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U.S. DEPARTMENT OF COMMERCE

BRIEFING HANDBOOK

LEGISLATIVE ISSUES

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U.S. DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

95TH CONGRESS, FIRST SESSION

OFFICE OF THE GENERAL COUNSEL

SEPTEMBER 1976

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DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

95th CONGRESS, 1st SESSION

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DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

OFFICE OF THE SECRETARY

FOREIGN PAYMENTS DISCLOSURE ACT

This legislation would require U.S. businesses and their foreign affiliates to report to the Secretary of Commerce payments made on their behalf to any other individual or in connection with business transactions with foreign governments or official actions by foreign public officials where such are for the commercial benefit of the payor or his foreign affilate. The Secretary would disseminate copies of the reports to certain other government agencies but otherwise would keep the reports confidential for one year. Thereafter, the reports would be made public unless specific objections in writing were made by the Secretary of State for foreign policy reasons or by the Attorney General on grounds that the status of an ongoing investigation or prosecution dictates against disclosure, other than through conventional judicial process. Authority would be provided to issue regulations to carry out the Act, including exemption from the reporting requirement of regular bona fide business payments and payments below an amount specified in the regulations. Civil and criminal penalties would be provided for failure to make required reports or to maintain the required records.

Draft legislation for this purpose, implementing the President's message of August 3, 1976, was transmitted to the Congress and introduced as S. 3741 and H.R. 15149.

Enactment of this legislation would require additional appropriations to the Department, the amount of which cannot now be estimated.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR DOMESTIC AND INTERNATIONAL BUSINESS

AMENDMENT AND EXTENSION OF THE EXPORT ADMINISTRATION ACT OF 1969

This legislation would extend the Act until September 30, 1979. In addition, the legislation would increase the maximum civil and criminal penalties which may be imposed for violations under the Act and would grant discretionary authority to defer or suspend a civil penalty for the duration of any probationary period imposed. The legislation would also deal with the question of the treatment domestically of boycotts by foreign nations against countries friendly to the United States.

Draft legislation simply extending the Act until September 30, 1979 was submitted to the Congress and introduced as H.R. 7665 and S. 3084. Subsequently, new legislation reflecting the additional amendments concerning penalties referred to above was submitted to the 94th Congress on April 26, 1976. The legislation passed both Houses in different form but failed of final passage in the closing days of the Congress. The Department proposes to include in its legislation for the 95th Congress, in addition to the proposals transmitted to the 94th Congress, the "Arab Boycott" provisions of S. 3084 as passed by the Senate, with modifications principally in the areas of "refusals to deal" and the exact scope of coverage of boycott legislation.

The budgetary impact of this legislation cannot be precisely estimated at this time.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

PART II

ITEMS NOT INCLUDED IN PART I

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

IMPLEMENTATION OF THE TRADE MARK REGISTRATION TREATY

In 1973, the United States and thirteen other countries signed the Trademark Registration Treaty. The Treaty is not self-executing and cannot be ratified by the United States until implementing legislation is enacted. Such legislation would be in the form of an amendment to the Trademark Act of 1946, as amended (15 U.S.C. 1051, et seq.).

The President transmitted the Treaty to the Senate on September 3, 1975 to secure its advice and consent to ratification. In the President's accompanying message, it was indicated that proposed implementing legislation would be forwarded to the Congress in the near future. A draft bill was forwarded by the Department to the Office of Management and Budget on November 17, 1975. Due to delays in receiving other agency comments, however, the Office of Management and Budget has not yet approved the introduction of the implementing bill.

When the Treaty enters into force it will establish an international trademark filing arrangement by which persons or companies in one of the member States can more easily register and maintain trademarks in each of the member States. The implementing legislation would effect the necessary changes in the Trademark Act.

The subject implementing legislation would not come into force until the Treaty enters into force. Entry into force of the Treaty requires the deposit of instruments of ratification of accession by five States. Three States have already acceded.

