

103^D CONGRESS
1ST SESSION

H. R. 110

To amend the Internal Revenue Code of 1986 to provide for economic revitalization, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. BOEHLERT introduced the following bill; which was referred jointly to the Committees on Ways and Means, Science, Space, and Technology and Public Works and Transportation

A BILL

To amend the Internal Revenue Code of 1986 to provide for economic revitalization, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Economic Revitalization and Competitiveness Act of
6 1993”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-
9 ment or repeal is expressed in terms of an amendment
10 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 **TITLE I—TAX INCENTIVES**

4 **SEC. 101. REINSTATEMENT OF 5-PERCENT INVESTMENT** 5 **TAX CREDIT.**

6 (a) IN GENERAL.—Subpart E of part IV of sub-
 7 chapter A of chapter 1 (relating to rules for computing
 8 credit for investment in certain depreciable property), as
 9 amended by subsection (b)(2), is amended by adding at
 10 the end the following new section:

11 **“SEC. 50. 5-PERCENT REGULAR INVESTMENT CREDIT.**

12 “With respect to any property placed in service after
 13 December 31, 1991—

14 “(1) section 49 shall not apply, and

15 “(2) the regular percentage for purposes of this
 16 subpart shall be 5 percent.”

17 (b) CONFORMING AMENDMENTS.—

18 (1) The table of sections for such subpart E is
 19 amended by adding at the end the following new
 20 item:

“Sec. 50. 5-percent regular investment credit.”

21 (2) Section 11813 of the Revenue Reconcili-
 22 ation Act of 1990 (Public Law 101–508) is hereby
 23 repealed, and the Internal Revenue Code of 1986
 24 shall be applied and administered as if such section

1 (and the amendments made by such section) had
2 never been enacted.

3 **SEC. 102. RESEARCH CREDIT MADE PERMANENT.**

4 (a) IN GENERAL.—Section 41 (relating to credit for
5 increasing research activities) is amended by striking sub-
6 section (h).

7 (b) CONFORMING AMENDMENT.—Paragraph (1) sec-
8 tion 28(b) is amended by striking subparagraph (D).

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years ending after June
11 30, 1992.

12 **SEC. 103. EXCLUSION FOR EDUCATIONAL ASSISTANCE PRO-**
13 **GRAMS MADE PERMANENT.**

14 (a) EXCLUSION MADE PERMANENT.—Section 127
15 (relating to educational assistance programs) is amended
16 by striking subsection (d).

17 (b) CONFORMING AMENDMENT.—Paragraph (2) of
18 section 103(a) of the Tax Extension Act of 1991 is hereby
19 repealed.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 1991.

1 **SEC. 104. EXPANSION OF EXCEPTION FROM REBATE FOR**
2 **SMALL ISSUERS.**

3 (a) IN GENERAL.—Subparagraph (C) of section
4 148(f)(4) (relating to exception for governmental units is-
5 suing \$5,000,000 or less of bonds) is amended—

6 (1) by striking “\$5,000,000” each place it ap-
7 pears and inserting “\$25,000,000”,

8 (2) by striking “with general taxing powers”
9 each place it appears,

10 (3) by inserting “or on behalf of” after “issued
11 by” in subclauses (I) and (IV) of clause (i) and in
12 clause (vi)(I), and

13 (4) by striking clause (iv) and redesignating
14 clauses (v) and (vi) thereof as clauses (iv) and (v),
15 respectively.

16 (b) TECHNICAL AMENDMENT.—Clause (v) of section
17 148(f)(4)(C), as redesignated by subsection (a), is amend-
18 ed by striking “clause (v)” and inserting “clause (iv)”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to obligations issued in calendar
21 years beginning after the date of the enactment of this
22 Act.

23 **SEC. 105. TARGETED JOBS CREDIT.**

24 (a) IN GENERAL.—Subsection (c) of section 51 (re-
25 lating to amount of targeted jobs credit) is amended by
26 striking paragraph (4).

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to individuals who begin work
3 for the employer after June 30, 1992.

