [OBRA 1990], which allow pregnant women and children enrolled in the Medicaid Program to continue receiving services from osteopathic physicians.

As my colleagues will recall, in an effort to prevent unqualified doctors from providing specialized treatment to Medicaid patients, Congress enacted a provision in OBRA 1990 which required that physicians serving this population be certified in family practice, pediatrics, or obstetrics by the applicable medical specialty board recognized by the American Board of Medical Specialities [ABMS]. Unfortunately, the language of this provision inadvertently shut out a group of doctors who are critically important to the Medicaid population—osteopathic physicians.

There are two types of physicians permitted to practice medicine and surgery, and recognized as such by the Federal Government and State governments—allopathic physicians, to whom M.D. degrees are conferred, and osteopathic physicians, who receive D.O. degrees. Each of these professions has its own certifying body. Allopathic physicians are certified by the ABMS. Osteopathic physicians, however, are certified by the American Osteopathic Association [AOA]. Since the OBRA 1990 provision mentions the ABMS, but not the AOA, its effect is to prevent osteopathic physicians from serving Medicaid patients.

This is a serious mistake. For more than a century, osteopathic physicians have been filling a unique and vital niche in the delivery of health care in the United States. Though they constitute only 5.5 percent of the Nation's physicians, they serve approximately one of every four Medicaid recipients. By failing to recognize osteopathic certification, we risk denying a quarter of our Nation's most vulnerable population the health care they deserve.

The legislation I introduce today will correct the OBRA 1990 provision to ensure that the vital services provided by osteopathic physicians will remain available to our Nation's Medicaid patients. I urge my colleagues to join me in this effort, and look forward to working with them toward the bill's enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL CORRECTIONS RELATING TO PHYSICIANS' SERVICES.

(a) IN GENERAL.—

(1) UNIQUE IDENTIFIERS.—Paragraph (59) of section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by striking "subsection (v)" and inserting "subsection (x)".

(2) EXPENDITURES FOR PHYSICIANS' SERVICES.—Section 1903(i)(12) of the Social Security Act (42 U.S.C. 1396b(i)(12)) is amended—

(A) by amending clause (i) of subparagraph (A) to read as follows:

"(i) is certified in family practice or pediatrics by the medical specialty board recognized by the American Board of Medical Specialties for family practice or pediatrics or is certified in family practice or pediatrics by the medical specialty board recognized by the American Osteopathic Association,";

(B) by amending clause (i) of subparagraph (B) to read as follows:

"(i) is certified in family practice or obstetrics by the medical specialty board recognized by the American Board of Medical Specialties for family practice or obstetrics or is certified in family practice or obstetrics by the medical specialty board recognized by the American Osteopathic Association,"; and

(C) in subparagraphs (A) and (B)—

(i) by striking "or" at the end of clause (v);

(ii) by redesignating clause (vi) as clause (vii); and

(iii) by inserting after clause (v) the following new clause:

"(vi) delivers such services in the emergency department of a hospital participating in the State plan approved under this title, or".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of the Omnibus Budget Reconciliation Act of 1990.

By Mr. HEFLIN:

S. 1890. A bill to require certain disclosures of financial information to expose espionage activities by foreign agents in the United States; to the Select Committee on Intelligence.

FINANCIAL DISCLOSURE FROM INTELLIGENCE OFFICIALS

Mr. HEFLIN. Mr. President. The Nation was shocked by the recent revelation that a 31-year employee of the Central Intelligence Agency, a man whose duties and responsibilities carried with them a solemn trust, would choose to betray that trust to a foreign government—for money.

Calls for action came swiftly. Many condemned the activities of the Russian Government. Some professed a degree of surprise that espionage continues in the wake of the end of the cold war. Others questioned whether this country should reevaluate its growing relationship with Russia, and some feel that our financial and diplomatic efforts to assist the Russian Government should be immediately terminated.

I believe, however, that the administration has reacted in a calm and reasonable manner by expelling a Russian diplomat from Washington and calling upon the Russian Government to enter into negotiations designed to reduce espionage activities by both countries.

The cold war may be over, but it is clear that intelligence gathering agencies have not been put out of business. The collapse of the Soviet Union has not eliminated intelligence gathering by the United States or Russia. Obviously, it will continue. There are still many potential dangers which threaten the future security of the United States. This administration recognizes that national security is contingent upon military, political, and economic security. Because there are those who would seek to disrupt our domestic and international relations, compromise our economic security, or revive the old cold war tensions, the need for experienced, trusted intelligence personnel will continue.

The Aldrich Ames case has demonstrated that the safety mechanisms in place are not adequate to prevent espionage activities. It is clear we must take action to assist our intelligence agencies in identifying potential problems within the ranks of those trusted with this awesome responsibility.

It is my understanding that one of the reasons it took so long to catch Mr. Ames is that the CIA and FBI did not have access to his personal financial records. I was shocked to learn that the financial records of many who have access to the most sensitive of national security information are not subject to any formal or informal review. Though extensive background checks and character references are obtained before access to sensitive information is granted, financial records are not included in this process.

Often, however, the danger comes after the security clearance is granted. This is when these individuals can become the target of foreign powers who would attempt to corrupt them through financial rewards. The more senior the person, the greater their value to our enemies and the greater the temptations that will be offered them.

In 1978, Congress passed the Ethics in Government Act which required the President, Senators, Congressmen, and other senior Government officials to file annual financial disclosure statements. These documents are made available to the general public. At the same time, we recognized the need to have the many Government employees who are out of the public eye but who are involved in contracting file a similar, though confidential, report. As Mr. Ames was not in senior management and was not involved in contracting, he did not have to file a financial disclosure. Had he been required to, it is very possible he would have soon been caught.

I am, therefore, introducing legislation today that would serve to expose sudden, unexplained, or incongruent financial gain or holding to Agency review. The filing of such an annual disclosure statement would be conditional for the granting of initial and continued access to the most sensitive information. Further, the bill allows the FBI to have access information from consumer reporting agencies, including, but not limited to credit bureau information, of those who are suspects in counterintelligence investigations, once specific facts justify this access.

If this authority had been in effect the FBI and the CIA could have been aware of Mr. Ames' extraordinarily increased credit card spending as well as his newly acquired lavish lifestyle. Certainly flags of suspicion requiring further investigation would have been raised if these investigators had known of the purchase of expensive art work, the cash purchase of a $540,000 home, acquiring an expensive Jaguar, and credit card purchases totaling $450,000 over an 8-year period. If the investigators had had such information, they certainly would have wondered where the money came from.

Some of my colleagues might have questions about civil liberties violations resulting from such a law. I would answer that the yielding of some personal liberties has been a keystone in public service and national defense since this Nation was founded. Those who serve in our Armed Forces surrender many individual rights. Those who are civil service employees are restricted from some political activities guaranteed to private citizens. Those of us elected to public office—from the President and the Congress to the State and local level—are compelled to make public personal and financial information considered confidential by private citizens. This is one of the prices we pay for the privilege of serving, a price paid to maintain a sense of honesty and integrity in Government.

I state categorically that I believe in the courage and patriotism of those in the intelligence community. The vast majority of those who serve in this vital, and frequently unheralded, area of national service, are both honorable and faithful. This is a reasonable, sound, and entirely constitutional approach to begin addressing the problems in our current system. This is a way to help to protect the more than 99.9 percent of the intelligence community who would have nothing to fear from this legislation.

I ask my colleagues to join me in supporting this important legislation aimed at ensuring the continued integrity of our Nation's intelligence community.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINANCIAL DISCLOSURE STATEMENTS REQUIRED BY CERTAIN INTELLIGENCE COMMUNITY EMPLOYEES.

(a) IN GENERAL.—(1) The head of each component of the intelligence community of the United States shall submit to the President and the intelligence committees of Congress a report containing a list of all positions under the component that are classified at or

below a position of GS–15 of the General Schedule and that require the individuals occupying the positions to have access to information critical to the national security interests of the United States.

(2) The reports required by paragraph (1) shall be submitted not later than 90 days after the date of enactment of this Act.

(3) The President shall submit a report described in paragraph (1) to the intelligence committees of Congress with respect to staff positions on the National Security Council.

(b) DISCLOSURE STATEMENTS.—Any individual occupying a position described in subsection (a) during any calendar year who performs the duties of his position or office for a period in excess of 60 days in that calendar year shall file with the head of the appropriate agency or component on or before May 15 of the succeeding year a report containing the information described in section 102(a) of the Ethics in Government Act of 1978.

(c) REGULATIONS REQUIRED.—The President shall prescribe such regulations as may be necessary to carry out this section.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "intelligence committees of Congress" means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate; and

(2) the term "intelligence community" has the meaning given to that term by section 3(4) of the National Security Act of 1947.

SEC. 2. FBI COUNTERINTELLIGENCE ACCESS TO CONSUMER CREDIT RECORDS.

Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(1) by striking "Notwithstanding" and inserting "(a) DISCLOSURE OF CERTAIN IDENTIFYING INFORMATION.—Notwithstanding"; and

(2) by adding at the end the following new subsection:

"(b) DISCLOSURES TO THE FBI FOR COUNTERINTELLIGENCE PURPOSES.—

"(1) CONSUMER REPORTS.—Notwithstanding section 604, a consumer reporting agency shall furnish a consumer report to the Federal Bureau of Investigation when presented with a written request for a consumer report, signed by the Director of the Federal Bureau of Investigation or the Director's designee (hereafter in this section referred to as the 'Director'), which certifies compliance with this subsection. The Director's designee may make such a certification only if the Director has determined in writing that—

"(A) such records are necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(B) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought is a foreign power or an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978.

"(2) IDENTIFYING INFORMATION.—Notwithstanding section 604, a consumer reporting agency shall furnish information respecting a consumer which shall include, but shall not be limited to, name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation when presented with a written request, signed by the Director, which certifies compliance with this subsection. The Director may make such a certification only if the Director has determined in writing that—

"(A) such information is necessary to the conduct of an authorized foreign counterintelligence investigation; and

"(B) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978.

"(3) CONFIDENTIALITY.—A consumer reporting agency, or officer, employee, or agent of such consumer reporting agency shall not—

"(A) disclose to any person, other than those officers, employees, or agents of such agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this subsection, that the Federal Bureau of Investigation has sought or obtained a consumer report or identifying information respecting any consumer under paragraph (1) or (2), or

"(B) include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such a consumer report or identifying information.

"(4) PAYMENT OF FEES.—The Federal Bureau of Investigation shall, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing credit reports or identifying information in accordance with procedures established under this title, a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this subsection.

"(5) LIMIT ON DISSEMINATION.—The Federal Bureau of Investigation may not disseminate information obtained pursuant to this subsection outside of the Federal Bureau of Investigation, except to the Department of Justice as may be necessary for the approval or conduct of a foreign counterintelligence investigation.

"(6) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, or in connection with a judicial or administrative proceeding to enforce the provisions of this title. Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress.

"(7) REPORTS TO THE CONGRESS.—On a semiannual basis, the Attorney General of the United States shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to paragraphs (1) and (2).

"(8) DAMAGES.—Any agency or department of the United States obtaining or disclosing credit reports, records, or information contained therein in violation of this subsection is liable to the consumer to whom such records relate in an amount equal to this sum of—

"(A) $100, without regard to the volume of records involved;

"(B) any actual damages sustained by the consumer as a result of the disclosure;

"(C) such punitive damages as a court may allow, where the violation is found to have been willful or intentional; and

"(D) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney's fees, as determined by the court.

"(9) DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a court determines that any agency or department of the United States has violated any provision of this subsection and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

"(10) GOOD-FAITH EXCEPTION.—Any credit reporting agency, or agent or employee thereof, making a disclosure of credit reports or identifying information pursuant to this subsection in good-faith reliance upon a certification by the Federal Bureau of Investigation pursuant to this subsection shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

"(11) LIMITATION OF REMEDIES.—The remedies and sanctions set forth in this subsection shall be the only judicial remedies and sanctions for violations of this subsection.