Enactment would not substantially affect appropriations of the Patent and Trademark Office. In the Statement of Purpose and Need forwarded to the Office of Management and Budget on November 17, 1975, increased costs were estimated to be less than one million dollars annually for the period 1978 through 1980, assuming 1978 as a feasible target date for the beginning of operations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

CLARIFICATION OF THE ELIGIBILITY REQUIREMENTS FOR APPOINTMENT TO THE TRADEMARK TRIAL AND APPEAL BOARD

Section 17 of the Trademark Act of 1946, as amended (15 U. S. C. 1067) sets forth the composition of the Trademark Trial and Appeal Board. This Board is an administrative panel within the Patent and Trademark Office. It is authorized by law to decide trademark appeals and inter partes trademark proceedings. A question has arisen whether section 17 as now worded permits vacancies on the Board to be filled by persons not employed by the Patent and Trademark Office at the time of their selection.

The proposed legislation removes any ambiguity, making it clear that the Commissioner of Patents and Trademarks has the power to appoint persons competent in trademark law to this Board whether or not they are employed by the Patent and Trademark Office at the time of their selection. The legislation also removes an outdated reference to "the position of examiner in charge of interferences" and adds the Deputy Commissioner to the list of persons who shall be members of the Board.

Draft legislation submitted to the Office of Management and Budget on August 27, 1976.

Enactment of this legislation would have no effect on the appropriations of the Patent and Trademark Office.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

REIMBURSE APPROPRIATIONS WITH PROCEEDS OF CERTAIN PATENT FEES

This legislation would permit the Patent and Trademark Office to reimburse appropriations from fees collected for services other than patent and trademark examining.

Although the simplest way of doing this would be to reimburse the appropriation directly, we would expect to explore with OMB alternative financing techniques to determine the most effective method of accomplishing that purpose. The use of such advances and reimbursements would enable, for activities specified by Congress, the expansion of services provided to the public, when requested and financed by customers. Reimbursement for costs incurred would also permit a reduction in direct appropriations, since appropriated funds would no longer be needed to finance those functions of the office covered by this provision (other than possibly a one-time appropriation of seed money). Of course, the miscellaneous receipts of the Treasury would be decreased by equivalent amounts.

A provision to this effect was included as section 41(d) of S. 2255, in the 94th Congress, for the revision of the patent laws. A similar provision was included in section 41(d) of S. 1308, the Administration's bill for the same purpose. Also, a draft bill was forwarded on January 30, 1975 to the Office of Management and Budget, in light of the uncertainty of prompt action on patent law revision.

This proposed legislation separates, from the substantive provisions of the proposed revision of the patent laws, a significant financing provision. This separation should help secure early enactment of this relatively uncontroversial provision.

Legislation is being prepared.

Enactment would involve a decrease in appropriations to the Patent Office in an amount equivalent to the decrease in revenues to the General Fund of the Treasury.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

COPYRIGHT PROTECTION FOR CERTAIN PUBLICATIONS DISTRIBUTED BY THE DEPARTMENT OF COMMERCE

This legislation would provide limited copyright protection for selected publications distributed by the National Technical Information Service (NTIS) under chapter 23, title 15, United States Code.

Under section 8, title 17, United States Code, no copyright may subsist in "any publication of the United States Government." The effect of this provision is largely to preclude NTIS from holding copyrights in the materials it distributes. Consequently, NTIS, which is obligated to operate on a self-sustaining basis, encounters increasing problems with certain customers who purchase a single copy of an expensive publication and reproduce that material for further distribution. This practice seriously inhibits the NTIS effort to distribute its products on a self-supporting basis.

Specifically, we propose an amendment to chapter 23, title 15, United States Code, which would permit NTIS to secure limited copyright protection (for example, seven years) for selected publications chosen because of their potential economic value and the likelihood of their unauthorized reproduction. Such an amendment would resemble the special copyright protection granted standard reference data under section 290(e), title 15, United States Code. Implementation of this proposed legislation not only would help to ensure that NTIS products and services continue to be furnished on a self-sustaining basis, but would also help to further the objectives of the President's R&D recoupment policy.