4 **SEC. 106. REDUCTION IN CAPITAL GAINS TAX FOR INDIVID-**
5 **UALS.**

6 (a) GENERAL RULE.—Part I of subchapter P of
7 chapter 1 is amended by adding at the end thereof the
8 following new section:

9 **“SEC. 1202. DEDUCTION FOR CAPITAL GAINS.**

10 “(a) DEDUCTION ALLOWED FOR CAPITAL GAIN.—

11 “(1) IN GENERAL.—If, for any taxable year, a
12 taxpayer other than a corporation has a net capital
13 gain, an amount equal to the sum of the applicable
14 percentages of the applicable capital gain shall be al-
15 lowed as a deduction.

16 “(2) ESTATES AND TRUSTS.—In the case of an
17 estate or trust, the deduction under paragraph (1)
18 shall be computed by excluding the portion (if any)
19 of the gains for the taxable year from sales or ex-
20 changes of capital assets which, under sections 652
21 and 662 (relating to inclusions of amounts in gross
22 income of beneficiaries of trusts), is includible by the
23 income beneficiaries as gain derived from the sale or
24 exchange of capital assets.

1 “(b) APPLICABLE PERCENTAGES.—For purposes of
 2 this subsection, the applicable percentages shall be the
 3 percentages determined in accordance with the following
 4 table:

“In the case of:	The applicable percentage is:
1-year gain	10
2-year gain	20
3-year gain	30.

5 “(c) GAIN TO WHICH DEDUCTION APPLIES.—For
 6 purposes of this section—

7 “(1) APPLICABLE CAPITAL GAIN.—The term
 8 ‘applicable capital gain’ means 1-year gain, 2-year
 9 gain, or 3-year gain determined by taking into ac-
 10 count only gain which is properly taken into account
 11 for periods on or after January 1, 1993.

12 “(2) 3-YEAR GAIN.—The term ‘3-year gain’
 13 means the lesser of—

14 “(A) the net capital gain for the taxable
 15 year, or

16 “(B) the long-term capital gain determined
 17 by taking into account only gain from the sale
 18 or exchange of assets held more than 3 years.

19 “(3) 2-YEAR GAIN.—The term ‘2-year gain’
 20 means the lesser of—

21 “(A) the net capital gain for the taxable
 22 year, reduced by 3-year gain, or

1 “(B) the long-term capital gain determined
2 by taking into account only gain from the sale
3 or exchange of assets held more than 2 years
4 but not more than 3 years.

5 “(4) 1-YEAR GAIN.—The term ‘1-year gain’
6 means the net capital gain for the taxable year de-
7 termined by taking into account only—

8 “(A) gain from the sale or exchange of as-
9 sets held more than 1 year but not more than
10 2 years, and

11 “(B) losses from the sale or exchange of
12 assets held more than 1 year.

13 “(5) SPECIAL RULES FOR PASS-THRU ENTI-
14 TIES.—

15 “(A) IN GENERAL.—In applying this sub-
16 section with respect to any pass-thru entity, the
17 determination of when a sale or exchange has
18 occurred shall be made at the entity level.

19 “(B) PASS-THRU ENTITY DEFINED.—For
20 purposes of subparagraph (A), the term ‘pass-
21 thru entity’ means—

22 “(i) a regulated investment company,

23 “(ii) a real estate investment trust,

24 “(iii) an S corporation,

25 “(iv) a partnership,

1 “(v) an estate or trust, and

2 “(vi) a common trust fund.

3 “(6) RECAPTURE OF NET ORDINARY LOSS
4 UNDER SECTION 1231.—For purposes of this sub-
5 section, if any amount is treated as ordinary income
6 under section 1231(c) for any taxable year—

7 “(A) the amount so treated shall be allo-
8 cated proportionately among the section 1231
9 gains (as defined in section 1231(a)) for such
10 taxable year, and

11 “(B) the amount so allocated to any such
12 gain shall reduce the amount of such gain.”

