

“Taken from House Report 105-207  
FY 1998 House Report...”

## NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

The Committee recommends a total of \$692,544,000 for the appropriations accounts under the National Institute of Standards and Technology (NIST) for fiscal year 1998. The recommendation is equal to the budget request, and is an increase of \$111,544,000 above the amount appropriated for fiscal year 1997. The Committee recommendation reflects the priority accorded to NIST programs in the Balanced Budget Agreement. A description of each account and the Committee recommendation follows:

### SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

The Committee has provided \$282,852,000 for the Scientific and Technical Research and Services (core programs) appropriation of the National Institute of Standards and Technology. This amount is an increase of \$6,000,000 above the budget request, and \$14,852,000 above the amount appropriated for fiscal year 1997. The amounts provided for this account reflect the Committee's continuing commitment to funding basic research programs that benefit the nation's industries.

The following is a breakdown of the amounts provided under this account by activity, reflecting the priorities included in the National Institute of Standards and Technology Authorization Act of 1997 (H.R.1274), which passed the House of Representatives by voice vote on April 24, 1997:

Electronics and Electrical Engineering	\$38,104,000
Manufacturing Engineering	18,925,000
Chemical Science and Technology	31,791,000
Physics	30,372,000
Material Sciences and Engineering	50,914,000
Building and Fire Research	13,404,000
Computer Science & Applied Mathematics	47,227,000
Technology Assistance	19,376,000
Baldrige Quality Awards	4,135,000
Research Support	28,604,000
Total, STRS	282,852,000

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Computer Security.--The Committee has included a \$4,000,000 increase in the Computer Science and Applied Mathematics program to augment the National Institute of Standards and Technology's (NIST) work in the field of computer security. The Committee recognizes the need to improve computer security throughout Federal civilian agencies. As in the private sector, the Federal Government is increasingly relying on electronic information technologies to store and transmit sensitive data. Ensuring this data is protected from theft and corruption is a difficult but essential task. The General Accounting Office identified Federal efforts to secure electronic information as a `high risk' activity in its 1997 High Risk Series. Under the Computer Security Act of 1987 (P.L.100-235), NIST has the primary responsibility for developing security standards and technical guidelines for civilian government agencies' computer security. The additional resources should assist NIST in its task.

International Standards- The Committee remains concerned about the rapid growth of overseas personnel from agencies other than the Department of State. The Committee continues its directive included in last year's report disapproving the placement of any additional NIST personnel overseas, or NIST support for foreign service nationals overseas.

Quality Program- The Committee has provided \$4,135,000 for the NIST Quality Program, which includes the Malcolm Baldrige National Quality Award. While an increase has been provided in fiscal year 1998 to expand this program to health care and education, the Committee continues to believe that these activities are most appropriately funded through the Department of Health and Human Services and the Department of Education. The Committee expects NIST to work with these agencies to achieve full reimbursement for NIST's participation in these two programs in fiscal year 1999.

Language is included in the bill allowing funds to be transferred to the NIST Working Capital Fund.

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### **INDUSTRIAL TECHNOLOGY SERVICES**

The Committee recommends \$298,600,000 for the Industrial Technology Services appropriation of the National Institute of Standards and Technology. This amount is \$14,400,000 below the current appropriation available for fiscal year 1997, and is \$100,400,000 below the budget request.

Advanced Technology Program.--The Committee provides \$185,100,000 for the Advanced Technology Program (ATP), the same level approved in the House-passed reauthorization bill for this program (H.R.1274). The recommendation reflects changes to the program agreed to in the fiscal year 1997 supplemental Appropriations Act, enacted subsequent to the fiscal year 1998 budget submission. The Committee's recommendation will provide \$74,100,000 in new awards in fiscal year 1998, \$2,000,000 more than originally requested in the budget for fiscal year 1998, and \$39,100,000 more than was provided for in fiscal year 1997.