This problem was raised before the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Judiciary Committee in the May 8, 1975, testimony of the Assistant Commissioner for Patents and Trademarks on H.R. 2223, a bill for the general revision of the Copyright Law.

During Subcommittee consideration of H.R. 2223 and S. 22, a related Senate passed bill, a provision was added to S. 22 which would authorize the Secretary of Commerce to obtain a limited term copyright in selected works which he disseminates pursuant to the provisions of chapter 23, title 15, United States Code. Enactment of S. 22 containing this copyright provision would have obviated the need for the proposed legislation amending chapter 23, title 15, United States Code. However, this provision was deleted from the bill prior to final enactment, the Congress indicating that the matter warranted further consideration in the 95th Congress.

Draft legislation was submitted to the Office of Management and Budget on June 21, 1976.

Since implementation of this proposal will help NTIS to operate on a self-sustaining basis, no appropriation would appear to be necessary.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

AUTHORIZATION TO INVEST FUNDS MAINTAINED IN FIXED ASSET RESERVE AND CUSTOMER ADVANCES ACCOUNTS

The National Technical Information Service (NTIS) is directed by statute (15 U.S.C. 1153) to provide its products and services to the fullest extent feasible on a self-supporting or self-liquidating basis so that the general public shall not bear the cost of publications and other services which are for the special use and benefit of private groups and individuals.

On October 1, 1976, NTIS will assume the operations of its own agency accounting functions, a service previously provided by the National Bureau of Standards. As a part of its new accounting system, NTIS will maintain two funded reserve accounts. The Customer Advances account will contain funds advanced to NTIS by its customers and will be held in reserve to offset NTIS expenses incurred in supplying goods and services as orders are received from the customers. The Fixed Asset Reserve account will be funded from a predetermined portion of the receipts collected from NTIS sales of products and services and will be used to buy new equipment and to replace depreciated equipment as required. At the present time, the customer advances to NTIS total approximately $3.8 million. The current NTIS fixed asset reserve totals $.3 million.

This proposed legislation would permit NTIS to invest funds from its Customer Advances and Fixed Asset Reserve accounts in bonds or other obligations of or guaranteed as to principal and interest by the United States. In addition, this proposed legislation would specifically permit NTIS to retain in these reserve accounts the interest earned.

Generally, interest earned from investment of funds maintained in these two accounts would assist NTIS in offsetting its routine operating costs and further reducing the dependence of NTIS on appropriated funds, thereby helping to fulfill its statutory obligation to be as self-supporting as possible. Specifically, interest earned from investment of funds maintained in the Fixed Asset Reserve account would be used to defray increased fixed asset replacement costs resulting from inflationary economic conditions.

This proposed legislation is similar to a provision included in the Merchant Marine Act of 1936, as amended. Section 1102 of that act (46 U. S. C. §1272) establishes the Federal Ship Financing Fund. Moneys in that fund may be invested in bonds or other obligations of, or guaranteed as to principal and interest by, the United States.

Draft legislation is being prepared.

Since implementation of this proposal will help NTIS to operate on a self-sustaining basis, no appropriation would appear to be necessary.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

INCREASE IN AUTHORITY TO SETTLE CLAIMS

Under 33 U.S.C. 853 the Secretary of Commerce has the authority to settle claims of up to $500 arising other than by a negligent or wrongful act or omission of a government employee acting within the scope of his employment (claims arising by reason of a negligent or wrongful act or omission of a government employee acting within the scope of his employment are covered under the Federal Tort Claims Act). Legislation to increase to $2,000 the dollar amount of authorized settlements under 33 U.S.C. 853 is needed.

NOAA's many diversified scientific activities give rise to damage claims greater than $500. Although the element of negligence is often absent, such claims often should be compensated, based on moral obligations. The practice of settling such claims under the authority of the Federal Tort Claims Act (which has no dollar limitation) on the premise that color of negligence or omission can be found, is not a desirable procedure because such settlements establish undesirable precedents.