13 (b) TREATMENT OF COLLECTIBLES.—

14 (1) IN GENERAL.—Section 1222 is amended by
15 inserting after paragraph (11) the following new
16 paragraph:

17 “(12) SPECIAL RULE FOR COLLECTIBLES.—

18 “(A) IN GENERAL.—Any gain or loss from
19 the sale or exchange of a collectible shall be
20 treated as a short-term capital gain or loss (as
21 the case may be), without regard to the period
22 such asset was held. The preceding sentence
23 shall apply only to the extent the gain or loss
24 is taken into account in computing taxable in-
25 come.

1 “(B) TREATMENT OF CERTAIN SALES OF
2 INTEREST IN PARTNERSHIP, ETC.—For pur-
3 poses of subparagraph (A), any gain from the
4 sale or exchange of an interest in a partnership,
5 S corporation, or trust which is attributable to
6 unrealized appreciation in the value of collect-
7 ibles held by such entity shall be treated as gain
8 from the sale or exchange of a collectible. Rules
9 similar to the rules of section 751(f) shall apply
10 for purposes of the preceding sentence.

11 “(C) COLLECTIBLE.—For purposes of this
12 paragraph, the term ‘collectible’ means any cap-
13 ital asset which is a collectible (as defined in
14 section 408(m) without regard to paragraph (3)
15 thereof).”

16 (2) CHARITABLE DEDUCTION NOT AF-
17 FECTED.—

18 (A) Paragraph (1) of section 170(e) is
19 amended by adding at the end thereof the fol-
20 lowing new sentence: “For purposes of this
21 paragraph, section 1222 shall be applied with-
22 out regard to paragraph (12) thereof (relating
23 to special rule for collectibles).”

24 (B) Clause (iv) of section 170(b)(1)(C) is
25 amended by inserting before the period at the

1 end thereof the following: “and section 1222
2 shall be applied without regard to paragraph
3 (12) thereof (relating to special rule for collect-
4 ibles)”.

5 (c) MINIMUM TAX.—Section 56(b) is amended by
6 adding at the end thereof the following new paragraph:

7 “(4) CAPITAL GAINS DEDUCTION DISALLOW-
8 ANCE.—The deduction under section 1202 shall not
9 be allowed.”

10 (d) CONFORMING AMENDMENTS.—

11 (1) Subsection (h) of section 1 is hereby re-
12 pealed.

13 (2) Section 12 is amended by striking para-
14 graph (4) and redesignating the following para-
15 graphs accordingly.

16 (3) Section 62(a) is amended by inserting after
17 paragraph (14) the following new paragraph:

18 “(15) CAPITAL GAINS DEDUCTION.—The deduc-
19 tion allowed by section 1202.”

20 (4) Clause (ii) of section 163(d)(4)(B) is
21 amended by inserting “, reduced by the amount of
22 any deduction allowable under section 1202 attrib-
23 utable to gain from such property” after “invest-
24 ment”.

1 (5)(A) Section 170(e)(1)(B) is amended by in-
2 serting “(or, in the case of a taxpayer other than a
3 corporation, the nondeductible percentage of the
4 amount of gain)” after “the amount of gain”.

5 (B) Section 170(e)(1) is amended by adding at
6 the end thereof the following new sentence: “For
7 purposes of subparagraph (B), the term ‘nondeduct-
8 ible percentage’ means 100 percent minus the appli-
9 cable percentage with respect to such property under
10 section 1202(b).”

11 (6)(A) Section 172(d)(2) (relating to modifica-
12 tions with respect to net operating loss deduction) is
13 amended to read as follows:

14 “(2) CAPITAL GAINS AND LOSSES OF TAX-
15 PAYERS OTHER THAN CORPORATIONS.—In the case
16 of a taxpayer other than a corporation—

17 “(A) the amount deductible on account of
18 losses from sales or exchanges of capital assets
19 shall not exceed the amount includible on ac-
20 count of gains from sales or exchanges of cap-
21 ital assets; and

22 “(B) the deduction provided by section
23 1202 shall not be allowed.”

1 (B) Subparagraph (B) of section 172(d)(4) is
2 amended by inserting “, (2)(B),” after “paragraph
3 (1)”.

