



**Legislative Bulletin.....July 9, 2004**

**Contents:**

- H.R. 3598**—Manufacturing Technology Competitiveness Act of 2003
- H.R. 2828**—Water Supply, Reliability, and Environmental Improvement Act

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**H.R. 3598—Manufacturing Technology Competitiveness Act of 2003  
(Ehlers)**

**Order of Business:** The bill is scheduled for consideration on Thursday, July 8<sup>th</sup>, subject to a structured rule.

**Summary:** H.R. 3598 directs the President to establish an Interagency Committee on Manufacturing Research and Development, which would include representatives from the Office of Science and Technology Policy (OSTP), the National Institute of Standards and Technology (NIST), the Science and Technology Directorate of the Department of Homeland Security, the National Science Foundation (NSF), the Department of Energy, and any other agency the President chooses. The Committee would be responsible for the planning and coordination of federal efforts in manufacturing research and development.

Specifically, the Committee would:

- Establish goals and priorities for manufacturing research and development;
- Develop a strategic plan for manufacturing research and development;
- Propose an annual coordinated interagency budget for manufacturing research and development to the Office of Management and budget; and
- Develop and submit to Congress an annual report.

The bill would also establish an advisory committee to provide “advice and information” to the Interagency Committee. The advisory committee would also be required to submit an annual report to the Interagency Committee and to Congress.

H.R. 3598 establishes a Collaborative Manufacturing Research pilot grant program at NIST. The purpose of the program is to “foster cost-shared collaborations among firms, education institutions, research institutions, state agencies, and nonprofit organizations.” Grants may not pay for more than one-third of the total costs of the collaboration and must be made on a peer-reviewed, competitive basis. The bill authorizes \$10 million for each of fiscal years 2005-07.

The bill establishes a Manufacturing Fellowship Program at NIST that would award postdoctoral research fellowships and senior research fellowships in manufacturing sciences. Stipends would be provided to fellows consistent with the NIST Postdoctoral Research Fellowship Program (currently \$55,700). Authorizes \$1.5 million for FY05, \$1.75 million for FY06, \$2 million for FY07, and \$2.25 million for FY08.

The bill creates a Standards Education program at NIST that would award grants to colleges and universities to develop curricula on the role of standards in the fields of engineering, business, science, and economics. The bill authorizes the following amounts for the program:

- FY05: \$773,000
- FY06: \$796,000
- FY07: \$820,000
- FY08: \$844,000

The bill also reauthorizes the Manufacturing Extension Partnership (MEP) program, creating a new competitive grant program that would provide additional funding to MEP centers for manufacturing-related projects.

H.R. 3598 authorizes the following amounts:

- NIST Laboratory Activities (appropriated \$331 million in FY04):
  - FY05: \$425.688 million
  - FY06: \$446.951 million
  - FY07: \$469.299 million
  - FY08: \$492.764 million
- Malcolm Baldrige National Quality Award Program (appropriated \$5.4 million in FY04):
  - FY05: \$5.4 million
  - FY06: \$5.535 million
  - FY07: \$5.674 million
  - FY08: \$5.815 million
- NIST Construction and Maintenance: such sums for fiscal years 2005-08 (appropriated \$64.3 million in FY04)
- MEP Program:
  - FY05: \$110 million, with \$4 million set aside for the competitive grant program
  - FY06: \$115 million, with \$4.1 million set aside for the competitive grant program
  - FY07: \$120 million, with \$4.2 million set aside for the competitive grant program
  - FY08: \$125 million, with \$4.3 million set aside for the competitive grant program

*(Note: the House-passed FY05 Commerce, Justice State appropriations bill provides \$106 million for the MEP program, an increase of \$66.8 million over the request and the FY04 funding of \$38.6 million.)*

**Additional Background:** The MEP program is a network of 60 not-for-profit centers in over 400 locations in the 50 states. Centers are funded on a 1/3 federal, 1/3 state, 1/3 fees basis. Each center works directly with local manufacturers to help them improve manufacturing processes, train workers, improve business practices, and apply information technology to their companies through a combination of direct assistance from center staff and outside experts.