The Committee recommendation provides the following distribution for fiscal year 1998 funds: (1) \$68,000,000 for continuation of prior year awards made using funds provided in fiscal years 1996 and 1997; (2) \$74,100,000 for new awards in fiscal year 1998; and (3) \$43,000,000 for administration, internal lab support and Small Business Innovation Research requirements. In addition, language is included in the bill designating the amounts available for new ATP awards, pursuant to the agreement reached in fiscal year 1997. The Committee reminds NIST that changes to this funding distribution, including changes resulting from carryover, recoveries and project cancellations, are subject to the reprogramming requirements set forth in section 605 of this Act.

The Committee notes that the recently passed House authorization made several important changes to the program, including increasing the matching requirement to 60% for ATP grants for certain grant recipients and ensuring that Federal funds do not supplant private sector capital. In addition, on July 11, 1997, the Secretary of Commerce submitted to the Congress a series of recommendations and changes to the program. The Committee encourages

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the Department and the authorization committees to work to implement the appropriate changes to this program. The Committee believes that such changes will enable NIST to further leverage the appropriation provided for this program.

Manufacturing Extension Partnership Program- The Committee has included \$113,500,000 for the Manufacturing Extension Partnership (MEP) Program, an increase of \$18,500,000 above the amounts provided in fiscal year 1997. The recommendation provides the following:

Regional Programs	\$105,000,000
Administration	8,500,000
Total, MEP	113,500,000

The recommendation provides the full amount requested for continuation of all existing centers, including the rollover costs of the remaining Centers originally funded under the Technology Reinvestment Program under the Defense Department, as well as those centers which have reached their statutory six-year time limit. However, the bill does not include proposed statutory language to lift the statutory six-year time limitation. As stated in the conference report on the fiscal year 1997 bill, the Committee believes such change is more appropriately addressed through the authorization process. The Committee notes that the House of Representatives recently passed a reauthorization for the MEP program which addresses this matter, and encourages NIST and the Department to work with the authorization committees on the enactment of such legislation.

The Committee recommendation does not include funding requested for special projects related to supply chain optimization, information technology, and technology infusion. While these projects are worthwhile, the Committee is concerned that these programs are not required to meet the same requirements as the Regional Centers program, including cost share requirements. Given that many of these projects are targeted to selected industry sectors and problems, the Committee expects that MEP centers should be able to obtain the funds for these purposes from local,

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State, or private-sector sources. Language is included in the bill allowing funds provided for ATP and MEP to be transferred to the NIST Working Capital Fund.

### **CONSTRUCTION OF RESEARCH FACILITIES**

The Committee recommendation includes \$111,092,000 for construction, renovation, and maintenance of NIST facilities. This amount is an increase of \$94,400,000 above the budget request, and \$111,092,000 above the amount provided for in fiscal year 1997.

In accordance with the direction provided last year by the Committee, NIST is in the process of completing a long-term master plan to address its facilities maintenance, rehabilitation and construction requirements to support its mission.

Therefore, the Committee has included funding above the request to address NIST's facilities requirements identified in this plan, but has included language in the bill providing for the release of the \$94,400,000 increase only upon submission of a spending plan in accordance with section 605 of this Act. This spending plan should reflect the priorities identified in a long-term facilities master plan. Such master plan should include both a five-year and a ten-year facilities improvement plan that contains the following: (1) a detailed analysis of NIST office and laboratory space requirements, including an assessment of any unused space in existing facilities (owned or leased), and a detailed description of all assumptions on which the analysis is based; (2) a prioritized list of maintenance projects; (3) a prioritized list of new construction projects; (4) a prioritized list of renovation projects; and (5) an annualized breakdown of the costs associated with each proposed construction, renovation, and maintenance project.

The recommendation reflects the Committee's belief that the technical obsolescence of NIST facilities must be addressed to enable NIST to fulfill its mission, and must therefore be reflected in the overall budgetary

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priorities of NIST. This program supports all NIST activities by providing the facilities necessary to carry out the NIST mission in compliance with more stringent science and engineering program requirements.