4 (7)(A) Section 220 (relating to cross reference)
5 is amended to read as follows:

6 **“SEC. 220. CROSS REFERENCES.**

“(1) For deduction for net capital gain, see section 1202.

“(2) For deductions in respect of a decedent, see section 691.”

7 (B) The table of sections for part VII of sub-
8 chapter B of chapter 1 is amended by striking “ref-
9 erence” in the item relating to section 220 and in-
10 sserting “references”.

11 (8) Paragraph (4) of section 642(c) is amended
12 to read as follows:

13 “(4) ADJUSTMENTS.—To the extent that the
14 amount otherwise allowable as a deduction under
15 this subsection consists of gain from the sale or ex-
16 change of capital assets held for more than 1 year,
17 proper adjustment shall be made for any deduction
18 allowable to the estate or trust under section 1202
19 (relating to deduction for net capital gain). In the
20 case of a trust, the deduction allowed by this sub-
21 section shall be subject to section 681 (relating to
22 unrelated business income).”

1 (9) Paragraph (3) of section 643(a) is amended
2 by adding at the end thereof the following new sen-
3 tence: “The deduction under section 1202 (relating
4 to deduction for net capital gain) shall not be taken
5 into account.”

6 (10) Paragraph (6)(C) of section 643(a) is
7 amended—

8 (A) by inserting “(i)” before “there”, and

9 (B) by inserting “, and (ii) the deduction
10 under section 1202 (relating to deduction for
11 excess of capital gains over capital losses)” be-
12 fore the period at the end thereof.

13 (11) Paragraph (4) of section 691(c) is amend-
14 ed by striking “1(h),”.

15 (12) The second sentence of paragraph (2) of
16 section 871(a) is amended by inserting “such gains
17 and losses shall be determined without regard to sec-
18 tion 1202 (relating to deduction for net capital gain)
19 and” after “except that”.

20 (13)(A) Subparagraph (B) of section 904(b)(2)
21 is amended by striking out so much of such subpara-
22 graph as precedes clause (i) and inserting the follow-
23 ing:

24 “(B) SPECIAL RULES WHERE CORPORATE
25 CAPITAL RATE GAIN DIFFERENTIAL.—In the

1 case of a corporation, for any taxable year for
2 which there is a capital gain rate differential—
3 ”.

4 (B) Subparagraphs (D) and (E) of section
5 904(b)(3) are amended to read as follows:

6 “(D) CAPITAL GAIN RATE DIFFEREN-
7 TIAL.—There is a capital gain rate differential
8 for any taxable year if any rate of tax imposed
9 by section 11, 511, or 831(a) or (b) (whichever
10 applies) exceeds the alternative rate of tax
11 under section 1201(a) (determined without re-
12 gard to the last sentence of section 11(b)(1)).

13 “(E) RATE DIFFERENTIAL PORTION.—The
14 rate differential portion of foreign source net
15 capital gain, net capital, or the excess of net
16 capital gain from sources within the United
17 States over net capital gain, as the case may
18 be, is the same proportion of such amount as—

19 “(i) the excess of the highest rate of
20 tax specified in section 11(b)(1) over the
21 alternative rate of tax under section
22 1201(a), bears to

23 “(ii) the highest rate of tax specified
24 in section 11(b)(1).”

1 (14) Section 1402(i)(1) is amended to read as
2 follows:

3 “(1) IN GENERAL.—In determining the net
4 earnings from self-employment of any options dealer
5 or commodities dealer—

6 “(A) notwithstanding subsection (a)(3)(A),
7 there shall not be excluded any gain or loss (in
8 the normal course of the taxpayer’s activity of
9 dealing in or trading section 1256 contracts)
10 from section 1256 contracts or property related
11 to such contracts, and

12 “(B) the deduction provided by section
13 1202 shall not apply.”

14 (e) CLERICAL AMENDMENT.—The table of sections
15 for part I of subchapter P of chapter 1 is amended by
16 adding at the end thereof the following new item:

 “Sec. 1202. Deduction for capital gains.”

