

106TH CONGRESS
1ST SESSION

S. 397

To authorize the Secretary of Energy to establish a multiagency program in support of the Materials Corridor Partnership Initiative to promote energy efficient, environmentally sound economic development along the border with Mexico through the research, development, and use of new materials technology.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1999

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To authorize the Secretary of Energy to establish a multiagency program in support of the Materials Corridor Partnership Initiative to promote energy efficient, environmentally sound economic development along the border with Mexico through the research, development, and use of new materials technology.

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.**

4 This Act may be cited as the “National Materials
5 Corridor Partnership Act of 1999”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the region adjacent to the 2,000-mile border
4 between the United States and Mexico is an impor-
5 tant region for energy-intensive manufacturing and
6 materials industries critical to the economic and so-
7 cial wellbeing of both countries;

8 (2) there are currently more than 800 multi-
9 national firms (including firms known as
10 “maquiladoras”) representing United States invest-
11 ments of more than \$1,000,000,000 in the San
12 Diego, California, and Tijuana, Baja California, bor-
13 der region and in the El Paso, Texas, and Juarez,
14 Chihuahua, border region;

15 (3) materials and materials-related industries
16 comprise a major portion of the industries operating
17 on both sides of the border, amounting to more than
18 \$6,800,000,000 in annual commerce on the Mexican
19 side alone;

20 (4) there are a significant number of major in-
21 stitutions in the border States of both countries cur-
22 rently conducting academic and research activities in
23 materials;

24 (5)(A) the United States Government currently
25 invests approximately \$1,000,000,000 annually in
26 materials research, of which, in 1996, the Depart-

1 ment of Energy funded the largest proportion of ci-
2 vilian materials research; and

3 (B) there are also major materials programs at
4 the National Science Foundation, the National Insti-
5 tute of Standards and Technology, and Department
6 of Defense, among other entities;

7 (6) the United States and Mexico have invested
8 heavily in domestic and binational cooperative pro-
9 grams to address major concerns for the natural re-
10 sources, environment, and public health of the
11 United States-Mexico border region, expending hun-
12 dreds of millions of dollars annually in those efforts;

13 (7)(A) scientific and technical advances in ma-
14 terials and materials processing provide major op-
15 portunities for—

16 (i) significantly improving energy effi-
17 ciency;

18 (ii) reducing emissions of global climate
19 change gases;

20 (iii) using recycled natural resources as
21 primary materials for industrial production; and

22 (iv) minimizing industrial wastes and pol-
23 lution; and

24 (B) such advances will directly benefit both
25 sides of the United States-Mexico border by encour-

1 aging energy efficient, environmentally sound eco-
2 nomic development that protects the health and nat-
3 ural resources of the border region;

4 (8)(A) promoting clean materials industries in
5 the border region that are energy efficient has been
6 identified as a high priority issue by the United
7 States-Mexico Foundation for Science Cooperation;
8 and

9 (B) at the 1998 discussions of the United
10 States-Mexico Binational Commission, Mexico for-
11 mally proposed joint funding of a “Materials Cor-
12 ridor Partnership Initiative”, proposing \$1,000,000
13 to implement the Initiative if matched by the United
14 States;

15 (9) recognizing the importance of materials and
16 materials processing, academic and research institu-
17 tions in the border States of both the United States
18 and Mexico, in conjunction with private sector part-
19 ners of both countries, and with strong endorsement
20 from the Government of Mexico, in 1998 organized
21 the Materials Corridor Council to implement a coop-
22 erative program of materials research and develop-
23 ment, education and training, and sustainable indus-
24 trial development as part of the Materials Corridor
25 Partnership Initiative; and

1 (10) successful implementation of the Materials
2 Corridor Partnership Initiative would advance im-
3 portant United States energy, environmental, and
4 economic goals not only in the United States-Mexico
5 border region but also as a model for similar collabo-
6 rative materials initiatives in other regions of the
7 world.

8 **SEC. 3. PURPOSE.**

9 The purpose of this Act is to establish a multiagency
10 program in support of the Materials Corridor Partnership
11 Initiative referred to in section 2(8) to promote energy ef-
12 ficient, environmentally sound economic development
13 along the United States-Mexico border through the re-
14 search, development, and use of new materials technology.

15 **SEC. 4. DEFINITIONS.**

16 In this Act:

17 (1) PROGRAM.—The term “program” means
18 the program established under section 5(a).

19 (2) SECRETARY.—The term “Secretary” means
20 the Secretary of Energy.

