

Broader R&D Role Sought for Commerce

Congress is told that industry R&D resources are inadequate; establishment of a "National Institute of Technology" sought

MOMENTUM is building in Congress for expanding federal involvement in the development and commercialization of long-term, high-risk technologies. In recent weeks, several House and Senate committees have swiftly passed bills that would increase Department of Commerce spending on research and development of materials, devices, and cutting-edge manufacturing processes. This would be accomplished through cooperative efforts with federal agencies, industry, universities, and other private organizations.

Such research already is performed on a limited scale by the National Bureau of Standards through its center for manufacturing engineering, now funded at \$5.8 million. But legislation (S. 907) passed by the Senate Committee on Commerce, Science, and Transportation would expand this activity by creating a "National Institute of Technology" within Commerce. Sponsored by Senator Ernest F. Hollings (D-SC), the bill would give Commerce the responsibility and funds for conducting generic research on manufacturing technologies.

R&D efforts would be focused on economically important areas that individual companies are not likely to pursue. Hollings' staff cites advanced ceramics, submicron computer chips, and process engineering in biotechnology as cases where commercial development may lag without federal assistance. Under Hollings' bill the functions of the National Bureau of Standards would be incorporated into the new institute. Its budget would be \$28 million higher than the \$138 million requested by the White House for the bureau in fiscal year 1988.

In addition, \$18 million would be provided in fiscal year 1988 to start a series of manufacturing research and technology transfer centers. Funding for these centers and R&D grants would rise to \$42 million by 1990. Organizations participating in R&D supported by the institute would have to provide at least 50 percent of the funding. The cooperative centers established under this program would cease to have federal support after 10 years. The House subcommittee on science, research, and technology, which is chaired by Representative Doug

Walgren (D-PA), is expected to take up similar legislation.

A still more ambitious bill has cleared the Senate Committee on Governmental Affairs. Chairman John Glenn (D-OH) has sponsored a bill (S. 1233) that would create the "Advanced Civilian Technology Agency." The new undertaking would cost \$480 million over 3 years, starting in fiscal year 1989.

The concept of the federal government playing a larger role in technology development is seen as necessary by some industry organizations such as the American Business Conference. The president of that group of medium-sized growth companies, William Lilley III, told Glenn's committee on 9 June



Representative Doug Walgren. *Sees a need to augment industry efforts to develop and deploy new manufacturing technologies.*

that some R&D projects "are on their face too expensive, too speculative, or too large to warrant their pursuit by mid-sized companies." Superconducting materials is one area where R&D costs may be too high for a single company, conference officials say.

Arden L. Bennett, Jr., vice president for technical resources at TRW, Inc., has a more grim vision. He told Glenn's committee that the cost of capital and ongoing economic upheaval in the American economy may make it harder for American industry to

expand long-term research in the future. "The absence of . . . [a federal] role may lead to greater U.S. slippage in the global technological race," he says.

It is too early to know whether any of the proposals will survive. Commerce opposes the legislation, stating that the critical mass needed to conduct such R&D can be achieved through cooperative industry programs outside the government. Glenn's bill may have the toughest time, though, because it is part of a larger package to create a "Department of Industry and Technology." The notion of reorganizing the Department of Commerce was last considered by Congress in 1983, but failed amid turf fights on Capitol Hill and in the White House.

Under Glenn's plan, the current functions of Commerce essentially would remain unchanged. The National Bureau of Standards, for example, would stay intact. Another new office, the "International Technology Monitoring Agency," would be formed to track developments in other countries.

His bill also would consolidate key trade policy and administrative offices into a new, independent body called the "U.S. Trade Administration." Glenn says the action "will improve the government's trade negotiating capabilities." The offices of trade administration and of international economic policy at Commerce would be incorporated into the new organization.

The Office of the U.S. Trade Representative, which is now a part of the Office of the President, would be transferred to the new, independent body. The head of trade administration, however, also would serve as chief of the "Office of Trade Policy Coordination" for the White House.

Although supported by Republican members on Glenn's committee, Commerce opposes the overall bill. Deputy Secretary Clarence J. Brown objects to reorganization because it splits up the four existing trade offices, leaving two of them—trade development and the U.S. and Foreign Commercial Service—within Commerce. Brown wants the four units kept together.

Glenn's bill and the Hollings-Walgren proposal for a National Institute of Technology have emerged as Congress is nearing action on a massive trade package. It is loaded with provisions to improve the competitive position of American industry in world markets—and it will probably be vetoed by the President the first time around. At this point, Glenn, Hollings, and Walgren plan to attach their legislation to the trade bill and hope that it will not be dropped by negotiators. Should they fail, the legislators are expected to try to amend other major bills as they move through the House and Senate. ■ **MARK CRAWFORD**