**Amendments Made in Order:**

**Jackson Lee (10 minutes):** Prevents the use of appropriated funds for general re-competition of Manufacturing Extension Partnership (MEP) centers. Currently the bill prevents general re-competition if appropriations exceed \$106 million.

**Larson (10 minutes):** Establishes a Manufacturing and Technology Administration at the Department of Commerce (replacing the current Technology Administration). Also creates an Undersecretary of Commerce for Manufacturing and Technology, an Assistant Secretary of Manufacturing, and an Assistant Secretary of Technology (currently there is only an Undersecretary of Technology). Duties of these officials would include conducting policy analyses, supporting studies and policy experiments, and assisting in the implementation of the Metric Conversion Act of 1975.

**Peterson (PA) (10 minutes):** Clarifies requirements to ensure that MEP centers submit audited, annual budgets and provide financial disclosure documents consistent with OMB requirements. The documents must be made available to the public upon request.

**Gordon (20 minutes):** Authorizes \$120.6 million for the Manufacturing Extension Partnership in FY05 and 10% yearly increases for FY06-08. Also allows the federal cost-share for MEP Centers in the fiscal years 2005-08 to increase up to one-half on a case-by-case basis as determined by the Administration.

**Committee Action:** H.R. 3598 was introduced on November 21, 2003, and referred to the Committee on Science. The Subcommittee on Environment, Technology, and Standards considered the bill on March 25, 2004, favorably reporting it by voice vote to the full committee. The full committee considered the bill on June 16, 2004, and approved it by voice vote.

**Cost to Taxpayers:** The Congressional Budget Office estimates that H.R. 3598 authorizes \$2.6 billion for fiscal years 2005-08, subject to appropriations.

The following chart details funding for the programs authorized in H.R. 3598:

- FY03 appropriation - \$528,657,000
- FY04 appropriation - \$439,368,000
- FY05 budget request - \$521,469,000
- Budget authorization under H.R. 3598 for FY05 - \$618 million
- Estimated outlays under H.R. 3598 for FY05 - \$576 million

**Does the Bill Expand the Size and Scope of the Federal Government?:** Yes, the bill creates four new grant programs.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Constitutional Authority:** The Committee on Science, in House Report 108-581, cites Article I, Section 8, but fails to cite a specific clause.

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## **H.R. 2828—Water Supply, Reliability, and Environmental Improvement Act (Calvert)**

**Order of Business:** The bill is scheduled for consideration on Friday, July 9<sup>th</sup>, subject to a modified closed rule (H.Res. 711), which makes in order one amendment in the nature of a substitute (summarized below).

**Summary:** H.R. 2828 reauthorizes federal participation in the Calfed Bay-Delta Program and recognizes the 2000 Calfed Bay-Delta Program Record of Decision (ROD) as the general framework for the activities authorized under the bill.

Authorized activities include:

- **Water Storage and Water Yield:** includes feasibility studies of projects. A project would be automatically authorized unless Congress passes a disapproval resolution within 120 days (not including adjournments of more than 3 days) after the study was submitted.
- **Conveyance:** requires specific activities, including the installation of temporary and permanent flow control barriers in the South Delta, San Joaquin floodway improvement, and improved fish screening in the North Delta. Before increasing exports of water from the Delta, the Secretary of the Interior and the Governor of California must develop and implement a program to meet all existing water quality standards that are the responsibility of the Central Valley Project.
- **Water Use Efficiency:** includes water conservation projects, technical assistance for water conservation projects, water recycling and desalination projects, and water measurement and transfer actions. Renders several water projects as feasible.
- **Water Transfers:** activities include increasing the availability of existing facilities for water transfers and maintaining a water transfer information clearinghouse.
- **Integrated Regional Water Management Plans:** includes assisting local and regional communities in developing and implementing integrated water management plans that improve water supply reliability, water quality, ecosystem restoration, and flood protection.