The category of claims NOAA would settle under 33 U.S.C. 853, if amended to increase the authorized dollar amount, would include those arising from:

1. weather instrument operations whereby instruments such as a radiosonde are sent into the atmosphere by a balloon which bursts after reaching an altitude of 5 or 6 miles and return to the ground by parachute - the descending instruments and parachute sometimes cause property damage without negligence on the part of the government (e.g., a cow eats the instrument and dies);

2. cloud seeding operations (e. g., too much rain for vegetable growers at harvest time);

3. the destruction of lobster pots and fish nets during non-negligent surveys;

4. unavoidable damage to private property by non-negligent triangulation and survey field parties; and

5. damage caused by breakaway buoys.

Draft legislation is being prepared.

Enactment of this legislation should not require any increase in appropriations inasmuch as NOAA averages only two claims per year.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF APPROPRIATIONS AUTHORIZATION UNDER SECTION 6 OF THE ENDANGERED SPECIES ACT OF 1973

The Endangered Species Act of 1973 (16 U.S.C. 1531-1543) was enacted in December 1973. Primary responsibility for this legislation was placed with the Departments of Commerce and the Interior.

The authorization for appropriations under section 6 of the Act for financial assistance to the States, expires on June 30, 1977. Under this section, the Act authorizes appropriations not to exceed $10 million. (This is the limiting amount for cumulative appropriations to both the Department of Commerce and the Department of the Interior.)

To carry out the purposes of section 6 of the Act, it is estimated that funds in the amount of $2. million will be required by the Department of Commerce in each of the fiscal years 1978 and 1979. Cooperation with the States in developing and administering programs for the conservation of endangered and threatened species is crucial and constitutes a major thrust of this Act and this Department's program. These monies would primarily be used to finance Federal/State cooperative agreements for the conservation of endangered and threatened species and Federal/State management agreements for the administration and management of areas established for the conservation of endangered or threatened species. Our proposal only reflects the needs of the Department of Commerce and not those of the Department of the Interior.

Legislation is vitally needed to continue the authorization under this Act.

This proposal would extend the appropriations authorization under section 6(i) of the Act through fiscal year 1979 at a level of $2 million annually for each of the fiscal years 1978 and 1979 for the Department of Commerce.

Draft legislation was submitted to the Office of Management and Budget on January 13, 1976.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF APPROPRIATION AUTHORIZATION FOR ACTIVITIES UNDER SECTION 15(B) OF THE ENDANGERED SPECIES ACT OF 1973

The Endangered Species Act of 1973 (16 U.S.C. 1531-1543) was passed in December 1973. Primary responsibility for this legislation was placed with the Departments of Commerce and the Interior. General authorization of appropriations under the Act for the Departments to carry out functions and responsibilities, other than certain financial assistance to the States under section 6, is provided for by section 15 of the Act. The authorization for appropriations under section 15 expires on September 30, 1978. This section, as amended by P.L. 94-325, authorizes to the Department of Commerce $2 million for FY 1976, $.5 million for the FY 1976 transitional period ending September 30, 1976, and not to exceed a total of $5 million for fiscal years 1977 and 1978. The authorization for appropriations under section 6 expires on June 30, 1977. Under this section, the Act authorized appropriations not to exceed $10 million. (This is the limiting amount for cumulative appropriations to both the Department of Commerce and the Department of the Interior.)

Under section 15 of the Act, funds in the approximate amount of $2.5 million will be required to carry out the program in each of the fiscal years 1979 and 1980. These figures represent the best estimate of our Department's need to implement the program. There are many unknown factors involved in predicting the future costs of the program since our program costs are directly related to the animals and plants listed on the U.S. Endangered and Threatened Species Lists and those under consideration for possible future listing. Also, the Convention on International Trade in Endangered Species of Wild Fauna and Flora entered into force and effect by its own terms on July 1, 1975, and was implemented by Executive Order No. 11911

on April 13, 1976. It is anticipated that the Department will have some additional administrative responsibilities as a result of the Convention. In addition, program needs under the section 15 authorization are largely dependent upon the role of the States under section 6. If a sufficient number of States do not enter into Federal/State agreements for implementation of the Act, then program needs under section 15 will increase substantially if the objectives of the Act are to be fulfilled.