"(12) INJUNCTIVE RELIEF.—In addition to any other remedy contained in this subsection, injunctive relief shall be available to require compliance with this subsection. In the event of any successful action under this subsection, costs, together with reasonable attorney's fees, as determined by the court, may be recovered.".

By Mrs. KASSEBAUM (for herself, Mr. BENNETT, Mr. BROWN, Mr. CRAIG, and Mr. DANFORTH):

S. 1891. A bill to shift financial responsibility for providing welfare assistance to the States and shift financial responsibility for providing medical assistance under title XIX of the Social Security Act to the Federal Government, and for other purposes; to the Committee on Finance.

WELFARE AND MEDICAID RESPONSIBILITY EXCHANGE OF 1994

Mrs. KASSEBAUM. Mr. President, later this year, the Senate will take up the issue of welfare reform. I know this is a high priority to the chairman of the Finance Committee, Senator MOYNIHAN, who has long been a leader on the question of welfare and delivering support system to those in need. It is also something that is of great concern to Members on both sides of the aisle. Senator COATS was talking about the health care.

I believe that welfare reform really is very much a part and just as important as health care reform. I think they go hand in hand in many ways, and I believe the need to act on this issue is at least as important and as urgent as health care reform in and of itself.

Today, I am introducing legislation along with Senators BENNETT, BROWN, CRAIG, and DANFORTH to help address this concern.

Without question, the current welfare system has helped feed, clothe, house, and educate millions of children through the AFDC program, and our children's nutritional program. it also is without question that we have done

so at an enormous price, not only in terms of money, but in terms of creating a dependency that has led us in the wrong direction. With the best of intentions, we have tried to protect children from material poverty. In the process we have helped trap too many children in a different kind of poverty—where personal responsibility, individual initiative, and a sense of belonging to community have no real meaning.

The real tragedy of our present welfare system is not the questions that it constantly raises about the misuse of taxpayers' money—important as that concern is—but that the present system is failing children and families. Welfare was never intended to become a way of life. But in many cases that is the reality we now face. And I would say, Mr. President, that unless we are willing to step forward, be innovative, creative, and take some risks, we are going to be failing the children of the coming generation.

After 60 years—and next year is the anniversary of the creation of the AFDC Program—and hundreds of billions of dollars, Federal welfare efforts still have not won the war on poverty. Today, one out of five children live in poverty. Five million families with 10 million children receive welfare assistance. Each year, half a million children are born to unwed mothers, the vast majority of whom will end up on welfare.

The trends are clear, and they are not good. They suggest that we already have lost a large part of the present generation, and we will lose even more of the next.

That is our challenge, Mr. President. That is why I believe the stakes in welfare reform are extremely high. Our failure or success will determine to a large extent whether millions of children get a fighting chance to lead healthy, responsible, productive lives or not.

Unfortunately, the history of our repeated attempts to reform welfare demonstrates that good intentions never guarantee success.

For me, the first basic question to be addressed is not how to reform welfare, but who should do the reforming. I believe a critical flaw in the present system is not only a lack of personal responsibility—it is a lack of responsibility at every level of government.

Our largest welfare programs today are hybrids of State and Federal funding and management. The States do most of the administration, within a basic framework of Federal regulation, while the Federal Government provides most of the money. The result is a hodgepodge of State and Federal rules and regulations, conflicting eligibility and benefit standards, and constant push-and-pull between State and Federal bureaucracies.

This may suit the needs of government bureaucracy. It clearly is not meeting the needs of children in poverty.

The first step toward real welfare reform, I believe, is to make a clearcut decision about who will run the plan, who will have the power to make key decisions, and who will be held responsible for the outcome.

I believe that if we redesign it in a different way, then we will see that the needs of families and children that have to be met will become a part of designing the program that will help the best.

The legislation we are introducing answers that question: It would give the States complete control and responsibility for Aid to Families With Dependent Children, the Food Stamp Program, and the Women, Infants and Children Nutrition Program. In order to free State funding to operate these programs, I would have the Federal Government assume a greater share—in some cases the States' full share—of the Medicaid program.

In budget terms, I am proposing a straight swap. The States assume all funding for welfare and the nutrition programs and pay for it with money they now send to Washington for the Medicaid Program. The Federal Government keeps funding it and now provides to the States for welfare and food programs and uses it to further reduce the State share for Medicaid. No State would lose money and neither would the Federal Government.

This is not designed to be a budget deficit issue. It is designed to make it more effective, more accountable, and really help the States to address the issues of support that are important for that State. It may be different for Michigan or for Kansas or Utah or California.

For example, in my State of Kansas, the State share of Medicaid this year will total almost $390 million. Federal spending for AFDC, food stamps and WIC will total about $267 million. Under this legislation, the State share of Medicaid would be reduced to about $123 million. That would free up the $267 million in State funds to take over the entire Federal share of AFDC, food stamps, and WIC.

Nationwide, State payments for Medicaid that now total about $62.3 billion would be reduced to about $21 billion. The balance would be kept by the States to take over the roughly $41 billion that the Federal Government spends for welfare and the nutrition programs.

In terms of Government responsibility, this approach would for the first time draw a clear line between the States and Washington. It would fix responsibility for welfare at the State level—with no Federal strings attached.

It also would begin the process of making the Federal Government responsible for Medicaid—an issue we already must address in health care reform. The explosive growth in Medicaid costs is a major cause of budget problems at both the Federal and State level. Clearly, we must overhaul this program, and I plan to introduce legislation soon to lay out my own views on Medicaid reform.

I believe the exchange of responsibilities proposed in this bill makes sense for two reasons.

First, giving States both the power and the responsibility for welfare—with their own money at stake—would create powerful incentives for finding more effective ways to assist families in need. Nearly half the States already are experimenting with welfare reforms. This would give them broad freedom to test new ideas.

Second, I do not think Washington can reform welfare in any meaningful, lasting way. The reality is that we cannot write a single welfare plan that makes sense for 5 million families in 50 different and very diverse States.

Washington does not have a magic answer to the welfare problem. The governors and State legislatures have no magic solutions either, but they have the potentially critical advantage of being closer to the people involved, closer to the problems, and closer to the day-to-day realities of making welfare work.

In this case, I believe proximity does matter, perhaps powerfully so. One of the most important factors in whether families succeed or fail is their connection to a community, to a network of support.

For some families, this is found in relatives or friends. For others it might be a caring caseworker, a teacher or principal, a local church, a city, or county official. These human connections are not something we can legislate, and they are not something that money can buy.

True welfare reform will require a renewal of local and State responsibilities for children and families in need. I believe that can only happen if the Federal Government steps aside and allows the States to get on with this work.

Mr. President, I ask unanimous consent that a summary of the bill and the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare and Medicaid Responsibility Exchange Act of 1994".

SEC. 2. EXCHANGE OF FINANCIAL RESPONSIBILITIES FOR CERTAIN WELFARE PROGRAMS AND THE MEDICAID PROGRAM.

(a) IN GENERAL.—In exchange for the Federal funds received by a State under section

3 for fiscal years 1996, 1997, 1998, 1999, and 2000 such State shall provide cash and non-cash assistance to low income individuals in accordance with subsection (b).

(b) REQUIREMENT TO PROVIDE A CERTAIN LEVEL OF LOW INCOME ASSISTANCE.—

(1) IN GENERAL.—The amount of cash and non-cash assistance provided to low income individuals by a State for any quarter during fiscal years 1996, 1997, 1998, 1999, and 2000 shall not be less than the sum of—

(A) the amount determined under paragraph (2); and

(B) the amount determined under paragraph (3).

(2) MAINTENANCE OF EFFORT WITH RESPECT TO FEDERAL PROGRAMS TERMINATED.—

(A) QUARTER BEGINNING OCTOBER 1, 1995.—The amount determined under this paragraph for the quarter beginning October 1, 1995, is an amount equal to the sum of—

(i) one-quarter of the base expenditures determined under subparagraph (C) for the State,

(ii) the product of the amount determined under clause (i) and the estimated increase in the consumer price index (for all urban consumers, United States city average) for the preceding quarter, and

(iii) the amount that the Federal Government and the State would have expended in the State in the quarter under the programs terminated under section 4 solely by reason of the increase in recipients which the Secretary of Health and Human Services and the Secretary of Agriculture estimate would have occurred if such programs had not been terminated.

(B) SUCCEEDING QUARTERS.—The amount determined under this paragraph for any quarter beginning on or after January 1, 1996, is an amount equal to the sum of—

(i) the amount expended by the State under subsection (a) in the preceding quarter,

(ii) the product of the amount determined under clause (i) and the estimated increase in the consumer price index (for all urban consumers, United States city average) for the preceding quarter, and

(iii) the amount that the Federal Government and the State would have expended in the State in the quarter under the programs terminated under section 4 solely by reason of the increase in recipients which the Secretary of Health and Human Services and the Secretary of Agriculture estimate would have occurred if such programs had not been terminated.

(C) DETERMINATION OF BASE AMOUNT.—The Secretary of Health and Human Services, in cooperation with the Secretary of Agriculture, shall calculate for each State an amount equal to the total Federal and State expenditures for administering and providing—

(i) aid to families with dependent children under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.),

(ii) benefits under the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including benefits provided under section 19 of such Act (7 U.S.C. 2028), and

(iii) benefits under the special supplemental program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786),

for the State during the 12-month period beginning on July 1, 1994.

(3) MAINTENANCE OF EFFORT WITH RESPECT TO STATE PROGRAMS.—The amount determined under this paragraph for a quarter is the amount of State expenditures for such quarter required to maintain State programs providing cash and non-cash assistance to low income individuals as such programs were in effect during the 12-month period beginning on July 1, 1994.

SEC. 3. PAYMENTS TO STATES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall make quarterly payments to each State during fiscal years 1996, 1997, 1998, 1999, and 2000 in an amount equal to one-quarter of the amount determined under subsection (b) for the applicable fiscal year and such amount shall be used for the purposes described in subsection (c).

(b) PAYMENT EQUIVALENT TO FEDERAL WELFARE SAVINGS.—

(1) IN GENERAL.—The amount available to be paid to a State for a fiscal year shall be an amount equal to the amount calculated under paragraph (2) for the State.

(2) AMOUNTS AVAILABLE.—

(A) FISCAL YEAR 1996.—In fiscal year 1996, the amount available under this subsection for a State is equal to the sum of—

(i) the base amount determined under paragraph (3) for the State,

(ii) the product of the amount determined under clause (i) and the increase in the consumer price index (for all urban consumers, United States city average) for the 12-month period described in paragraph (3), and

(iii) the amount that the Federal Government and the State would have expended in the State in fiscal year 1996 under the programs terminated under section 4 solely by reason of the increase in recipients which the Secretary of Health and Human Services and the Secretary of Agriculture estimate would have occurred if such programs had not been terminated.

(B) SUCCEEDING FISCAL YEARS.—In any succeeding fiscal year, the amount available under this subsection for a State is equal to the sum of—

(i) the amount determined under this paragraph for the State in the previous fiscal year,

(ii) the product of the amount determined under clause (i) and the estimated increase in the consumer price index (for all urban consumers, United States city average) during the previous fiscal year, and

(iii) the amount that the Federal Government and the State would have expended in the State in the fiscal year under the programs terminated under section 4 solely by reason of the increase in recipients which the Secretary of Health and Human Services and the Secretary of Agriculture estimate would have occurred if such programs had not been terminated.

(3) DETERMINATION OF BASE AMOUNT.—The Secretary of Health and Human Services, in cooperation with the Secretary of Agriculture, shall calculate the amount that the Federal Government expended for administering and providing—

(A) aid to families with dependent children under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.),

(B) benefits under the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including benefits provided under section 19 of such Act (7 U.S.C. 2028), and

(C) benefits under the special supplemental program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786),

in each State during the 12-month period beginning on July 1, 1994.

