

**“Taken from Senate Report 105-235
FY 1999 Senate Report...”**

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Appropriations, 1998	\$677,852,000
Budget estimate, 1999	830,041,000
Committee recommendation	646,650,000

The Committee recommends a total of \$646,650,000 for the three appropriations accounts under the National Institute of Standards and Technology [NIST] for fiscal year 1999. This amount is a reduction of \$183,391,000 from the budget request and \$31,202,000 below the amounts appropriated for fiscal year 1998. A description of each account and the Committee recommendation follows:

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

Appropriations, 1998	\$276,852,000
Budget estimate, 1999	291,636,000
Committee recommendation	290,636,000

The Committee recommends \$290,636,000 for the scientific and technical research and services (core programs) of the National Institute of Standards and Technology [NIST]. The Committee does not approve the requested increase of \$7,000,000 and 33 positions for a new initiative for measurements and standards for climate change. The Committee approves the increased funding for measurements and standards for disaster mitigation and for measurements and standards for international trade. Standards conflicts have been used increasingly to bar U.S. products from export markets. These conflicts are becoming a barrier to trade for many U.S. companies, and NIST is the only Federal agency able to assist U.S. businesses in resolving these conflicts.

An increase of \$5,000,000 is included in the Building and Fire Research Program for a Natural Resource Demonstration Program for the continued research, development, application, and demonstration of new building

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products, processes, technologies, and methods of construction through the use of underused natural resources and energy-efficient, environmentally sound techniques. Under the Wind Research Program, the Committee recommends an increase of \$1,200,000 to continue funding an existing cooperative agreement between NIST and Texas Tech University.

Quality Program- Within the amounts designated for research support, the Committee recommends funding the Malcolm Baldrige Quality Award at a level of \$5,370,000. The Committee has included bill language making an additional appropriation of \$2,300,000 available for the expansion of the Malcolm Baldrige Quality Award upon enactment of authorizing legislation.

INDUSTRIAL TECHNOLOGY SERVICES

Appropriations, 1998	\$306,000,000
Budget estimate, 1999	366,691,000
Committee recommendation	299,300,000

The Committee recommends \$299,300,000 for the 'Industrial technology services' appropriation of the National Institute of Standards and Technology [NIST]. This amount is \$6,700,000 below the current appropriation and \$67,391,000 below the budget request.

Advanced Technology Program- The Committee recommends \$192,500,000 for the Advanced Technology Program [ATP] in fiscal year 1999, which is the fiscal year 1998 appropriated level, and \$67,391,000 below the request. The Committee has been advised by the Department of Commerce that approximately \$23,800,000 from prior-year deobligations and unobligated balances will carry over from fiscal year 1998. The Committee expects these funds to be used during fiscal year 1999. Within the total amount available, \$41,100,000 shall be used for administrative costs and for the Small Business Innovation Research Program. This amount is \$1,400,000 above the fiscal year 1998 appropriation and \$3,600,000 below the request. The Committee expects NIST to use a portion of these funds to conduct a

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comprehensive, outside assessment of the ATP Program. Since its inception, \$1,195,206,000 has been obligated by the ATP Program. The administration is requesting \$259,900,000 for this program in fiscal year 1999 and projected increases are expected in annual increments of approximately \$50,000,000 for each year through fiscal year 2003. The program's effectiveness should be assessed before significant increases for new awards are appropriated. While NIST has conducted several internal assessments, including those done by consultants, and some outside case studies of specific years or classes of awards, there has been no comprehensive evaluation of the program. Enough program data has been amassed for an independent, outside assessment by a well-regarded organization with significant business and econometric experience. The Committee expects the assessment to analyze how well the program has reached certain goals established in its authorizing statute, the Technology Competitiveness Act of 1988. Among other goals, the statute expected funding to support projects which are high risk and which have the potential for eventual substantial widespread commercial application and directed that the program focuses on improving the competitive position of the United States and its businesses, gives preferences to discoveries and to technologies that have great economic potential, and avoids providing undue advantage to specific companies. In addition, the assessment should benchmark the ATP experience against similar high-risk, cutting-edge pre-competitive research which has had limited or no Federal support during a comparable period and compare their successes in reaching a widespread commercial application. The report should be provided to the appropriate committees no later than February 1, 1999.

The level provided by the Committee for the ATP Program would fully fund the requested level of \$120,000,000 for awards created in fiscal years 1996, 1997, and 1998 and would make \$38,700,000 available for new awards in fiscal year 1999. The amount for new awards is \$55,300,000 less than the request. Pending the completion of the program evaluation and the enactment of legislation reauthorizing the program, the Committee will reevaluate the funding level for new awards in fiscal year 2000.

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Manufacturing Extension Partnership Program- The Committee recommends the requested level of \$106,800,000 for the Manufacturing Extension Partnership Program [MEP] in fiscal year 1999. In last year's appropriations report, the Committee expressed concern about those centers which had exceeded their sixth year of Federal funding and whether these centers should now be self-supporting. The Committee asked the Secretary of Commerce for a report outlining the Department's views on the centers and recommendations for assisting MEP centers to become self-supporting. The Secretary of Commerce provided this report to the Committee, and it concluded that some level of Federal support is necessary for the centers to attract funding from State, local, and private sources. The level provided by the Committee in fiscal year 1999 will permit funding for all MEP centers. It is the Committee's understanding that some centers are more productive and effective than others. In the course of conducting annual, triannual, and reapplication reviews, the Committee expects NIST to rigorously evaluate the MEP centers. The Committee directs that NIST provide an annual report to the Committee on the results of its evaluation process, and that NIST form a review panel comprised of knowledgeable and experienced individuals, who are neither employed by the agency nor involved with any of the MEP centers, to evaluate the results of their MEP center review prior to transmitting the final report to Congress. The final report should contain the evaluations of the review panel. This report should be provided to the appropriate committees no later than February 1, 1999.

CONSTRUCTION OF RESEARCH FACILITIES

Appropriations, 1998	\$95,000,000
Budget estimate, 1999	56,714,000
Committee recommendation	56,714,000

The Committee recommends the request of \$56,714,000 for NIST's 'Construction of research facilities' account. The Committee is not recommending an advance appropriation of \$115,000,000 requested by the

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agency for fiscal years 2000 through 2002. The agency submitted a facilities improvement plan with its fiscal year 1999 budget request. This plan was submitted in response to the Committee's request in the conference report accompanying the fiscal year 1998 appropriations bill. The fiscal year 1999 request will permit NIST to continue its planned safety, capacity maintenance, and major repairs projects and to begin procurement of an advanced metrology laboratory [AML]. The Committee is concerned about NIST's plans to build a clean room at two different locations. These facilities are expensive and rapidly become obsolete. The agency should consider consolidating at one location all programs requiring regular use of a clean room. The Committee directs NIST to review programs requiring regular clean room use and report to the Committee about the feasibility of program consolidation supporting the construction of a clean room at one site before expending funds for construction at either site. This report should be provided no later than February 1, 1999.