Amendatory legislation is vitally needed to continue the authorizations under this landmark Act.

The preparation of draft legislation to extend both section 6 and sections 15(A) and (B) will have to be coordinated with the Department of the Interior. It is anticipated that the Department will recommend extension of section 15(b) for two years at a level of funding authorization which amounts to $2.5 million a year. The extension of section 6 of the Act is treated separately in another proposal for the 95th Congress.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

AMENDMENT OF THE TUNA CONVENTION ACT OF 1950

Section 8(a) of the Tuna Convention Act of 1950 (16 U. S. C. 957) makes it unlawful for a master or other person in charge of a U. S. fishing vessel to engage in fishing in violation of regulations adopted by the Secretary of Commerce to carry out recommendations of the Inter-American Tropical Tuna Commission. This section does not make it unlawful for persons subject to U. S. jurisdiction to engage in fishing in violation of any applicable regulations aboard a foreign vessel.

The proposed legislation would broaden section 8(a) to cover fishing aboard foreign vessels by such persons in violation of regulations and, thereby, would strengthen the Secretary's ability to carry out the recommendations of the Commission. No additional enforcement authority is provided.

Draft legislation was submitted to the Office of Management and Budget on October 10, 1975.

Enactment of this legislation is not expected to require any increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTEND SECTION 7 OF THE FISHERMEN'S PROTECTIVE ACT OF 1967

Section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977) authorizes the Federal Government to provide compensation to vessel owners and crews for financial losses resulting from the seizure of United States fishing vessels by foreign governments on the high seas or on the basis of rights or claims to territorial waters not recognized by the United States.

Public Law 92-594 extended the provisions of this section until July 1, 1977. The Department of Commerce/National Oceanic and Atmospheric Administration supports the objectives of this section and proposes to extend its provisions until October 1, 1979.

Draft legislation was submitted to the 94th Congress and introduced as H.R. 14500.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

UPPER-AIR EXPENDABLE PURCHASES

This legislation would amend section 325 of title 15 of the United States Code to authorize the Secretary of Commerce to purchase upper-air expendables (equipment sent aloft by balloons to monitor the atmosphere) from more than one contractor. Under federal procurement law, the Department is generally required to award contracts to the lowest responsible bidder. Historically, only one company has maintained a capability for producing upper-air expendables and that company, the lowest and only bidder, has been accepted. A second company has not had the financial inducement or need to tool up and produce the expendables at a price below the price bid by the long-time producer. As a result, the consequences of the historic supplier going out of business or its production being impaired or destroyed, either from economic reverses, strikes, or natural disasters, e.g., fire, tornado, or earthquake, would place in jeopardy the entire national meteorological program (civil or military) since no other companies now exist with the capability for producing these expendables on a scale large enough to meet the needs of the nation. The legislation would authorize the Secretary to negotiate with and to award contracts to more than one contractor at the same time to preclude a loss of service and capability to obtain data needed for routine forecasts (aviation, marine, agriculture) as well as for disaster warnings.

Draft legislation was originally submitted to the Office of Management and Budget on January 24, 1975. A revised draft bill was submitted on November 17, 1975.

Enactment of this legislation would involve some small additional appropriations to the Department. However, the exact level cannot now be determined. It would represent only the difference in price

between the lower bid and the higher bid of the second qualified bidder selected in order to develop an alternate source for the production of the upper-air expendables.

The National Weather Service's current total procurement under single source is approximately $4.3 million, including cooperative programs and DOD reimbursable support. It is expected that the total cost would increase about $150,000 annually with dual award procurements (award to two sources). An additional in-house cost of about $2,000 would be incurred due to dual contracting.

If, instead of authorizing purchases from multiple contractors, a stockpiling approach were used to meet emergencies, the cost for a 9-month minimum stockpile would be $3.2 million acquisition cost and $61,000 recurring costs. Also, stockpiling would require frequent turnover to prevent aging. The additional handling involved would result in an increase in costs which cannot now be estimated.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

AMENDMENT REGARDING SUNDAY PAY

Title 5, United States Code, section 5546, paragraph (a) provides that an employee who performs work during a regularly scheduled 8-hour period of service, which is not overtime work, a part of which is performed on Sunday, is entitled to pay for the entire period of service at the rate of his basic pay, plus premium pay at a rate equal to 25 percent of his rate of basic pay.