(c) PURPOSES FOR WHICH AMOUNTS MAY BE EXPENDED.—

(1) MEDICAID PROGRAM.—

(A) IN GENERAL.—Notwithstanding any other provision of law, during fiscal years 1996, 1997, 1998, 1999, and 2000 a State shall—

(i) except as provided in subparagraph (B), provide medical assistance under title XIX of the Social Security Act in accordance with the terms of the State's plan in effect on January 1, 1994, and

(ii) use the funds it receives under this section toward the State's financial participation for expenditures made under the plan.

(B) CHANGES IN ELIGIBILITY DURING FISCAL YEARS 1998, 1999, AND 2000.—During fiscal years 1998, 1999, and 2000, a State may change State plan requirements relating to eligibility for medical assistance under title XIX of the Social Security Act if the aggregate expenditures under such State plan for the fiscal year do not exceed the amount that would have been spent if a State plan described in subparagraph (A)(i) had been in effect during such fiscal year.

(C) WAIVER OF REQUIREMENTS.—The Secretary of Health and Human Services may grant a waiver of the requirements under subparagraphs (A)(i) and (B) if a State makes an adequate showing of need in a waiver application submitted in such manner as the Secretary determines appropriate.

(2) EXCESS.—A State that receives funds under this section that are in excess of the State's financial participation for expenditures made under the State plan for medical assistance under title XIX of the Social Security Act shall use such excess funds to provide cash and non-cash assistance for low income families.

(d) DENIAL OF PAYMENTS FOR FAILURE TO MAINTAIN EFFORT.—No payment shall be made under subsection (a) for a quarter if a State fails to comply with the requirements of section 2(b) for the preceding quarter.

(e) ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide the payments described in subsection (a).

SEC. 4. TERMINATION OF CERTAIN FEDERAL WELFARE PROGRAMS.

(a) TERMINATION.—

(1) AFDC.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"TERMINATION OF AUTHORITY

"SEC. 418. The authority provided by this part shall terminate on October 1, 1995.".

(2) JOBS.—Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) is amended by adding at the end the following new section:

"TERMINATION OF AUTHORITY

"SEC. 488. The authority provided by this part shall terminate on October 1, 1995.".

(3) SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC).—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(q) The authority provided by this section shall terminate on October 1, 1995.".

(4) FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following new section:

"SEC. 24. TERMINATION OF AUTHORITY.

"The authority provided by this Act shall terminate on October 1, 1995.".

(b) REFERENCES IN OTHER LAWS.—

(1) IN GENERAL.—Any reference in any law, regulation, document, paper, or other record of the United States to any provision that has been terminated by reason of the amend-

ments made in subsection (a) shall, unless the context otherwise requires, be considered to be a reference to such provision, as in effect immediately before the date of the enactment of this Act.

(2) STATE PLANS.—Any reference in any law, regulation, document, paper, or other record of the United States to a State plan that has been terminated by reason of the amendments made in subsection (a), shall, unless the context otherwise requires, be considered to be a reference to such plan as in effect immediately before the date of the enactment of this Act.

SEC. 5. FEDERALIZATION OF THE MEDICAID PROGRAM.

Beginning on October 1, 2000—

(1) each State with a State plan approved under title XIX of the Social Security Act shall be relieved of administrative or financial responsibility for the medicaid program under such title of such Act,

(2) the Secretary of Health and Human Services shall assume such responsibilities and continue to conduct such program in a State in any manner determined appropriate by the Secretary that is in accordance with the provisions of title XIX of the Social Security Act, and

(3) all expenditures for the program as conducted by the Secretary shall be paid by Federal funds.

SEC. 6. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

The Secretary of Health and Human Services shall, within 90 days after the date of enactment of this Act, submit to the appropriate committees of Congress, a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

BASIC INFORMATION ABOUT THE KASSEBAUM SWAP PROPOSAL

What is being "swapped:"

The basic purpose of the "swap" proposal is to transfer responsibility for welfare assistance programs to the States, while beginning the process of shifting responsibility for Medicaid to the Federal Government.

Why the swap is the best approach to welfare reform:

States are in a much better position than the Federal Government to make determinations about programs providing cash and noncash assistance for low-income individuals and families. In the past decade, most, if not all, of the innovation in the area of welfare reform has originated at the State and local levels. The number of waivers of federal mandates, regulations and rules being requested by States demonstrates a number of significant things:

There is a need to change the currently federally mandated system of welfare assistance because it is not working well.

Federal rules, regulations, and mandates have become a barrier to operating effective welfare assistance programs.

In the past decade, the momentum for restructuring the welfare system has been generated by the States—the innovations that are being discussed in Congress and by the administration are the result of State efforts to devise and operate more effective welfare systems.

States need the flexibility to adapt their basic assistance programs to better meet the needs of individuals and families in need of welfare assistance.

Economic conditions, employment, educational and training opportunities, and available support services vary widely among States—a "one-size-fits-all" federal welfare assistance program is not able to adapt readily either to this diversity of situations or changing conditions.

In contrast, the Federal Government is in a better position the devise and administer basic health care services for low-income individuals and families. As the health care reform debate has demonstrated, there is a need for the development of a broader view of health care financing and service provision—an appropriate role for the Federal Government.

Key provisions of the "swap" proposal:

The States will assume full fiscal and administrative responsibility for the Aid to Families with Dependent Children (AFDC), food stamp, and Nutritional Assistance for Women, Infants, and Children (WIC) programs.

For 5 years, there will be a maintenance-of-effort requirement that funds currently obligated by States and the Federal Government for these programs be used to provide cash and noncash assistance for low-income individuals and families. States will have the responsibility and flexibility to design and operate assistance programs without federal rules, regulations, and mandates.

In return, the States will receive a federal supplement to the state share of Medicaid expenditures equal to the amount currently spent by the federal government in a given state for AFDC, food stamps, and WIC (adjusted annually to account for changes in population and inflation).

State Medicaid benefits and plan options will be frozen at the January 1, 1994, levels. In the process of redesigning State welfare systems, States may change Medicaid eligibility as long as the aggregate expenditures for the state do not grow faster than the projected costs for Medicaid under the current law.

After five years, the federal government will assume responsibility for Medicaid (or its equivalent under a new national health care plan).

Mr. BROWN. Mr. President, today, Senator KASSEBAUM and I are introducing a bill to give States the ultimate flexibility to reform our welfare system. You have heard of the "uncola"—well, this is the "unmandate" bill.

In exchange for the Federal Government ultimately taking over the Medicaid program, States would be freed from all Federal mandates in the operation of the three primary welfare programs—Aid for Families with Dependent Children [AFDC], food stamps and the Women, Infants, and Children [WIC] supplemental food program. State responsibility for Medicaid would be swapped for State autonomy in AFDC, food stamps and WIC.

Under this bill, States can design their own programs to help low-income people out of poverty and off of welfare. States can develop programs to stem rising illegitimacy and encourage parental responsibility. They can set eligibility criteria to meet the needs of their State and its citizens. They can strengthen work or education requirements in their programs without having to come to the Federal Government for a waiver.

The welfare system as it exists today imposes stringent Federal mandates on the States. Currently, we require States to go through a complex and lengthy process to get out from under these Federal requirements. With this bill, States no longer have to come begging to Washington for a welfare waiver. Instead, States can be the crucibles for welfare reform that they seek to be—to meet the needs of their citizens, not the Federal bureaucracy.

My own State of Colorado has been fortunate to get one of these welfare waivers. The process took almost a year. Colorado's waiver: limits welfare benefits for able-bodied adults after 2 years unless they are employed or participating in the JOBS program; provides incentives for welfare recipients to get a high school diploma; requires AFDC parents to have their toddlers immunized against childhood diseases; and eliminates earned income and asset restrictions which have hampered AFDC recipients ability to become self-sufficient.

Other States have been given waivers to reform their welfare programs, are identical, but each addresses the particular concerns of that State in a way the State legislature and Governor have devised. With these waivers, States have been doing what President Clinton has been talking about—"ending welfare as we know it" and requiring work for benefits after a certain time. With this bill, we can allow States to continue what they've already started—actually reforming welfare.

By Mr. MCCAIN:

S. 1892. A bill to amend title II of the Social Security Act to phase out the earnings test over a 10-year period for individuals who have attained retirement age, and for other purposes; to the Committee on Finance.

S. 1893. A bill to amend title II of the Social Security Act to impose the Social Security earnings test on the retirement annuities of Members of Congress; to the Committee on Governmental Affairs.

S. 1894. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide that the cost-of-living adjustment of the annuities of Members of Congress may not exceed the cost-of-living adjustment of certain Social Security benefits, and for other purposes; to the Committee on Governmental Affairs.

EARNINGS TEST LEGISLATION

Mr. MCCAIN. Mr. President, today I am introducing three bills regarding Social Security and the earnings test.

The first bill would gradually phase out the earnings test over a 10-year period. I have sponsored S. 30 which seeks a full and immediate repeal of the earnings test. I strongly favor this approach to the earnings test. I see no need to gradually phase out this discriminatory test, but I appreciate the views of others who claim that a gradual phase out would be simpler to im-

plement and may result in less cost to the Government and less confusion among our senior citizens. Thus, today I am introducing a bill calling for a gradual phase out of the earnings test to serve as a basis for discussion.

The second would require that the congressional pensions of Members of Congress be subjected to the earnings test. This bill mandates that the retirement annuities of Members of Congress be subject to the provisions of section 203(b) of the Social Security Act in the same manner as if such annuity was a benefit of such an individual under such act. The bill would not effect Members of Congress who have already left the body and retired.

Social Security is a Pension Program. It is not an entitlement. It is a Government operated Pension Program which in reality is no different from the pension offered to Members of Congress. Therefore, I strongly believe that if we fail to repeal the earnings test, then we should subject Members to its onerous provisions.

The third bill would mandate that the cost-of-living adjustment for the pensions of Members of Congress could not exceed the cost-of-living adjustment for Social Security recipients.

Mr. President, last week during debate on the Social Security as an independent agency bill, the chairman of the Finance Committee and I discussed the Social Security earnings test. At that time we came to an agreement that instead of my offering an amendment on the issue, the distinguished chairman of the Finance Committee suggested these hearings occur in May.

I applaud the chairman for his commitment to this issue and I look forward to the May hearings. I would hope that the Social Security legislation I am introducing today will be considered along with S. 30, a bill to fully repeal the earnings test, when the Finance Committee holds hearings on the earnings test.

Mr. President, again, I thank Senator MOYNIHAN for his commitment to hold hearings on the Social Security earnings test. I also want to extend my appreciation to Senator PACKWOOD for his support of my efforts.

I ask unanimous consent that the text of the three bills I have introduced appear in the RECORD at the end of my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Older Americans' Freedom to Work Act of 1994".

SEC. 2. PHASE OUT OF THE EARNINGS TEST OVER A 10-YEAR PERIOD FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) LIBERALIZATION OF EARNINGS TEST OVER THE PERIOD 1995-2004 for Individuals Who Have Attained Retirement Age.—Effective with respect to taxable years ending after 1994, subparagraph (D) of section 203(f)(8) of the Social Security Act is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(1)) before the close of the taxable year involved shall be increased by $12,000 in each taxable year over the exempt amount for the previous taxable year, beginning with any taxable year ending after 1994 and before 2005.".

(b) REPEAL OF EARNINGS TEST IN 2005 FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.—Effective with respect to taxable years ending after 2004—

(1) clause (B) in the third sentence of section 203(f)(1) of the Social Security Act is amended by striking out "age seventy" and inserting in lieu thereof "retirement age (as defined in section 216(1))"; and

(2) section 203(f)(3) of such Act is amended—

(A) by striking out "33½ percent" and all that follows through "other individual" and inserting in lieu thereof "50 percent of his earnings for such year in excess of the product of the applicable exempt amount as determined under paragraph (8)", and

(B) by striking out "age 70" and inserting in lieu thereof "retirement age (as defined in section 216(1))".