17 (f) EFFECTIVE DATES.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the amendments made by this section
20 shall apply to taxable years ending after December
21 31, 1992.

22 (2) TREATMENT OF COLLECTIBLES.—The
23 amendment made by subsection (b) shall apply to
24 taxable years beginning after December 31, 1992.

1 **TITLE II—MANUFACTURING**
2 **TECHNOLOGY**

3 **SEC. 201. NATIONWIDE NETWORK OF MANUFACTURING**
4 **OUTREACH CENTERS.**

5 The Stevenson-Wydler Technology Innovation Act of
6 1980 (15 U.S.C. 3701 et seq.) is amended by adding at
7 the end the following new section:

8 **“SEC. 24. NATIONWIDE NETWORK OF MANUFACTURING**
9 **OUTREACH CENTERS.**

10 “(a) ESTABLISHMENT AND PURPOSE OF NET-
11 WORK.—The Secretary, acting through the Under Sec-
12 retary and the Director, shall establish, coordinate, and
13 implement, in accordance with the plans prepared under
14 subsections (b) and (e), a program to be known as the
15 Nationwide Network of Manufacturing Outreach Centers
16 (in this section referred to as the ‘Network’) for the pur-
17 pose of assisting United States manufacturers, especially
18 small- and medium-sized firms, to expand and accelerate
19 the use of modern manufacturing practices, and to accel-
20 erate the development and use of advanced manufacturing
21 technology.

22 “(b) EVALUATION AND PLAN FOR SUPPORT OF EX-
23 ISTING CENTERS.—Within 6 months after the date of en-
24 actment of this section, the Secretary, in consultation with

1 the Under Secretary, the Director, and the Advisory
2 Board, shall submit a report to Congress—

3 “(1) describing how the Technology Administra-
4 tion will carry out its responsibilities under this sec-
5 tion, including recommendations for reorganization
6 if necessary;

7 “(2) identifying the Federal, State, and local
8 government agencies and other appropriate organi-
9 zations, including centers established under section
10 25 of the National Institute of Standards and Tech-
11 nology Act, Federal, State, and local extension pro-
12 grams, small business development centers, profes-
13 sional societies, industrial associations, and pro-
14 grams of nonprofit organizations, universities, com-
15 munity colleges, technical colleges, and Federal lab-
16 oratories, engaged in manufacturing or technology
17 extension activities;

18 “(3) evaluating the capabilities, shortcomings,
19 and potential of organizations identified under para-
20 graph (2), to enhance United States manufacturing
21 capabilities;

22 “(4) establishing a plan for Federal pro-
23 grams—

1 “(A) linking organizations described in
2 paragraph (2), the Technology Administration,
3 and other appropriate Federal agencies;

4 “(B) providing services and financial aid to
5 those organizations to increase the effectiveness
6 of their manufacturing outreach programs; and

7 “(C) ensuring synergy among Federal,
8 State, and local organizations involved in the
9 Network;

10 “(5) establishing procedures for the selection of
11 organizations described in paragraph (2) as Manu-
12 facturing Outreach Centers;

13 “(6) establishing criteria for providing Federal
14 services and financial aid to Manufacturing Out-
15 reach Centers, including recommendations for cost
16 sharing and mechanisms for basing continued sup-
17 port on Center performance; and

18 “(7) evaluating the need for and the benefits of
19 a National Conference of States on Industrial Ex-
20 tension, with representation from all the States, ap-
21 propriate Federal agencies, business, and other in-
22 terested parties, in establishing, coordinating, and
23 implementing the policies and programs of the
24 States and the Federal Government, including those
25 established under this section, pertaining to indus-

1 trial extension activities, and, if the Secretary deter-
2 mines that such a Conference is advisable, develop-
3 ing, in consultation with the States and other inter-
4 ested parties, a plan for the establishment, oper-
5 ation, funding, and evaluation of a National Con-
6 ference of States on Industrial Extension that is
7 similar in structure to the National Conference on
8 Weights and Measures established by the National
9 Institute of Standards and Technology under section
10 2 of the National Institute of Standards and Tech-
11 nology Act (15 U.S.C. 272).