- Ecosystem Restoration: includes restoration projects in San Francisco Bay, fish screen and fish passage improvement projects, implementation of an invasive species programs, and tidal wetland and riparian habitat restoration. Requires the Secretary of the Interior to submit restoration management plans to Congress for all projects where the federal cost exceeds \$20,000. Creates a requirement that before acquiring land for a project, the Secretary must determine that existing federal land, state land, or other land already acquired for ecosystem restoration is not available for use.
- Watersheds: includes building local capacity to assess and manage watersheds and technical assistance for watershed assessments and management plans.
- Water Quality: includes addressing drainage problems in the San Joaquin Valley, investing in treatment technology demonstration projects, controlling runoff into the California aqueduct, and addressing water quality problems at the North Bay aqueduct.
- Science: includes establishing and maintaining an independent science board and technical panels for oversight and peer review.
- Diversification of Water Supplies: includes activities to diversify modes of delivery of water to refuges.

“New and expanded” authorizations for fiscal years 2005 through 2008 include various conveyance activities (maximum of \$184 million in funding) such as feasibility studies, a maximum of \$90 million for implementation of the Environmental Water Account, a maximum of \$90 million for levee stability, and a maximum of \$25 million for program management, oversight, and coordination (total of \$389 million).

The bill directs federal agencies to coordinate with state agencies and to work with local governments and the public through an advisory committee. Federal agencies are also required to ensure that programs are “subjected to credible and objective scientific review” and that major decisions are based upon “the best available scientific information.” H.R. 2828 also includes a requirement for annual reports to Congress on the activities and progress of the Calfed program.

Other major provisions of the bill include:

- Requiring the Administration to include Calfed funding for each federal agency in its annual budget;
- Limiting the federal share of programs costs to 33.3 percent;
- Requiring the Secretary of the Interior to establish an office in Sacramento, California, for the use of all federal and state agencies involved in issuing permits and preparing environmental documentation for projects (the bill allows the Secretary to accept contributions from other public entities for the preparation of permits and environmental documentation, which is intended to offset the cost of establishing and maintaining the office);
- Requiring a study of the feasibility of constructing rural water systems in coordination with other federal agencies with rural water programs and in cooperation with non-federal project entities; and
- Requiring a study of the feasibility of reclaiming the Salton Sea.

**Additional Background:** The following is a summary of the Calfed Bay-Delta Program from the Environmental Protection Agency:

The CALFED Bay-Delta Program, a cooperative effort among state and federal agencies and California's environmental, urban and agricultural communities, was initiated in 1995 to address environmental and water management problems associated with the Bay-Delta system. The Bay-Delta system is an intricate web of waterways created at the junction of the San Francisco Bay and the Sacramento and San Joaquin River Delta. Critical to California's economy and ecology, the Bay-Delta has been the focus of competing interests virtually since the Gold Rush. The Bay-Delta is a critical habitat for 120 fish and wildlife species. It also serves as the hub of California's water distribution system, supplying drinking water to 20 million people and irrigation water to 4 million acres of farmland. As a result of these demands, the ecosystem has suffered greatly. Habitats are declining, and fish populations have plummeted with several species listed as threatened or endangered. The system no longer serves as a reliable source of high quality water and levees face an unacceptably high risk of breaching.

The CALFED Bay-Delta Program was established to reduce conflicts in the system by developing a sustainable, long-term solution to water management and environmental problems associated with the Bay-Delta system. CALFED is developing a comprehensive plan that will restore ecological health, improve water supply reliability for beneficial uses, improve water quality, and improve levee stability in the Bay-Delta estuary.

**Amendment Made in Order under the Rule (H.Res. 711):**

**Calvert/Pombo (Amendment in the Nature of a Substitute):** Similar text to the base bill, with the following changes. Modifies how ecosystem restoration plans are implemented. Requires more congressional (environmental) oversight of CALFED projects prior to federal expenditure. Makes several technical changes. *(20 minutes of debate)*

**Committee Action:** H.R. 2828 was introduced on July 23, 2003, and referred to the Committees on Resources and Transportation and Infrastructure. The Resources Subcommittee on Water and Power passed the bill by voice vote on September 25, 2003, and the full committee reported the bill to the House by voice vote on May 5, 2004. The Transportation Committee discharged the bill without consideration on June 25, 2004.

**Cost to Taxpayers:** The Congressional Budget Office estimates that H.R. 2828 authorizes \$448 million for fiscal years 2005-08, subject to appropriations.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Constitutional Authority:** The Committee on Resources, in House Report 108-573, cites Article I, Section 8, but fails to cite a specific clause.

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