(c) CONFORMING AND RELATED AMENDMENTS.—Effective with respect to taxable years ending after 2004—

(1) section 203(c)(1) of the Social Security Act is amended by striking out "is under the age of seventy" and inserting in lieu thereof "is under retirement age (as defined in section 216(1))";

(2) the last sentence of subsection (c) of section 203 of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.";

(3) paragraphs (1)(A) and (2) of section 203(d) of such Act are each amended by striking out "under the age of seventy" and inserting in lieu thereof "under retirement age (as defined in section 216(1))";

(4) section 203(f)(1) of such Act is amended by striking out clause (D) and inserting in lieu thereof the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60, or";

(5) subparagraph (D) of section 203(f)(5) of such Act is amended—

(A) by striking out "(D) In the case of" and all that follows down through "(ii) an individual" and inserting in lieu thereof the following:

"(D) An individual";

(B) by striking out "became entitled to such benefits" and all that follows and inserting in lieu thereof "became entitled to such benefits, there shall be excluded from gross income any such other income."; and

(C) by shifting such subparagraph as so amended to the left to the extent necessary to align its left margin with that of subparagraphs (A) through (C) of such section;

(6) section 203(f)(8)(A) of such Act is amended by striking out "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting in lieu thereof "the new exempt amount which is to be applicable";

(7) section 203(f)(8)(B) of such Act is amended—

(A) by striking out all that precedes clause (i) and inserting in lieu thereof the following:

"(B) The exempt amount which is applicable for each month of a particular taxable year shall be whichever of the following is the larger—";

(B) by striking out "corresponding" in clause (i); and

(C) by striking out "an exempt amount" in the matter following clause (ii) and inserting in lieu thereof "the exempt amount";

(8) section 203(f)(8)(D) of such Act (as amended by subsection (a) of this Act) is repealed;

(9) section 203(f)(9) of such Act is repealed;

(10) section 203(h)(1)(A) of such Act is amended by striking out "age 70" each place it appears and inserting in lieu thereof "retirement age (as defined in section 216(1))";

(11) section 203(j) of such Act is amended to read as follows:

"Attainment of Retirement Age

"(j) For purposes of this section—

"(1) an individual shall be considered as having attained retirement age (as defined in section 216(1)) during the entire month in which he attains such age; and

"(2) the term 'retirement age (as defined in section 216(1))', with respect to any individual entitled to monthly insurance benefits under section 202, means the retirement age (as so defined) which is applicable in the case of old-age insurance benefits, regardless of whether or not the particular benefits to which the individual is entitled (or the only such benefits) are old-age insurance benefits.";

(12) section 202(w)(2)(B)(ii) of such Act is amended—

(A) by striking out "either"; and

(B) by striking out "or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit"; and

(13) the second sentence of section 223(d)(4) of such Act is amended by inserting "(or would be applicable to such individuals but for the amendments made by the Older Americans' Freedom to Work Act of 1994)" after "subparagraph (D) thereof" the first place it appears.

S. 1893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL ANNUITIES SUBJECT TO SOCIAL SECURITY EARNINGS TEST.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) IN GENERAL.—Chapter 83 of title 5, United States Code, is amended by inserting after section 8339 the following new section:

"§ 8339a. Limitation on annuities of Members of Congress

"(a) Notwithstanding any other provision of this chapter, the annuity of any individual described in subsection (b) shall be subject to the provisions of section 203(b) of the Social Security Act in the same manner as if such annuity was a benefit of such individual under section 202 of such Act.

"(b) An individual is described in this subsection if—

"(1) such individual has attained the age of 62 years, and

"(2) the computation of the annuity of such individual is based in whole or in part

on the service of such individual as a Member of Congress on or after the date of the enactment of this section.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8339 the following new item:

"8339a. Limitation on annuities of Members of Congress.".

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—

(1) IN GENERAL.—Chapter 84 of title 5, United States Code, is amended by inserting after section 8415 the following new section:

"§ 8415a. Limitation on annuities of Members of Congress

"(a) Notwithstanding any other provision of this chapter, the annuity of any individual described in subsection (b) shall be subject to the provisions of section 203(b) of the Social Security Act in the same manner as if such annuity was a benefit of such individual under section 202 of such Act.

"(b) An individual is described in this subsection if—

"(1) such individual has attained the age of 62 years, and

"(2) the computation of the annuity of such individual is based in whole or in part on the service of such individual as a Member of Congress on or after the date of the enactment of this section.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 84 of title 5, United States Code, is amended by adding after the item relating to section 8415 the following new item:

"8415a. Limitation on annuities of Members of Congress.".

S. 1894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION ON COST-OF-LIVING ADJUSTMENTS FOR ANNUITIES OF MEMBERS OF CONGRESS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8340 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of this section, the adjustment under this section for an annuity which is based on creditable service, any part of which is service as a Member, shall be the lesser of—

"(A) the percentage adjustment which would be applicable under this section if the provisions of this subsection had not been enacted; or

"(B) the maximum percentage increase determined under section 215(i) of the Social Security Act (42 U.S.C. 459(i)) for the applicable year.

"(2) The provisions of this subsection shall apply only to the annuity of an individual who is a Member of Congress on or after the date of the enactment of this subsection.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8462 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of this section, the adjustment under this section for an annuity which is based on creditable service, any part of which is service as a Member, shall be the lesser of—

"(A) the percentage adjustment which would be applicable under this section if the provisions of this subsection had not been enacted; or

"(B) the maximum percentage increase determined under section 215(i) of the Social Security Act (42 U.S.C. 459(i)) for the applicable year.

"(2) The provisions of this subsection shall apply only to the annuity of an individual who is a Member of Congress on or after the date of the enactment of this subsection.".

By Mr. RIEGLE (by request):

S. 1895. A bill to consolidate under a new Federal Banking Commission the supervision of all depository institutions insured under the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

REGULATORY CONSOLIDATION ACT OF 1994

Mr. RIEGLE. Mr. President, I am pleased to introduce, by request, the administration's legislative proposal to consolidate under a new Federal Banking Commission the supervision of all depository institutions insured under the Federal Deposit Insurance Act.

I ask unanimous consent that the letter of transmittal to the committee from Treasury-Secretary Lloyd Bentsen be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, March 3, 1994.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, United States Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to transmit the Administration's legislative proposal to consolidate within a new independent agency—the Federal Banking Commission—the bank and thrift regulatory functions currently fragmented among four different agencies. The need to restructure the federal bank and thrift regulatory system has steadily increased over the past several decades, as distinctions among depository institutions have blurred, the financial services industry has grown more complex, and the regulatory system has become increasingly costly and antiquated.

The Administration's proposal will benefit the economy, consumers, business, and depository institutions themselves. Consolidation will reduce the regulatory burden on depository institutions which will allow them to compete more effectively with other providers of financial services and free up funds for loans to businesses and consumers. And customers will no longer have to guess which agency is responsible for supervising their bank or thrift, or fight their way through a maze of overlapping federal bureaucracies to file complaints or comments about a depository institution's performance.

Under the current federal regulatory structure, supervision of banks and thrifts is needlessly fragmented, convoluted, and in some cases contradictory. The Office of the Comptroller of the Currency (OCC) charters and regulates national banks and federal branches and agencies of foreign banks. The Federal Reserve Board, in addition to conducting monetary policy and managing the payments system, regulates bank holding companies (i.e., companies that control banks) and state-chartered banks that are members of the Federal Reserve System. The Federal Reserve Board also has overlapping responsibilities with the OCC for regulating foreign banks' U.S. operations and U.S. banks' foreign operations. The Federal Deposit Insurance Corporation (FDIC), in addition to insuring deposits, regulates state-chartered banks that are not members of the Federal Reserve System. The Office of Thrift Supervision (OTS) charters and regulates federal savings associations, and also regulates savings and loan holding companies (i.e., companies that control savings associations) and state-chartered savings associations. In addition, the FDIC has back-up authority to stop unsafe practices at any FDIC-insured institution if the institution's primary federal regulator fails to do so.

Under this structure, a company that owns both federally and state-chartered institutions may find itself subject to overlapping and sometimes conflicting supervision by four different agencies. The administration's proposal will end this needless confusion and conflict by consolidating supervisory functions of the OCC, the OTS, the FDIC, and the Federal Reserve into the Federal Banking Commission.

The Administration's proposal leaves the core functions of the FDIC and the Federal Reserve undisturbed. It realigns the responsibilities of the FDIC, the Federal Reserve, and the Federal Banking Commission according to their fundamental responsibilities: deposit insurance, central banking, and safety and soundness supervision. The FDIC will continue to insure deposits. The Federal Reserve Board will continue to conduct monetary policy, administer the payment system, and provide liquidity through the discount window. The new Federal Banking Commission will supervise all FDIC-insured depository institutions.

The Administration's proposal also preserves the integrity and benefits of the dual banking system. The states will remain the primary regulators of the banks they charter. Moreover, the Federal Banking Commission will place increased reliance on examinations by certified state banking departments.

Reforming our nation's bank regulatory structure will help assure the strength of insured depository institutions and their ability to support continued growth, and eliminate waste and duplication in the regulatory system. The Administration's proposal is a significant step toward making government work better and cost less.

Sincerely,

LLOYD BENTSEN

By Mr. D'AMATO:

S. 1896. A bill to suspend temporarily the duty on certain PVC rain slickers; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN PVC RAIN SLICKERS

• Mr. D'AMATO. Mr. President, today I am introducing a duty suspension bill for certain PVC rain slickers, valued at under $10 upon importation. The purpose of this legislation is to allow for consideration of this duty suspension in the Uruguay round negotiations which are ongoing.

In order to be considered in the round, legislation must first be introduced. It must then be cleared through the Industry Sector Advisory Committee on Textiles and Apparel and undergo a separate investigation by the administration.

According to the small and medium sized New York companies who requested this legislation and consider-

ation in the Uruguay round, no U.S. firms or workers would be injured by this proposal change because the rain slickers are not manufactured in the United States, nor are they subject to any additional import restrictions. In addition, they claim removal of the 5-percent tariff would allow them to reduce prices to consumers, sell more merchandise nationwide and increase employment in New York.

It is my hope that the Advisory Committee on Textiles and Apparel and the administration will move swiftly in their review. I thank them for their cooperation.

Mr. President, I ask unanimous consent that the bill and my statement be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON CERTAIN PVC RAIN SLICKERS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

"9902.39.20	Plastic rainwear, including jackets, coats, ponchos, parkas, and slickers; featuring an outer shell of polyvinyl chloride plastic with or without attached hoods, valued not over $10 per unit (provided for in subheading 3926.20.50)	Free	No change	No change	On or before 12/31/98".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.●

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1897. A bill to expand the boundary of the Santa Fe National Forest, and for other purposes; to the Committee on Energy and Natural Resources.

SANTA FE NATIONAL FOREST BOUNDARY ADJUSTMENT ACT OF 1994

● Mr. BINGAMAN. Mr. President, I rise today to introduce legislation on behalf of myself and Senator DOMENICI to authorize the Forest Service to acquire land and easements adjacent to the Santa Fe National Forest in New Mexico. The purpose of this legislation is to preserve the Atalaya Mountain area, east of the city of Santa Fe, NM. The tracts of land in question comprise a portion of the eastern scenic backdrop of Santa Fe which provides the physical and visual edge of the city. They are logical additions to the Santa Fe Forest.

The expanded boundary will adjoin existing city-owned lands, and will connect with and contribute to the city's open space plan. This boundary adjustment will provide a more logical exterior boundary for the Santa Fe National Forest, thereby also facilitating management and administration of these Federal lands.

This property possesses outstanding scenic qualities that are presently enjoyed by the general public traveling in the vicinity. In addition, these lands are crossed by historic wood gathering trails, used by Santa Fe residents for over 300 years, and could provide permanently protected public access corridors.