21 **SEC. 5. ESTABLISHMENT AND IMPLEMENTATION OF THE**
22 **PROGRAM.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The Secretary shall establish
25 a comprehensive program to promote energy effi-

1 cient, environmentally sound economic development
2 along the United States-Mexico border through the
3 research, development, and use of new materials
4 technology.

5 (2) CONSIDERATIONS.—In developing the pro-
6 gram, the Secretary shall give due consideration to
7 the proposal made to the United States-Mexico Bi-
8 national Commission for the Materials Corridor
9 Partnership Initiative.

10 (b) PARTICIPATION OF OTHER FEDERAL AGEN-
11 CIES.—The Secretary shall organize and conduct the pro-
12 gram jointly with—

13 (1) the Department of State;

14 (2) the Environmental Protection Agency;

15 (3) the National Science Foundation;

16 (4) the National Institute of Standards and
17 Technology; and

18 (5) any other departments or agencies the par-
19 ticipation of which the Secretary considers appro-
20 priate.

21 (c) PARTICIPATION OF THE PRIVATE SECTOR.—
22 When appropriate, funds made available under this Act
23 shall be made available for research and development or
24 education and training activities that are conducted with
25 the participation and support of private sector organiza-

1 tions located in the United States and, subject to section
2 7(c)(2), Mexico, to promote and accelerate in the United
3 States-Mexico border region the use of energy efficient,
4 environmentally sound technologies and other advances re-
5 sulting from the program.

6 (d) MEXICAN RESOURCE CONTRIBUTIONS.—The
7 Secretary shall—

8 (1) encourage public, private, nonprofit, and
9 academic organizations located in Mexico to contrib-
10 ute significant financial and other resources to the
11 program; and

12 (2) take any such contributions into account in
13 conducting the program.

14 (e) TRANSFER OF TECHNOLOGY FROM NATIONAL
15 LABORATORIES.—In conducting the program, the Sec-
16 retary shall emphasize the transfer and use of materials
17 technology developed by the national laboratories of the
18 Department of Energy before the date of enactment of
19 this Act.

20 **SEC. 6. ACTIVITIES AND MAJOR PROGRAM ELEMENTS.**

21 (a) ACTIVITIES.—Funds made available under this
22 Act shall be made available for research and development
23 and education and training activities that are primarily
24 focused on materials, and the synthesis, processing, and
25 fabrication of materials, that promote—

- 1 (1) improvement of energy efficiency;
- 2 (2) elimination or minimization of emissions of
- 3 global climate change gases and contaminants;
- 4 (3) minimization of industrial wastes and pol-
- 5 lutants; and
- 6 (4) use of recycled resources as primary mate-
- 7 rials for industrial production.

8 (b) MAJOR PROGRAM ELEMENTS.—

9 (1) IN GENERAL.—The program shall have the

10 following major elements:

11 (A) Applied research, focused on maturing

12 and refining materials technologies to dem-

13 onstrate the feasibility or utility of the mate-

14 rials technologies.

15 (B) Basic research, focused on the discov-

16 ery of new knowledge that may eventually prove

17 useful in creating materials technologies to pro-

18 mote energy efficient, environmentally sound

19 manufacturing.

20 (C) Education and training, focused on

21 educating and training scientists, engineers,

22 and workers in the border region in energy effi-

23 cient, environmentally sound materials tech-

24 nologies.

1 (2) APPLIED RESEARCH.—Applied research
2 projects under paragraph (1)(A) should typically in-
3 volve significant participation from private sector or-
4 ganizations that would use or sell such a technology.

5 (3) BASIC RESEARCH.—Basic research projects
6 conducted under paragraph (1)(B) should typically
7 be led by an academic or other research institution.

8 **SEC. 7. PARTICIPATION OF DEPARTMENTS AND AGENCIES**
9 **OTHER THAN THE DEPARTMENT OF ENERGY.**

10 (a) AGREEMENT.—Not later than 120 days after the
11 date of enactment of this Act, the Secretary shall enter
12 into an agreement with the departments and agencies re-
13 ferred to in section 5(b) on the coordination and imple-
14 mentation of the program.

15 (b) ACTIONS OF DEPARTMENTS AND AGENCIES.—
16 Any action of a department or agency under an agreement
17 under subsection (a) shall be the responsibility of that de-
18 partment or agency and shall not be subject to approval
19 by the Secretary.