The Department proposes this section be amended to provide that premium pay would be paid only for the hours worked on Sunday.

This will solve a problem for activities which are manned continuously, i.e., 24 hours a day, 7 days a week, where it is efficient to schedule at least one employee to come in 1 to 3 hours before midnight or to stay an hour or 2 past midnight, because of work which must be done at fixed night-time hours. The present legislation requires us to either (1) fund for 16 hours of Sunday pay, or (2) schedule less efficiently by having night shifts begin and end at midnight. For example, a shift beginning at 10 p.m., 7 days a week, requires 8 hours Sunday pay for the shift beginning 10 p.m. Saturday and 8 hours for the shift beginning 10 p.m. Sunday, a total of 16 hours. Under this amendment, we would pay 6 hours Sunday pay for the shift beginning 10 p.m. Saturday and 2 hours Sunday pay for the shift beginning 10 p.m. Sunday, a total of 8 hours. About 100 National Weather Service offices are involved, the majority of which are sacrificing efficiency by beginning and ending all night shifts at midnight rather than going to the expense of paying double Sunday pay. The proposed amendment would allow the scheduling flexibility which existed before the existing Sunday pay legislation was enacted.

Draft legislation is being prepared.

Enactment of this legislation would require no additional appropriations and, in fact, could save a small amount of money (amount undetermined). The main effect would be to increase flexibility in scheduling.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

PROVIDE FOR MORE EFFECTIVE UTILIZATION OF OFFICERS OF THE UNIFORMED SERVICES

This legislation would permit the permanent voluntary transfer of commissioned officers of the Armed Forces, the National Oceanic and Atmospheric Administration (NOAA), and the Coast Guard when authorized by the Secretaries concerned. Such interservice transfers are presently authorized between the military services and between the military services and the Coast Guard. The legislation would expand existing authority so as to include the NOAA Commissioned Corps.

At the present, if an officer of the Armed Forces or the Coast Guard desires to transfer to the NOAA Commissioned Corps, he must resign his commission and seek a new commission in NOAA. Full utilization of "surplus" Armed Forces officers has not been possible because NOAA's statutory authority limits appointments to the lowest three grades. This legislation would remove that restriction in the case of lateral transfers.

The legislation would also amend existing law so as to treat the NOAA Commissioned Corps the same as officers of the Armed Forces for purposes of unemployment compensation and advance payment of pay and allowances.

Draft legislation was submitted to the 94th Congress and was introduced as H. R. 14726.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF APPROPRIATION AUTHORIZATIONS FOR OCEAN DUMPING RESEARCH (TITLE II), AND MARINE SANCTUARIES (TITLE III), UNDER THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

The Marine Protection, Research, and Sanctuaries Act of 1972 provides for the regulation of ocean dumping, research on the effects of ocean dumping, and on other man-induced changes to ocean ecosystems, and the designation, acquisition, and administration of marine sanctuaries. The administration of the research provisions of the Act - Title II is the responsibility of the Department of Commerce. Funding authority for Title II research is contained in section 204 of the Act, which authorizes $5.6 million for FY 1977. Section 204 supports the following sections of the Act: Section 201 initiation of a program of monitoring and research regarding the effects of dumping of materials into ocean waters; section 202 - research into the long-range effects of pollution, overfishing, and other man-induced changes to ocean ecosystems; and section 203 - promotion of programs of research for determining means of minimizing or ending ocean dumping.

The administration of the marine sanctuaries provisions of the Act - Title III - is also the responsibility of the Department of Commerce. Section 304 of the Act authorized to be appropriated funds to be used by the Secretary of Commerce to acquire, develop and manage marine sanctuaries. As this program becomes known to the public, the number of nominations is expected to increase as nominations may be made by an individual. In fiscal year 1975, the first marine sanctuary, the U.S.S. MONITOR, was designated in North Carolina. Other nominations have ranged from a proposal to preserve as a marine habitat, coral reefs near Florida, to a killer whale reserve in Puget Sound.