Over the last several months, broad community concern has been expressed over the prospect of development of the west face of Atalaya Mountain. There is strong public support for preserving this property in an undeveloped state for public use and enjoyment. The purpose of this legislation is to protect Atalaya Mountain through acquisition of land and conservation easements by the Forest Service, thus returning the land to the public as open space. This legislation specifically prohibits the Forest Service from selling this land and endangering it to development in the future. It is our intent that this legislation spur Forest Service acquisition and provide the extra protection that the mountain so richly deserves.

This effort represents a high level of cooperation and compromise among several parties—the current owners of the land in question, Santa Feans concerned about the preservation of open space, and local and Federal governments. I am pleased to support this effort through introduction of this legislation, which will ensure that Atalaya Mountain, one of Santa Fe's natural treasures, will be protected. Let me take this opportunity to thank my colleague, Senator DOMENICI, for his cosponsorship of this legislation. Congressman RICHARDSON is introducing companion legislation in the House of Representatives. It is my hope that we will be able to move swiftly to pass this legislation, and I urge my colleagues to support this bill.

I ask that the full text of my remarks and this legislation be printed in the RECORD.

S. 1897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Santa Fe National Forest Boundary Adjustment Act of 1994".

SEC. 2. BOUNDARY ADJUSTMENT.

(a) EXPANSION.—The Secretary of Agriculture shall modify the boundary of the Santa Fe National Forest as depicted on the map entitled "Santa Fe National Forest Boundary Expansion—1994".

(b) MAP.—The map referred to in subsection (a) shall be on file and available for public inspection in the Office of the Chief Forester, National Forest Service, Washington, D.C.

(c) ACQUISITION.—The Secretary of Agriculture is authorized to acquire land depicted on the map described in subsection (a) by exchange with the Bureau of Land Management of the Department of the Interior.

(d) DISPOSAL.—The Secretary of Agriculture is authorized to transfer land within the Santa Fe National Forest to the Bureau of Land Management of the Department of the Interior, to offset the value of land acquired by the Secretary of Agriculture pursuant to subsection (c).

(e) EFFECTIVE DATE.—For purposes of section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–9(a)(1)), the boundary of the Santa Fe National Forest, as modified pursuant to subsection (a), shall be treated as if it were the boundary as of January 1, 1965.

SEC. 3. MANAGEMENT.

(a) IN GENERAL.—Subject to subsection (b)(1), the Secretary of Agriculture shall not transfer by exchange, sale, or otherwise, any land or interest in land within the boundary of the Santa Fe National Forest that is acquired pursuant to the boundary expansion authorized in section 2(a).

(b) EASEMENTS.—

(1) CONVEYANCE.—The Secretary may convey to the State of New Mexico easements donated to, and accepted by, the United States.

(2) MANAGEMENT.—Land or interest in land acquired pursuant to the boundary expansion authorized in section 2(a) shall be managed consistent with the terms and conditions of any easement donated to, and accepted by, the United States with respect to such land or interest in land.●

● Mr. DOMENICI. Mr. President, I am pleased to join my colleague from New Mexico [Mr. BINGAMAN] in the introduction of this legislation that will help preserve the scenic beauty of Santa Fe, the capital of our enchanted State. By adjusting the boundary of the Santa Fe National Forest, we will ensure that Atalaya Mountain will continue to stand as a majestic backdrop to the city, free from the clutter of inappropriate development.

This legislation represents a significant effort on the part of a number of people in the Santa Fe area. I appreciate the hard work on the part of all those responsible, including Santa Fe area residents Frank Bond, David Aubin, Valantin Valdez, and Irene VonHorvath, Santa Fe City Council member Ouida MacGregor, Bill deBuys of the Conservation Fund, Dale Ball of the Santa Fe conservation trust, and the Forest Service and Bureau of Land Management personnel who were very helpful. I especially want to thank the generous landowners themselves, as without their cooperation, this preservation effort would not be possible.

I am delighted that this boundary expansion will be accomplished through land donations and exchanges. This will require no purchases of land by the Federal Government. This is an excellent example of how the Federal Government and dedicated local citizens can work together for the betterment of the community.

I believe that through these efforts, residents and visitors to the city will be able to enjoy not only the scenic beauty of the mountain, but continued easy access to the Santa Fe National Forest. I also anticipate that the expanded straight boundary line will help facilitate management functions, and provide added recreational opportunities in the Santa Fe National Forest.●

By Mr. SPECTER (for himself, Mr. LEVIN, Mrs. MURRAY, and Mr. METZENBAUM):

S.J. Res. 166. Joint resolution to designate the week of May 29, 1994, through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week"; to the Committee on the Judiciary.

PEDIATRIC AND ADOLESCENT AIDS AWARENESS WEEK

Mr. SPECTER. Mr. President, today I am introducing, along with my colleagues Senator LEVIN, Senator MURRAY, and Senator METZENBAUM, a joint resolution to designate the week of May 29, 1994 through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week." This joint resolution is introduced as a companion to identical legislation introduced by Congressman JOSÉ SERRANO of the 16th District in New York.

Pediatric and Adolescent AIDS Awareness Week provides us an opportunity to expand a national prevention effort aimed at the reduction in the incidence of AIDS in children and adolescents. Adolescent and young adult HIV transmission guarantees the continuation of the spread of AIDS/HIV epidemic, if we do not increase our counseling and educational efforts.

As my colleagues may know, AIDS is a leading cause of death for children ages 1 through 4. By October 1993, the Centers for Disease Control and Prevention has reported 4,906 cases of pediatric AIDS and 1,412 cases of adolescent AIDS throughout the United States. Pediatric AIDS is most often contracted from the mother by the newborn child in utero. If the incidence of AIDS continues to increase at this rate, AIDS will become the fifth leading cause of death among children of all ages in the United States.

I have been involved in legislation which would increase the awareness of pediatric AIDS since 1987 when I first introduced the Pediatric AIDS Resource Centers Act to address the problem of providing care for children and youth suffering from AIDS. In addition, I am an original cosponsor of the Ryan White Comprehensive AIDS Resources Emergency Act which became law in August 1990. This bill amended the Public Health Service Act to provide grants for improving the quality and availability of care to individuals and families that are tested to be HIV positive.

As ranking minority member of the Appropriations Subcommittee on Labor, Health and Human Services and Education, I have been involved in working toward providing sufficient resources to fund AIDS research, education, prevention, and services. In 1989, the Public Health Service [PHS] received a total of $95,977 million for all pediatric AIDS research and demonstration projects, by 1992 the PHS received $189,703 million. This amount is a 49.4 percent increase in the funding level. Therefore, for the benefit of all American citizens, Pediatric and Adolescent AIDS Awareness Week would provide a forum for education and promotion to broaden awareness of the course of AIDS in America today.

Mr. President, in light of our desire to begin the debate on health care reform, this joint resolution would be an important step in relieving the growing burden on our health care system of the costs associated with AIDS through education and prevention.

Accordingly, I urge my colleagues to join me in support of the children and adolescents currently infected with AIDS and in support of their families and caretakers.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 166

Whereas more than 339,250 individuals in the United States have been diagnosed with acquired immune deficiency syndrome (commonly known as AIDS) and 204,390 have died from the disease; and

Whereas the Public Health Service has estimated that there are currently between 1,000,000 and 1,500,000 persons in the United States infected with AIDS; and

Whereas the Centers for Disease Control and Prevention has reported 4,906 cases of pediatric AIDS and 1,412 cases of adolescent AIDS as of October, 1993; and

Whereas 1 in 5 of all reported AIDS cases is diagnosed in the 20–29 year old age group, and the median incubation period between human immuno-deficiency virus (HIV) infection and AIDS diagnosis is nearly 10 years, most of those people in their 20's who are diagnosed with AIDS were adolescents when they became infected; and

Whereas AIDS was the eighth leading cause of death for children aged 1–4 in 1990. If the incidence of AIDS continues to increase, within the next 10 years AIDS may become the fifth leading cause of death among children of all ages in the United States; and

Whereas by the end of 1995, maternal deaths caused by the HIV/AIDS epidemic will have orphaned an estimated 24,600 children (under age 13) and 21,000 adolescents (aged 13–17) in the United States. Unless the course of the epidemic changes dramatically, by the year 2000 the overall number of motherless children and adolescents will exceed 80,000; and

Whereas in 1992 reported AIDS cases among women continued to grow at a faster rate than among men, and for the first time, more than half the number of women's cases were the result of heterosexual transmission, not intravenous drug use; and

Whereas the Centers for Disease Control and Prevention estimates that approximately 110,000 women in the United States are infected with HIV. An estimated 6,000 are expected to give birth to children each year; approximately 1,500–2,000 of these children will be infected with HIV; and

Whereas more than 88 percent of children with AIDS have a parent with, or at risk for, HIV infection; and

Whereas 24 percent of reported pediatric AIDS cases in the United States have occurred in New York City and the South Bronx has the highest HIV seroprevalence rate among newborns in the United States; and

Whereas Philadelphia ranks among American cities most impacted by reported AIDS cases among children age 0–13, and these children belong to an estimated 1,400 HIV affected families; and

Whereas 74 percent of women with AIDS and 79 percent of children with AIDS are African-American or Hispanic, many of whom are underprivileged and have experienced social discrimination; and

Whereas there have been 1,183 cases of pediatric AIDS reported to the Centers for Disease Control and Prevention in New York City; 260 cases in Miami, Florida; 184 cases in Newark, New Jersey; 168 cases in San Juan, Puerto Rico; 146 cases in Los Angeles, California; 138 cases in Washington, DC; 107 cases in West Palm Beach, Florida; 117 cases in Boston, Massachusetts; 125 cases in Chicago, Illinois; 113 cases in Baltimore, Maryland; 87 cases in Philadelphia, Pennsylvania; and 87 cases in Houston, Texas; and

Whereas instances of discrimination against children and youth with HIV occur in schools and other institutions; and

Whereas it is important that the people of the United States diligently seek preventative measures and better solutions to care for women and youth, including helping them gain access to HIV and other sexually transmitted disease clinical therapies; and

Whereas early intervention and educational resources must be made available to all citizens, especially youth and other high-risk groups, to make them more aware of AIDS and the risks associated with engaging in unprotected sexual activity or substance abuse; and

Whereas the Health Care Financing Administration and the Public Health Service should work with appropriate state officials to help design optimal care packages needed for children, youth and families with AIDS or HIV infection especially as health care reform is undertaken; and

Whereas states and localities should recognize relatives, extended family members and other non-biological relations as an appropriate source of foster care for children with AIDS whose parents can no longer care for them, subject to the same review and afforded the same benefits as other foster parents: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in the Congress assembled, That May 29 through June 4, 1994, is designated as "Pediatric and Adolescent AIDS Awareness Week," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. LUGAR, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cospon-

sor of S. 88, a bill to amend the National School Lunch Act to remove the requirement that schools participating in the school lunch program offer students specific types of fluid milk, and for other purposes.

S. 266

At the request of Mr. SIMON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 266, a bill to provide for elementary and secondary school library media resources, technology enhancement, training and improvement.

S. 1495

At the request of Mr. INOUYE, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1495, a bill to repeal the reduction in the deductible portion of expenses for business meals and entertainment.

S. 1687

At the request of Mr. BINGAMAN, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 1687, a bill to promote the effective and efficient use of Federal grant assistance provided to State governments to carry out certain environmental programs and activities, and for other purposes.

S. 1690

At the request of Mr. PRYOR, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 1690, a bill to amend the Internal Revenue Code of 1986 to reform the rules regarding subchapter S corporations.

S. 1805

At the request of Mr. WARNER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1805, a bill to amend title 10, United States Code, to eliminate the disparity between the periods of delay provided for civilian and military retiree cost-of-living adjustments in the Omnibus Budget Reconciliation Act of 1993.

S. 1839

At the request of Mr. BINGAMAN, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 1839, a bill to authorize the study of the equity of Forest Service regional funding allocations, and for other purposes.