12 In preparing such report, the Secretary shall, to the great-
13 est extent practicable, use existing reports and rec-
14 ommendations, including recommendations for changes to
15 and expansion of the centers established under section 25
16 of the National Institute of Standards and Technology Act
17 (15 U.S.C. 278k) or to the State Technology Extension
18 Programs established under section 26 of such Act (15
19 U.S.C. 278l). Such report shall be prepared in consulta-
20 tion with a cross section of industry representatives served
21 by and working with the organizations described in para-
22 graph (2), and in consultation and coordination with other
23 Federal and State agencies involved in technology exten-
24 sion activities.

1 “(c) COMMUNICATIONS INFRASTRUCTURE.—(1) In
2 order to facilitate the operations of the Network, the De-
3 partment of Commerce, after consultation with the Advi-
4 sory Board, shall provide for a communications infrastruc-
5 ture consisting of comprehensive computer integrated sys-
6 tems—

7 “(A) to facilitate interaction among Manufac-
8 turing Outreach Centers; and

9 “(B) to provide for the collection and dissemi-
10 nation in electronic form, in a timely and accurate
11 manner, of information appropriate to the purpose
12 of the Network.

13 Such infrastructure shall be designed to enable the instan-
14 taneously interactive exchange of information among the
15 various organizations and Federal agencies that are a part
16 of, that support, or that benefit from the Network. Such
17 communications infrastructure shall, wherever practicable,
18 make use of existing computer networks.

19 “(2) The Secretary shall, within one year after the
20 date of the enactment of this section, develop and submit
21 to the Congress a management plan for—

22 “(A) the communications infrastructure de-
23 scribed in paragraph (1), including user fees and ap-
24 propriate electronic access for information suppliers
25 and users; and

1 “(B) the clearinghouse system developed under
2 subsection (d).

3 “(d) CLEARINGHOUSE.—(1) The Secretary shall de-
4 velop a clearinghouse system, using the National Tech-
5 nical Information Service and private sector information
6 providers and carriers where appropriate, to—

7 “(A) identify expertise and acquire information,
8 appropriate to the purpose of the Network stated in
9 subsection (a), from all available Federal sources,
10 providing assistance where necessary in making such
11 information electronically available and compatible
12 with the Network;

13 “(B) ensure ready access by United States
14 manufacturers and other interested private sector
15 parties to the most recent relevant available such in-
16 formation and expertise; and

17 “(C) to the extent practicable, inform such
18 manufacturers of the availability of such informa-
19 tion.

20 “(2) The clearinghouse shall include information
21 available electronically on—

22 “(A) activities of Manufacturing Outreach Cen-
23 ters and the users of the Network;

24 “(B) domestic and international standards from
25 the National Institute of Standards and Technology

1 and private sector organizations and other export
2 promotion information, including conformity assess-
3 ment requirements and procedures;

4 “(C) the Malcolm Baldrige Quality program,
5 and quality principles and standards;

6 “(D) federally funded technology development
7 and transfer programs;

8 “(E) responsibilities assigned to the Clearing-
9 house for State and Local Initiatives on Productiv-
10 ity, Technology, and Innovation under section 6 of
11 this Act;

12 “(F) how to access data bases and services; and

13 “(G) other subjects relevant to the ability of
14 companies to manufacture and sell competitive prod-
15 ucts throughout the world.

16 “(e) 5-YEAR PLAN.—Within 1 year after the date of
17 enactment of this section, the Secretary, in consultation
18 with the Under Secretary, the Director, and the Advisory
19 Board, shall prepare and submit to the Congress a 5-year
20 plan for implementing and expanding the Network. Such
21 plan shall identify appropriate methods for expanding the
22 Network in a geographically balanced manner, including
23 a merit-based process for the selection of additional Manu-
24 facturing Outreach Centers. In selecting Manufacturing
25 Outreach Centers, and in awarding financial assistance to

1 such Centers, the Under Secretary shall ensure that man-
2 ufacturers using the Network are consulted as to the past
3 performance of applicants. Such 5-year plan shall include
4 a detailed implementation plan and cost estimates and
5 shall take into consideration and build on the report sub-
6 mitted under subsection (b).

