

"Competitiveness" Bill Goes to Congress

President Reagan has sent Congress a massive trade bill that is the centerpiece of the Administration's plan for assuring that the nation can compete in world markets in the 21st century. The Trade, Employment, and Productivity Act of 1987, however, does not go much beyond program initiatives already enunciated in the White House's budget proposal for fiscal year 1988, which were sent to Congress last month.

The 1600-page bill (H.R. 1155 and S.539) is a conglomeration of education, research, antitrust, patent, and trade actions. The White House threw the legislation together quickly in response to pressure from House and Senate Republicans, who expressed concern that Democrats would take the lead on what has become known as the "competitiveness" issue.

Whether the President's bill will be the focal point for debate is uncertain. Republicans are happy that the President produced a bill quickly, but it is not as sound as many of them would have liked. Says Representative Norman F. Lent (R-NY), ranking minority member on the House Energy and Commerce Committee's subcommittee on commerce, transportation, and tourism, for example, "We wish the Administration had worked with us."

The Administration bill is divided into five parts, including:

■ *Investment in Human and Intellectual Capital Act.* Under this section a new \$980-million worker retraining program would be started. Existing programs for targeting federal resources to needy schools would be reauthorized. The bilingual education grant program would be reformed in order to give states more flexibility in operating programs.

■ *National Science Foundation Authorization Act.* Announced in January, this proposal calls for doubling the agency's budget in 5 years. Related to this increase in spending would be the establishment of science and engineering centers at universities around the nation that would focus on long-term research.

■ *Intellectual Property Reform Act.* This provision would tighten patent protection for American products and processes; ease antitrust limitations affecting licensing of patented technology; extend patent life for agricultural chemicals and animal drugs up to 5 years; and allow the government to restrict access under freedom-of-information laws to information about a product or concept, if federal agency or commercial interests could be harmed.

■ *Legal and Regulatory Reforms Act.* Prod-

uct liability laws would be overhauled to limit compensation to plaintiffs for noneconomic damages and encourage out-of-court settlements. Antitrust laws affecting mergers and restrictions on interlocking corporate directorships would be eased. The Export Administration Act would be amended to enhance trade with China, set objectives for negotiating with communist bloc countries—including removing export restrictions on certain high-technology items. The act also would reform oil and gas pipeline regulation, abolish the Interstate Commerce Commission and eliminate auto fuel economy standards.

■ *International Economic Environment Improvement Act.* This last section calls for tightening antidumping laws; requires that unfair trade cases be resolved within 24 months; and eases the proof-of-injury standard for cases brought before the International Trade Commission where intellectual property infringement is at issue.

NSF to Formulate 5-Year Plan, Budget

Tucked away in the Administration's monster Trade, Employment, and Productivity Act of 1987, otherwise known as the "competitiveness bill," is a request for a doubling of the National Science Foundation's budget over the next 5 years, bringing the NSF total to \$3.2 billion in 1992.

At the National Science Board (NSB) meeting on 20 February NSF director Erich Bloch reported that the foundation has formed three groups to come up with recommendations to provide the basis of a strategic plan for spending that money. It is expected to be ready for NSB review in June. Bloch said that NSF will then forward a 5-year budget to the Office of Management and Budget for action in the autumn.

The request for a guarantee of 5-year funding breaks new ground. Previous attempts to promote multiyear authorizations have not prospered. It is regarded as even more difficult to alter appropriations procedures. However, OMB recently has shown interest in extending the appropriations term to 2 years, but accomplishing this would require a total revamping of the congressional budget process.

In response to questions from reporters after the NSB meeting, Bloch noted that, "In industry, there is always a 5-year budget, a 5-year plan. Only in government is there a

Initial reactions to the legislation have been mixed. Democrats say the bill is largely a repackaging of Administration proposals. They complain that the legislation does not go very far in addressing key problems, such as education. The President proposes to cut federal spending on education by \$3 billion next year. At the same time he has challenged the nation to raise average scores on standardized achievement tests used for college admissions above the record high achieved in 1963. Reagan has indicated that attaining this goal is a task that must be tackled primarily by state and local governments.

Industry officials say the bill shows that the President is serious about the competitiveness issue. But some lobbyists note that political prospects for the bill are hurt by the inclusion of controversial provisions related to oil, gas, and fuel economy regulations. The bill also is seen as a bit hollow, in part because of the Administration's pledge to hold the 1988 deficit to \$108 billion prevents it from initiating new programs. ■

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1-year plan and budget." He added, "It is important to put the goal out in front of us."

Bloch said that the general aim of the three groups working on strategic planning is to define "what we want to accomplish." The groups will focus on three major categories of NSF activities—education and human resources, centers and groups, and disciplinary research and facilities.

NSF has been increasing its support of university-based centers that emphasize interdisciplinary research. Its engineering research centers, which require cost sharing by industry, were alluded to by President Reagan in his remarks on improving the country's economic competitiveness in his State of the Union message. Five or six more engineering centers are scheduled to be established this year to add to the present thirteen and further expansion is expected. Bloch indicated that the study group will be taking a broad look at NSF sponsorship of science and technology centers as well as smaller interdisciplinary research groups.

In an exchange with reporters, Bloch was asked whether centers were being funded at the expense of the foundation's traditional support of individual investigator's research. Bloch's response. "Not so. We're doing both." But he then went on to acknowledge that "The balance is shifting." Commenting that "the community better come to grips with the problem," Bloch noted a trend toward multidisciplinary research in many areas and said, "We need centers." ■

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