S. 1841

At the request of Mr. WELLSTONE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1841, a bill to amend the Public Health Service Act to prohibit discrimination, on the basis of race, color, or national origin, in programs and activities relating to occupational and other exposure to hazardous substances.

S. 1884

At the request of Mr. SIMPSON, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1884, a bill to amend the Immigration and Nationality Act to reform asylum procedures, to strengthen criminal penalties for the smuggling of aliens, and to reform other procedures to control illegal immigration to the United States.

SENATE JOINT RESOLUTION 161

At the request of Mr. BUMPERS, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Utah [Mr. HATCH], the Senator from Maine [Mr. COHEN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 161, a joint resolution to designate April 1994, as "Civil War History Month."

SENATE RESOLUTION 64

At the request of Mr. LUGAR, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of Senate Resolution 64, a resolution expressing the sense of the Senate that increasing the effective rate of taxation by lowering the estate tax exemption would devastate homeowners, farmers, and small business owners, further hindering the creation of jobs and economic growth.

SENATE RESOLUTION 182

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of Senate Resolution 182, a resolution entitled "A Call for Humanitarian Assistance to the Pontian Greeks."

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on the domestic and international implications of energy demand growth in China and the developing countries of the Pacific rim.

The hearing will take place on March 16, 1994, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets NE., Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention: Shirley Neff.

For further information, please contact Shirley Neff of the committee staff at 202-224-7865.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on the operating and economic environment of the domestic natural gas and oil industry.

The hearing will take place on April 14, 1994, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets NE., Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention: Shirley Neff.

For further information, please contact Shirley Neff of the committee staff at 202-224-7865.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will hold a hearing entitled the "Effect on Dairy Trade of the Self Help Proposal." The hearing will be held on Wednesday, March 16, 1994, at 9:30 a.m. in SR-332.

For further information, please contact Tom Cosgrove at 224-5207.

ADDITIONAL STATEMENTS

ON THE 20TH ANNIVERSARY OF PROJECT CHILDREN

• Mr. MOYNIHAN. Mr. President, this year marks the 20th anniversary of Project Children. This program, founded by Denis Mulcahy in Greenwood Lake, NY, brings together Protestant and Catholic children from Northern Ireland for a summer holiday in the United States.

The importance of such efforts to foster peace and reconciliation among those who live in a land wracked by violence cannot be underestimated. The contacts and experiences that Irish and American children share when they are brought together are invaluable in fostering understanding.

I applaud those on both sides of the Atlantic who work to better the lives of these children—our hope and future. We look forward to the day when all of the people of Northern Ireland will see an end to bloodshed in their homeland.•

SIEHL PRIZE FOR EXCELLENCE IN AGRICULTURE

• Mr. DURENBERGER. Mr. President, it is my privilege today to pay tribute to three heroes of Minnesota and American agriculture who are recipients today of the Siehl Prize of Excellence in Agriculture.

The awards ceremony is highlighted by the attendance of Nobel Peace Prize Laureate Norman Borlaug, University of Minnesota president Nils Hasselmo, and former Governor Elmer L. Andersen.

Mr. President, I want to take a special moment first to speak of Eldon Siehl, a businessman and philanthropist who loves farming. Before he died in 1982 he directed that a portion of his estate be given to the University of Minnesota Foundation to establish a prize to be awarded to individuals who have made extraordinary contributions to agriculture and the alleviation of world hunger. Bert Enestvedt, Al Bloomquist, and Bill Larson are the first recipients of the award.

Bert Enestvedt is a good friend of Minnesota farmers, whose 1,500-acre farm supplies them with certified high-quality seed, including hybrid seed corn, soybeans, wheat, and oats. The Enestvedt farm makes more than 60 percent of its sales to area farmers. The farm, founded in 1990 on the site where Bert's grandfather homesteaded in 1867, led the effort to increase use of new crop varieties, many of them produced by the University of Minnesota Experiment Station. The farm stands as the oldest family-owned and operated seed corn company in the State. The Enestvedts are also a Century Farm Family.

Bert graduated from the University of Minnesota, Morris, where he studies agriculture. He is an organizer of the Minnesota Soybean Growers Association, he was its director for 25 years. He also served for 11 years as director of the Minnesota Crop Improvement Association and for 10 years as director of the Minnesota Seed Producers and Promotion Association. Through his work with the latter organization, Enestvedt championed the use of publicly developed crop varieties. In addition, he was instrumental in getting a bill passed to allow blue directional signs pointing the way to rural Minnesota businesses that serve the public.

Among his honors are the Mr. Crop Improvement Award for Webb Publishing; an honorary life member award from the American Soybean Association; and the 50-Year Award from the Minnesota State Fair. In 1991, the University of Minnesota Agriculture Experiment Station released a soybean variety named "Bert" in his honor.

William E. Larson is known for his work in reducing soil erosion, particularly his championing of the techniques of conservation tillage. Conventional plowing turns over 6 to 10 inches of soil, but conservation tillage loosens the soil without inverting it. Also, conservation tillage allows crop residue to be left on the surface. On sloping land, such methods can reduce soil erosion by more than 50 percent. In recent years, Larson has been concerned with national databases and means for assessing soil quality. His work on developing measures of soil quality and degradation are helping in the worldwide fight to preserve soil. His work has influenced national policies in the use of crop residue to enhance soil conservation. A leading scientist has said, "The conservation tillage systems we see today stem from the early work of Bill Larson."

Bill has held several leadership positions in the USDA, and was professor and head of the University of Minnesota's soil science department from 1982 until his retirement in 1989.

Bill is a fellow of the American Society of Agronomy [ASA], the American Association for the Advancement of Science, the Soil Conservation Society America and the Soil Science Society of America [SSA]. He is past president of the ASA—1985—and the SSSA—1980. In 1975 he received the Superior Service Award in Science and Technology from the USDA.

Al Bloomquist can be credited with saving the sugarbeet industry in Minnesota's Red River Valley and helping Minnesota achieve the status as the largest producer of sugar in the United States.

Bloomquist's career in the sugarbeet industry began in 1955 when he was hired as a regional manager for Western Beet Sugar Producers. He became executive secretary of the Red River Valley Sugar Beet Growers Association in 1961 when the industry was thriving. By 1972, however, the American Crystal Sugar Co. was reducing sugar beet acres in northwestern Minnesota and wasn't maintaining its four processing factories. It would have eventually left the area had it not been for Al's proposal to have the valley's growers buy the company and run it as a cooperative.

Within the next 3 years, sales doubled, acreage more than doubled, a fifth processing factory was built and another factory was doubled in size. Today, American Crystal Sugar is the primary economic force in the valley, accounting for 11,000 jobs and an economic impact of about $1 billion annually. Al was the company's president from 1990 to 1992.

Among his honor, Al received the Dyer Memorial Award in 1977 as the "Sugar Man of the Year" for significant and meritorious service—the highest honor the sugar industry can bestow.

Mr. President, I would also like to note that these men and their families are active participants in increasing the quality of life in the communities where they live.

Mr. President, Al Bloomquist, Bill Larson, and Bert Enestvedt deserve the heartiest of congratulations and the sincere thanks of all Americans.●

PRESIDENT CLINTON'S JUDICIAL NOMINATIONS

● Mr. SIMON. Mr. President, during his first year in office, President Clinton took important steps toward changing the complexion of the Federal judiciary. According to a January 11, 1994, article in the Los Angeles Times, more than half of the President's judicial nominations so far have been women or members of racial or ethnic minorities. I applaud the President's commitment to diversifying the Federal judiciary.

From 1789 to 1934 our Federal courts were made up entirely of white males. Unfortunately, progress in expanding the membership of the Federal courts beyond their traditional composition has continued to lag even in recent years. The President's appointment of such outstanding and diverse judges can help establish a truly representative judicial branch of Government that is better able to understand the difficulties of all Americans.

In 1992, retired Judge A. Leon Higganbotham—the former chief judge of the U.S. Court of Appeals for the Third Circuit who is known to many of us as one of the pioneering African-American jurists on the Federal bench—eloquently stated the importance of the appointment of women and minorities to the bench when he wrote:

> Pluralism, more often than not, creates a milieu in which the judiciary, the litigants—indeed, our democratic system—benefit from the experience of those whose backgrounds reflect the breadth of the American experience.

I ask that the full Los Angeles Times article, "Women, Minorities Outpace White Men for Judgeships," be entered in the RECORD at this point.

The article follows:

[From the Los Angeles Times, Jan. 11, 1994]

WOMEN, MINORITIES OUTPACE WHITE MEN FOR JUDGESHIPS

(By David Savage and Ronald J. Ostrow)

WASHINGTON.—President Clinton literally is changing the look of the federal judiciary.

During his first year in office, more than half of Clinton's nominees for federal judgeships were women or members of racial and ethnic minorities, a proportion dramatically higher than during any previous Administration.

For example, Presidents Ronald Reagan and George Bush named white men to 82% of the available judgeships over their 12 years in office.

By contrast, only 39% of Clinton's first 48 nominees were white men. And Administration officials predict that pattern will continue throughout Clinton's term.

"This is the first President who will appoint a majority of his judges who are women or minorities," said Ronald Klain, the associate White House counsel in charge of screening candidates for the federal appeals court and the Supreme Court.

Unlike the elected branches of government, the federal judiciary has been slow to change and remains the province mostly of white men. Among the 837 judges who sit on the federal bench, 5% are black and about 10% are women.

Among Clinton's first judicial nominees, 23% are black, 35% are women and 6% are

Latinos. No Asian-Americans have been nominated

Besides the changing complexion of the judicial branch. Administration officials point with pride to individuals who have broke barriers.

Judith W. Rogers, the first black woman to graduate from the Harvard Law School and the well-regarded chief judge of the District of Columbia's highest non-federal court, has been nominated to the influential U.S. Court of Appeals in Washington. Rogers, 54, is only the second black woman ever chosen for a federal appeals court seat and the first since 1980, officials said.

Clinton selected Martha A. Vasquez, 40, as a U.S. district judge in New Mexico. She is the first Mexican-American woman to join the federal judiciary. Justice Department officials said. They also anticipate naming the first Native American judge this year.

Clinton's sole pick for the Supreme Court. Ruth Bader Ginsburg, is the second woman to serve there and the first Jewish member in the court since 1969.

This unprecedented push for diversity on the federal bench has won praise from liberal groups that monitor the judiciary.

Nan Aron, executive director of the Alliance for Justice, a liberal advocacy group that monitors court nominations, noted that more of Clinton's nominees have worked as public defenders and in providing legal aid to the poor than did the judges appointed by previous presidents.

The Clinton judges "will have a greater understanding of the problems confronting ordinary Americans." Aron said. She called his appointments "a welcome change from the wealthy corporate concerns of most of the Reagan-Bush judges."

But a conservative analyst decided Clinton for "catering to the bean counters." They are obviously taking the politically correct approach and trying to please the diversity crowd," said a legal analyst with Coalitions for America, a conservative group that monitors nominations to the judiciary.

Among previous presidents, only Jimmy Carter made a significant effort to increase the percentage of women and minorities on the bench. Even so, 66% of his nominees were white men.

Carter drew criticism for selecting some judges with relatively thin qualifications. Several of his appointees have been accused of moral and ethical violations on the bench.

But Clinton has won early plaudits for the high caliber of his selections.

"They appear to be extraordinary well qualified," said Sheldon Goldman of the University of Massachusetts at Amherst, who tracks judicial selections. "Their ABA ratings so far have been superior to Bush and Reagan [appointees]" He was referring to the evaluations of each nominee done by a committee of the American Bar Assn.

We have not seen a tension between excellence and diversity." said Assistant Atty. Gen Eleanor D. Acheson, who screens candidates for the district courts. Because of the growing number of women and minorities in the legal profession, "we have a very rich field to pick from," she said.