7 “(f) PRINCIPLES.—In carrying out this section, the
8 Department of Commerce shall take into consideration the
9 following principles:

10 “(1) The Network shall be established and op-
11 erated through cooperation and co-funding among
12 Federal, State, and local governments, other public
13 and private contributors, and end users.

14 “(2) The Network shall utilize and leverage, to
15 the extent practicable, existing organizations, data
16 bases, electronic networks, facilities, and capabilities.

17 “(3) Local or regional needs should determine
18 the management structure and staffing of the Manu-
19 facturing Outreach Centers.

20 “(4) Manufacturing Outreach Centers should
21 have the capability to deliver outreach services di-
22 rectly to manufacturers, actively work with, rather
23 than supplant, the private sector, and to the extent
24 practicable, maximize the exposure of manufacturers
25 to demonstrations of modern technologies in use.

1 “(5) Manufacturing Outreach Centers shall
2 focus, where possible, on the development and de-
3 ployment of flexible manufacturing practices applica-
4 ble to both defense and commercial applications.

5 “(6) The Department of Commerce shall de-
6 velop mechanisms for—

7 “(A) soliciting the perspectives of manufac-
8 turers using the services of the Manufacturing
9 Outreach Centers; and

10 “(B) evaluating the effectiveness of the
11 Manufacturing Outreach Centers.

12 “(g) ANNUAL REPORT TO CONGRESS.—The Sec-
13 retary shall annually report to the Congress on—

14 “(1) progress made in carrying out this section
15 during the preceding fiscal year;

16 “(2) changes proposed to the 5-year plan;

17 “(3) performance in adhering to schedules; and

18 “(4) any recommendations for legislative
19 changes necessary to enhance the Network.

20 The report under this subsection submitted at the end of
21 the fourth year of operation of the Network shall include
22 recommendations on whether to terminate the Network or
23 extend it for a specified period of time.

24 “(h) DEFINITIONS.—For the purposes of this section,
25 the following definitions apply:

1 “(1) DIRECTOR.—The term ‘Director’ means
2 the Director of the National Institute of Standards
3 and Technology.

4 “(2) ADVANCED MANUFACTURING TECH-
5 NOLOGY.—The term ‘advanced manufacturing tech-
6 nology’ includes—

7 “(A) numerically-controlled machine tools,
8 robots, automated process control equipment,
9 computerized flexible manufacturing systems,
10 associated computer software, and other tech-
11 nology for improving manufacturing and indus-
12 trial production which advance the state-of-the-
13 art; and

14 “(B) novel techniques and processes de-
15 signed to improve manufacturing quality, pro-
16 ductivity, and practices, including engineering
17 design, quality assurance, concurrent engineer-
18 ing, continuous process production technology,
19 energy efficiency, waste minimization, inventory
20 management, upgraded worker skills, and com-
21 munications with customers and suppliers.

22 “(3) MODERN TECHNOLOGY.—The term ‘mod-
23 ern technology’ means the best available proven
24 technology, techniques, and processes appropriate to
25 enhancing the productivity of manufacturers.

1 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary for car-
3 rying out this section \$120,000,000 for the period encom-
4 passing fiscal years 1994 and 1995.”.

5 **TITLE III—APPROPRIATIONS**
6 **FROM TRANSPORTATION**
7 **TRUST FUNDS**

8 **SEC. 301. SENSE OF CONGRESS.**

9 It is the sense of Congress that all amounts author-
10 ized to be appropriated out of the Highway Trust Fund
11 under the Intermodal Surface Transportation Efficiency
12 Act of 1991 (including amendments made by such Act)
13 and all amounts authorized to be appropriated out of the
14 Airport and Airway Trust Fund under the Airport and
15 Airway Safety, Capacity, Noise Improvement, and Inter-
16 modal Transportation Act of 1992 (including amendments
17 made by such Act) should be appropriated.

○

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