20 (c) USE OF FUNDS.—

21 (1) IN GENERAL.—The Secretary and the de-
22 partments and agencies referred to in section 5(b)
23 may use funds made available for the program for
24 research and development or education and training
25 activities carried out by—

1 (A) State and local governments and aca-
2 demic, nonprofit, and private organizations lo-
3 cated in the United States; and

4 (B) State and local governments and aca-
5 demic, nonprofit, and private organizations lo-
6 cated in Mexico.

7 (2) **CONDITION.**—Funds may be made available
8 to a State or local government or organization lo-
9 cated in Mexico only if a government or organization
10 located in Mexico (which need not be the recipient
11 of the funds) contributes a significant amount of fi-
12 nancial or other resources to the project to be fund-
13 ed.

14 (d) **TRANSFER OF FUNDS.**—The Secretary may
15 transfer funds to the departments and agencies referred
16 to in section 5(b) to carry out the responsibilities of the
17 departments and agencies under this Act.

18 **SEC. 8. PROGRAM ADVISORY COMMITTEE.**

19 (a) **ESTABLISHMENT.**—

20 (1) **IN GENERAL.**—The Secretary shall establish
21 an advisory committee consisting of representatives
22 of the private, academic, and public sectors.

23 (2) **CONSIDERATIONS.**—In establishing the ad-
24 visory committee, the Secretary shall take into con-
25 sideration organizations in existence on the date of

1 enactment of this Act, such as the Materials Cor-
2 ridor Council and the Business Council for Sustain-
3 able Development-Gulf Mexico.

4 (b) CONSULTATION AND COORDINATION.—Depart-
5 ments and agencies of the United States to which funds
6 are made available under this Act shall consult and coordi-
7 nate with the advisory committee in identifying and imple-
8 menting the appropriate types of projects to be funded
9 under this Act.

10 **SEC. 9. FINANCIAL AND TECHNICAL ASSISTANCE.**

11 (a) IN GENERAL.—Federal departments and agencies
12 participating in the program may provide financial and
13 technical assistance to other organizations to achieve the
14 purpose of the program.

15 (b) APPLIED RESEARCH.—

16 (1) USE OF COOPERATIVE AGREEMENTS.—

17 (A) IN GENERAL.—Federal departments
18 and agencies shall, to the extent practicable,
19 use cooperative agreements to fund applied re-
20 search activities by organizations outside the
21 Federal Government.

22 (B) NATIONAL LABORATORIES.—In the
23 case of an applied research activity conducted
24 by a national laboratory, a funding method
25 other than a cooperative agreement may be

1 used if such a funding method would be more
2 administratively convenient.

3 (2) FEDERAL SHARE.—

4 (A) IN GENERAL.—The Federal Govern-
5 ment shall pay not more than 50 percent of the
6 cost of applied research activities under the pro-
7 gram.

8 (B) QUALIFIED FUNDING AND RE-
9 SOURCES.—No funds or other resources ex-
10 pended either before the start of a project
11 under the program or outside the scope of work
12 covered by the funding method determined
13 under paragraph (1) shall be credited toward
14 the non-Federal share of the cost of the project.

15 (c) BASIC RESEARCH AND EDUCATION AND TRAIN-
16 ING.—

17 (1) IN GENERAL.—Federal departments and
18 agencies shall, to the extent practicable, use grants
19 to fund basic research and education and training
20 activities by organizations outside the Federal Gov-
21 ernment.

22 (2) NATIONAL LABORATORIES.—In the case of
23 a basic research or education activity conducted by
24 a national laboratory, a funding method other than

1 a grant may be used if such a funding method would
2 be more administratively convenient.

3 (3) FEDERAL SHARE.—The Federal Govern-
4 ment may fund 100 percent of the cost of the basic
5 research and education and training activities of the
6 program.

7 (d) COMPETITIVE SELECTION.—All projects funded
8 under the program shall be competitively selected using
9 such selection criteria as the Secretary, in consultation
10 with the departments and agencies referred to in section
11 5(b), determines to be appropriate.

12 (e) ACCOUNTING STANDARDS.—

13 (1) WAIVER.—To facilitate participation in the
14 program, Federal departments and agencies may
15 waive any requirements for Government accounting
16 standards by organizations that have not established
17 such standards.

18 (2) GAAP.—Generally accepted accounting
19 principles shall be sufficient for projects under the
20 program.

21 (f) NO CONSTRUCTION.—No program funds may be
22 used for construction.

1 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

2 There is authorized to be appropriated to carry out
3 this Act \$5,000,000 for each of fiscal years 2000 through
4 2004.

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