During the Reagan and Bush years, critics accused executive branch officials of imposing an ideological "litmus test" on potential judges. For example, those who supported abortion rights or affirmative action were vetoed, it was alleged. But Republican officials steadfastly denied the charge and insisted that they sought only talented lawyers who would follow a course of "judicial restraint."

Not surprisingly, Clinton's advisers say that ideology does not figure significantly in their selection process, although they readily note that nominees typically come recommended by Democratic officeholders.

"We are seeking people who have intellectual ability and energy, people who are interested in the law and have a good judicial temperament. There are no litmus tests," said Acheson, whose grandfather, Dean Acheson, served as secretary of state under President Harry S. Truman.

The "no litmus test" pledge is undergoing something of a test itself, as the Administration considers judicial vacancies in Wyoming and Missouri.

In those states, both U.S. senators are Republicans. As a result, the Administration received recommendations instead from two Democratic officeholders, Wyoming Gov. Mike Sullivan and House Majority Leader Richard A. Gephardt (D-Mo.). Both proposed local attorneys known as critics of legal abortion.

Reacting strongly, abortion rights leaders in Washington protested to the White House, insisting that Clinton not follow in the footsteps of Reagan and Bush by appointing more abortion opponents to the bench.

The issue has been debated hotly in the White House and Justice Department, but no decision has been announced.

Because of a slow start, Clinton has yet to put a real dent in Republican dominance of the federal judiciary.

He came to office facing a record number of judicial vacancies, attributable in part to a prolonged dispute between the Bush White House and the Democrat-dominated Senate Judiciary Committee. Angry that the FBI report involving sexual harassment charges against Supreme Court Justice Clarence Thomas had been leaked to the press, Bush blocked giving the committee further access to FBI reports on its judicial nominees. In response, the committee blocked approval of Bush's court nominees during much of 1992.

But Clinton's aides were unable to fill the vacancies quickly. Key Justice Department posts went unfilled for months last year. Another complication reflects a selection process that begins with recommendations from Democratic senators, some of whom, such as California Sens. Dianne Feinstein and Barbara Boxer, were newcomers.

By year's end, however, Clinton had nominated slightly more new judges during his first year than had either Reagan or Bush.

Nonetheless, a record 118 seats remained vacant as of Jan. 1. Reagan and Bush appointees still hold a clear majority in 11 of 13 federal appeals courts, according to the Alliance for Justice.

Clinton has yet to nominate anyone for vacancies in Southern California. There are four seats vacant in Los Angeles and two in San Diego. The U.S. 9th Circuit Court of Appeals also has two vacancies.

The first judicial confirmation fight of the Clinton era is likely to "come soon."

Conservative activists have targeted Florida Supreme Court Chief Justice Rosemay Barkett, a 54-year-old former nun and trial lawyer who has been nominated for a seat on the U.S. Court of Appeals based in Atlanta.

Jipping and other conservatives accuse her of being soft on crime and an opponent of the death penalty. In several murder cases. Barkett dissented from imposing a death sentence.

"She shows a special empathy for convicted murderers," he said.

But Acheson called these charges "ridiculous" and "overblown." She cited an analysis showing that Barkett cast votes more than 200 times to uphold death sentences.

"They think they have another Rose Bird on their hands don't," said another Adiau official, referring to former California Supreme Court Chief Justice Rose Bird, who was ousted by voters based on charges that she opposed the death penalty.

Though Barkett drew fire from conservatives in Florida, she won a statewide vote in 1992 and the endorsement of Republican Sen. Connie Mack of Florida. •

ILLINOIS HAZARDOUS WASTE RESEARCH INFORMATION CENTER

• Mr. SIMON. Mr. President, it is with great pride that I recognize the achievements of the Illinois Hazardous Waste Research Information Center [IHWRIC]. IHWRIC has recently been awarded a grant under the Environmental Protection Agency's Pollution Prevention Incentives for States [PPIS].

The PPIS grant will help the center in its mission to enhance Illinois' pollution abatement capability. IHWRIC is dedicated to fighting pollution and environmental conservation, and this proposal will allow IHWRIC to continue its work in these important areas.

I congratulate the Illinois Hazardous Waste Research Information Center for its commitment to a cleaner Illinois.•

NOMINATION OF PROF. BILL GOULD TO BE THE CHAIRMAN OF THE NATIONAL LABOR RELATIONS BOARD

• Mr. HARKIN. Mr. President, I rise to commend the Senate for confirming President Clinton's nominee to chair the National Labor Relations Board, Prof. Bill Gould.

Professor Gould's qualifications for this position are extensive. His experience, fairness, and integrity are well documented. As an arbitrator, he has been selected to arbitrate or mediate over 200 labor disputes. His fairness and integrity have been shown throughout his extensive career—his reputation as a fair and even-handed arbitrator is unrivaled. Many of his fellow legal scholars, arbitrators, and representatives of management and labor have expressed their wholehearted support for his nomination.

The trust placed in him by labor and management should stand as the strongest recommendation possible that Bill Gould will be an impartial Chairman and will enforce the National Labor Relations Act strictly within the framework of congressional intent and as it has been interpreted by the courts. These qualities, along with his extensive experience, make him an ideal nominee for this position.

The National Labor Relations Board needs a Chairman like Bill Gould. His impartiality will help alleviate the contentiousness that often pervades

labor-management disputes. I look forward to an era where the board will be more adequately represented by thoughtful people from both labor and management backgrounds such as Bill Gould.

He has stated that one of his main objectives will be to eliminate the polarization of labor and management relations and to make the Board into an agency that has the full confidence of labor, management, and the Federal judiciary, as well as the general public. I applaud his commitment to keeping the Board an independent agency working in the public interest in enforcing Federal labor law.

Professor Gould has also stated that he will work to address the backlog and delays the Board has historically faced. He would consider firm timetables and encourage the other members to spend a larger part of their time on the business of the Board. Informal resolutions and more effective discovery and settlement efforts by the administrative law judges are also goals he has set to reduce delays.

If we are to remain competitive in the world economy we need to improve labor-management relations and the resolution of labor-management disputes. Bill Gould as Chairman of the National Labor Relations Board will facilitate that improvement. His fairness and integrity and his commitment to due process of law will serve our Nation's employees and employers exceedingly well.●

THE EFFECTIVENESS OF SELF-POLICING BY THE TELEVISION INDUSTRY

● Mr. SIMON. Mr. President, today I rise to commend DIC Entertainment, a leading producer of animated children's programming, for its efforts in developing a 12-point code of standards and guidelines for children's television programming. DIC produces over 200 television cartoons per year, including "Captain Planet," "Dennis the Menace," and "Sonic, the Hedgehog." Working in conjunction with the National Education Association, the University of California at Los Angeles, and members of the movie industry, DIC has made a good effort to address some of the harmful effects of violence on television.

These guidelines recognize the powerful impact of television, and seek to ensure that television plays a positive role in the lives of children. They encourage story lines that promote cooperative behavior in children, enhance self-esteem, and advocate positive reinforcement of conflict resolution techniques that avoid violence. Additionally, the guidelines seek to reduce the inappropriate use of gratuitous violence in children's programming.

These guidelines demonstrate the effectiveness of industry self-policing. I applaud the initiative taken by these educators and members of the industry, in responding to public concerns, and I encourage them to continue their efforts.●

APPOINTMENT BY THE MAJORITY LEADER

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Chair, on behalf of the majority leader of the Senate and the Speaker of the House, pursuant to Public Law 102–166, appoints the following individual as a member of the Glass Ceiling Commission:

Mr. John Jenkins, of Maine, vice Marion O. Sandler, resigned.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR—S. 4

Mr. FORD. Madam President, on behalf of Senator JOHNSTON, I ask unanimous consent that Bob Simon, a fellow detailed to Senator JOHNSTON, be granted floor privileges for the pendency of S. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY, MARCH 8, 1994

Mr. FORD. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Tuesday, March 8; that following the prayer, the Journal of the proceedings be approved to date and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10:15 a.m., with Senators permitted to speak therein for up to 5 minutes each, with Senator HATCH recognized for up to 10 minutes; that at 10:15 a.m., the Senate resume consideration of Calendar Order No. 165, S. 4, the National Competitiveness Act of 1993; and that on Tuesday, the Senate stand in recess from 12:30 p.m. until 2:15 p.m., in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. FORD. Madam President, there is no further business to come before the Senate today and if no Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 5:09 p.m., recessed until Tuesday, March 8, 1994, at 10 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate March 4, 1994, under authority of the order of the Senate of January 5, 1993:

DEPARTMENT OF JUSTICE

JAMIE S. GORELICK, OF MARYLAND, TO BE DEPUTY ATTORNEY GENERAL, VICE PHILIP BENJAMIN HEYMAN, RESIGNED.

Executive nominations received by the Senate March 7, 1994:

DEPARTMENT OF STATE

DAVID ELIAS BIRENBAUM, OF THE DISTRICT OF COLUMBIA, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS FOR U.N. MANAGEMENT AND REFORM, WITH THE RANK OF AMBASSADOR.

EDWARD WILLIAM GNEHM, JR., OF GEORGIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE THE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE. (EFFECTIVE DATE FOLLOWS SERIAL NUMBER.)

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJ. RUSSELL K. AMETER, [redacted] 10/2/93
MAJ. DENNIS J. ARTMAN, [redacted] 11/7/93
MAJ. TERENCE W. BARRETT, [redacted] 10/20/93
MAJ. RAYMOND M. BLUHM, [redacted] 11/9/93
MAJ. JOHN R. BUCKINGHAM, [redacted] 10/3/93
MAJ. CHARLES M. CAMPBELL, [redacted] 10/27/93
MAJ. JORGE R. CANTRES, [redacted] 10/8/93
MAJ. RUSSELL C. CASE III, [redacted] 11/7/93
MAJ. SCOTT A. COLE, [redacted] 11/19/93
MAJ. EARL L. COTTON, [redacted] 11/6/93
MAJ. BRUCE R. FREUND, [redacted] 9/18/93
MAJ. SCOTT B. HARRISON, [redacted] 11/7/93
MAJ. ULAY W. LITTLETON, JR., [redacted] 11/19/93
MAJ. ALEX D. ROBERTS, [redacted] 11/5/93
MAJ. GARRY C. SCOTT, [redacted] 11/3/93

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

MAJ. LEWIS A. BRANDES, [redacted] 11/7/93
MAJ. CYNTHIA A. RYAN, [redacted] 11/19/93

BIOMEDICAL SERVICES CORPS

To be lieutenant colonel

MAJ. WILLIAM D. TAYLOR, [redacted] 11/6/93

MEDICAL CORPS

To be lieutenant colonel

MAJ. SIDNEY B. JACKSON, [redacted] 9/11/93

DENTAL CORPS

To be lieutenant colonel

MAJ. KENNETH R. WEBB, [redacted] 11/4/93

IN THE NAVY

THE FOLLOWING-NAMED COMMANDERS OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF CAPTAIN IN THE LINE, IN THE COMPETITIVE CATEGORY AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICERS

To be captain

RONALD EUGENE ADAMS
ALAN BRENT AHLBERG
EDWARD MERLE ALDEN
ELAINE HANDSMAN ALLEN
FOLMER PETER ANDERSEN II
JAMES BRUTON AYRES, JR
LYNN DORN BAKER
VAUGHN EDWARD BATEMAN
BRUCE CHARLES BAUER

RONALD GLAFEY BELANGER
VAN LESLIE BENEDICT
WILLIAM JAMES BERES
LAWRENCE PAUL BERRY
GEORGE MARTIN BLACK
JAMES FIELDING BLACKSTOCK
MICHAEL JOSEPH BOWERS
DAVID ALMY BROWER
ROBERT MICHAEL BURNES
THOMAS LEE BYNUM
ALAN D. CAMERON II
RICHARD WILLARD CANTWELL II
RODNEY ANTHONY CARLONE
ROY MICHAEL CARR
LEONARD ROBERT CASELLA
PETER SARGENT CHMELIR
JAMES WILLIAM CLIFFORD
PAUL FREEMAN COCHRANE
HARRY HERBERT COLLIS
MARK GARLAND COOKSEY
PAUL JUSTUS CREAMER
JAMES MICHAEL CROWDER
GEORGE JOSEPH CRUMBIE, JR
STUART JAY CVRK
TERESA DAVIS
BRUCE EARL DEHNER
RICHARD PETER DELONG, JR
MARK EDWARD DENARI
STEPHEN POSTLEY DEXTER
STEPHEN WILLIAM DOLAT
PETER HILL DOUGLAS
STEVEN PAUL DREFAHL
BILLY WAYNE DUNLAP
GREGORY JOHN DURAS
JUANITA CURREY DURHAM
JAMES EDWARD DYER
GARY LEE ECKERT
SCOTT WILLIAM EDWARDS
ROBERT ANDREW FERGUSON
GREGORY ARTHUR FORBES
LARS FORSBERG
JEFFREY EDWARD FORT
DALE ALLYN FREY
JAMES LAWRENCE FRITSCH
SANDRA LYNNE GEISELMAN
GARY VANCE GEMOETS
TIMOTHY RAY GILBERT
JAMES WILSON GORDON
BRUCE RICHARD GOULDING
SCOTT EDWIN GRANGER
EDITH CLYNE GREENE
JAMES KING GREMMELL, JR
MARY LOUISE GRIFFIN
PAUL LAWRENCE HALEY
GUY DALE HALVERSON
STEVE RONALD HARKINS
JERRY MICHAEL HARRIS
STEPHEN EDWARD HAZLETT
JOHN THOMAS HELD
RAYMOND JOHN HERDA, JR
ARTHUR DAVID HOFFMANN, JR
JAMES EDWARD HOLZAPFEL
JOEL RALPH HORNING, JR
CHARLES EDWARD HUMPHREYS
DONALD STEVEN INGRAHAM
WILLIAM RICHARD ISENBARGER
FRANK DONALD JACKSON
NILS FREDERICK JANSON, JR
DAVID GEORGE JOHNSON
JAMES LOFTON JONES III
MARC SETTLE JONES
STEPHEN DETMA JONES
JOSEPH HENRY KANNAPELL
MARJORIE REIKO SUGA KATIN
KEVIN JOSEPH KELLEY
JOHN ANDREW KIRKLAND
DEEN MEARLE KNIGHT
JOHN GEORGE KOHUT
RAYMOND THOMAS J. KOZIKOWSKI
JEROME DEAN KULENKAMP
SAM HENRY KUPRESIN
MILTON DEAN LANE
RICHARD MANUEL LARRUMBIDE
WEBSTER RUNALDUE LAWLER, JR
ROBERT MICHAEL LAWN
JODY LOUISE LEES
EDWARD J. LEHRE
SPENCER KIRBY LESLIE
THOMAS GRASON LEVERAGE
DANIEL CLARK LIBERA
JOHN WILL LINDENBERGER, JR
ROBERT WILLIAM LINDNER
RONALD WILL LITZENBERGER
MARK ALLAN LOHSEN
LONNIE JOSEPH LOUVIERE
THOMAS MARVELL LOWE III
JEFFREY B. LUCAS
MICHAEL EUGENE U. LYON
JOSEPH SIMON MAHALEY
MILUTIN MARICH
PAULINE ANN MARLINSKI
KIRK DAVID MARSH
NANCY JEAN MARTINEZ
JOHN MANARD MATTHEWS, JR
KENNETH WILLIAM MAXWELL
ROBERT MICHAEL MCBRIDE
JOHN FRANCIS MCCANN
KATHLEEN MARIE MCCARTHY
DENNIS MICHAEL MCCARTY
ROSS RODES MCCLAVE
HARRY GEORGE MCCONNELL
HARRY STOWE MCGEE III
FOREST MCNEIR
CHARLES HENRY MEDD
ALBERT ANTHONY MELVIN
WILLIAM JOSEPH MEYER II
STANLEY HERBERT MEYERS, JR
DAVID ALPHONSO MILLER, JR
JAN SHERWOOD MILLIGAN
GEORGE MARCHANT MILLS
JOHN EDWARD MONEGHAN
HENRY JOSEPH MORALES II
ALLEN NELSON MORELL
DAVID ROBERT MORRIS
BARRY BYRON MORTON
ROBERT SIDNEY MULL, JR
PAUL MICHAEL MYERS
ROBERT ALAN NELSON
HENRY JOSEPH NETZER
CHRISTOPHER SCOTT NIGON
JAMES HASTINGS NILES
DOUGLAS RICHARD NORDELL
JOSEPH GREGORY NUTTALL
MYRA BETH ODEGARD
DAVID STRAUSS OPPENHEIM
DUDLEY MILLER OUTCALT
HEIN FRIEDRICH PAETZ
BENJAMIN FRANKLIN PARKS II
THOMAS KEITH PARKS
MARC PIERRE PEARSON
GERALD FRANCIS PECK
ROBERT ANDERSON PENNELL
WILLIAM JAMES PERLMUTTER
DAVID WALTER PHILLIPS
DANNY CARL PINKERTON
RICHARD HAMILTON PLUSH
WALLACE SCOTT POWELSON
MICHAEL COLLINS POWERS
DAVID CHARLES POYER
JOHN ALLISON PRIESTER
ROGER WILLIAM PRYOR
THOMAS MYERS RATHBONE
JAMES VINCENT RAY, JR
WILLIAM FRANCIS READDY
RICHARD CHARLES RIGAZIO
DONALD JOSEPH ROBERTSON
STEPHEN FRANCIS RODGERS
ELBERT RUDOLPH ROSS III
MARK CHARLES SCHARFE
WARREN MICHAEL SCHUR
ANTHONY FRANK SILAKOSKI
ROGER EDWARD SMITH
JAMES DOUGLAS SNYDER
LAIRD WILVIN STANTON
JEANE HOOVER STETSON
JAMES LAWRENCE STIRES
PHILIP JAY SWARTZ
DONALD NORRIS THACKERY, JR
MICHAEL HENRY TRENT
BRUCE E. TRUOG
PATRICK RICHARD VASICEK
JAMES JEFFERSON WADKINS
CHARLES EDWARD WAGNER
MARC DAYTON WALL
JAMES RANDOLPH WASHINGTON
DOUGLASS CLAY WATSON
RICHARD ALAN WEBB
DAVID KEARNS WEHE
EDWARD JOSEPH WEINKAM III
JOHN WESLEY WELDON, JR
ROBERT ALAN WESOLOWSKI
JOHN CARL WHITE
DOUGLAS EMIL WICKERT
RONALD JESSIE WILSON
MICHAEL RAYMOND WINTERS
THOMAS FRANZ WIRTZFELD
KRISTON PHILIP WOOLLEY

UNRESTRICTED LINE OFFICERS (TAR)

To be captain

WALTER LEWIS BAKER
VERNON ELDON BOTHWELL, JR
RONALD ROY BUCKLEY
FRED LESTER COHRS
CRAIG HAROLD FAUSNER
MICHAEL WILLIAM HEATH
MICHAEL KENT HORNE
JIMMY LEE MITCHELL
MAX BRADLEY NORGART
RICHARD L. OSTERLUND
JACK WAYNE PAGE
EARL ARTHUR PERRY, JR
THOMAS JOSEPH PLOWER
BRADFORD JAMES POELTLER
ROBERT S. RUSSELL
JAMES ERNEST THURMOND, JR
CHARLES REX WHITE, JR

ENGINEERING DUTY OFFICERS

To be captain

CHARLES ROY BOMBERGER
MICHAEL RICHARD DONOVAN
LEROY JOSEPH FOURNIER
GARY GERALD GARRETT
MICHAEL JOSEPH GOUGE
MICHAEL HAZZAN
RICHARD ALLEN HILL
ERIC JAMES HOTALING
WALTER GERARD KEATING
CHARLES DAVID MORGAN
JAMES C. NEWTON
RODERICK FALTER SMITH
DAN MICHAEL STOVER
GEORGE FRANCIS STRINGER III
WILLIAM MICHAEL WILDER

AEROSPACE ENGINEERING DUTY OFFICERS (ENGINEERING)

To be captain

DENNIS PAUL FEDISON
BENNETT ALLEN MORROW
ROBERT MICHAEL NORMAN
RICHARD ALLAN OTIS

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE)

To be captain

JOHN MASON HARRELL
PHILIP LEWIS SCHWAB

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE) (TAR)

To be captain

HERBERT P. BRASELMAN

SPECIAL DUTY OFFICERS (MERCHANT MARINE)

To be captain

VICTOR YEWDALL GOLDBERG
JOHN MICHAEL MCWILLIAMS
JOHN MARTIN NUNNENKAMP
PETER ROLF OHNSTAD

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be captain

HERBERT LEE BUCHANAN III
RICHARD JOHN CLAUSEN
PEARSON EMMANUEL DUBAR, JR
HOMER PATRICK FAUST
WILLIAM DAVID MASTERS, JR
JOHN HAROLD MCCOY
LEE PARSONS
DAVID F. SMITH

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be captain

VIRGIL JOSEPH AIELLO
BERNARD H. ARENDS, JR
MICHAEL ROBERT ARMSTRONG
RAY LELAND BABCOCK
JAMES ANDREW BAIRD
WILLIAM GEORGE BITTLE
JOHN HARRY DOUGLAS BLAKE, JR
LORRAINE CHERYL BOGGS
JAMES THOMAS BOYD
LAWRENCE GREGORY BROWN
LINDA SHIRLENE BURNS
STEVEN C. BYRAM
DAVID WARNER CHILSON
CHARLES LOUIS CHRISTOPH
ROBERT WAYNE CORDOVA
WILLIAM DEAN CRANDELL
CAROLEEN CHANG CULBERTSON
AUDREY RAIFORD DANIELS
DANIEL JOSEPH DRAKE
LESLIE EDWARD FRENSLEY, JR
GRANT REED FRY
DWIGHT LYMAN GERTZ
RONALD LEROY HANSEN
ROBERT BURNS HOLBROOK, JR
WILLIAM BARNARD HUNTER
WILLIAM ANDREW KEALY
THOMAS MICHAEL KELLERHALS
JOHN ROGERS KINCZEL
THOMAS C. KNICKERBOCKER
ANDREW NMN KOCZON
JAMES ALLEN LESLIE, JR
DAVID RALPH LIPINSKI
WILLIAM LEE MARTIN
DALE JEROME MIERISCH
CHARLES FRANK MONSON
ELIZABETH TURNER MORGAN
RANDALL WAYNE MYERS
MARSHALL NADEL
JOHN EDWARD PEDERSEN
CHARLES DOUGLAS ROCKWELL
JON ALAN SIEWERS
JOHN DAVID STACK
ORAL DEE STAMAN
RODNEY LEE STILING
DUANE LESTER STOBER
EDWARD A. STUDZINSKI
THEODORE ROBERT TJADER
BRIAN EUGENE TRHLIN
JOHN EDWARD TROJACK
MICHAEL JOHN TROWSE
EUGENE MICHAEL TUPACZ, JR
PETER CHARLES VANTRIGT
JOSEPH THOMAS VITANZA
KENT LEON WASHBURN
STEVEN ALLEN WEINER
MARILYN FRANCES WEISS
RICHARD MAHAFFEY WHITE
SCOTT DUANE WHITE

SPECIAL DUTY OFFICERS (INTELLIGENCE) (TAR)

To be captain

JOHN GLOVER CRAWFORD, JR

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be captain

CHERYL DIANE DUFT
NORRIS EDWARD JONES
GARY B. MOREY
STERLING NICHOLS, JR
JOHN C. ROACH
GREGORY JOSEPH SLAVONIC
DALE E. SMITH
JAMES DONALD TURK

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be captain

MARK JAMES GRUSSENDORF
STEPHEN WILLIAM HARNED
DANIEL WARD MERDES