A draft bill extending section 204 funding authority through FY 1979 at the then existing annual level ($6 million) was submitted to the Office of Management and Budget on January 28, 1975. Public Law 94-62, which was signed by the President on July 25, 1975, authorized $1.5 million for the transition period (July 1 through September 30, 1976). Public Law 94-326, signed June 30, 1976, authorized $5.6 million for FY 1977.

P. L. 94-62 extended section 304 through September 30, 1976, authorizing $6.2 million for FY 1976 and $1.55 million for the transition period. Draft legislation authorizing a total of $500,000 for title III for fiscal years 1977 and 1978 was transmitted to the 94th Congress. P. L. 94-326 authorized $500,000 for fiscal year 1977 only.

This Department recommends extension of funding authority under section 204 in the amount of $8.0 million for each fiscal year through September 30, 1979. The additional $2.4 million is needed to adequately support additional efforts under sections 202 and 203 and accommodate inflation.

This Department recommends extension of funding authority under section 304 for two years. Funding for FY 1978 would be at the current level of $500,000. The funding level for FY 1979 will be determined upon the conclusion of an on-going study.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTEND THE NATIONAL SEA GRANT PROGRAM

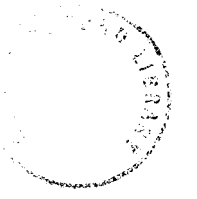
This legislation would extend the appropriation authorization of the National Sea Grant Program through fiscal year 1979 at the existing level.

The Sea Grant Improvement Act of 1976 was approved on October 10, 1976 (P. L. 94-461). The Act authorizes the Secretary to make grants and contracts on a matching funds basis and authorizes the program at a $50 million level for fiscal year 1977, which is identical to the amount authorized for fiscal year 1976.

The new law broadens the basic sea grant program. It provides assistance to promote a strong educational base, responsive research and training activities, and broad dissemination of knowledge. It authorizes study of national issues beyond a local or regional focus, and also provides for a program of international marine cooperation assistance to assist developing nations in increasing their understanding of the role that marine science can play in ocean resource consideration and development.

The National Sea Grant Program, during the past decade, has proven effective in coordinating the inter-disciplinary resources of our institutions, universities and laboratories in providing the necessary bridge between oceanic and coastal research and program application. The continuation of this vital Federal ocean and coastal research program is necessary to maintain coordinated national research efforts and national research expertise, and to insure continued United States leadership in the field of ocean and coastal research.

Draft legislation is being prepared.



DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF THE COMMERCIAL FISHERIES RESEARCH AND DEVELOPMENT ACT OF 1964

The Commercial Fisheries Research and Development Act of 1964 (P. L. 88-309) contains three separate authorizations for appropriations to carry out the purposes of the Act. These authorizations, contained in sections 4(a), 4(b), and 4(c) of the Act, (16 U.S.C. 779b (a), (b), and (c)), all expire on September 30, 1978. The proposed amendment to the Act would extend all three authorizations for five years through fiscal year 1983 at the current levels - $5,000,000 annually for section 4(a) for apportionment to the states to carry out the purposes of the Act; $1,500,000 annually for section 4(b) to be made available to the states for the purposes of restoring fisheries affected by failures due to disasters from natural or undetermined causes; and $100,000 annually for section 4(c) to be made available to the states for developing new commercial fisheries.

The Act has proven to be extremely useful in encouraging the development of the commercial fisheries resources of the nation. The states, through the matching fund program of the Act, have found the Act to be one of the best federal aid programs available for the conservation of fish and wildlife resources. With the enactment of the Fishery Conservation and Management Act of 1976, the programs authorized under P. L. 88-309 become even more valuable leading toward self-sufficiency in the U.S. commercial fishing industry and optimum utilization of the available fisheries resources.

Other legislation to amend the Commercial Fisheries Research and Development Act has previously been proposed by the Department and was introduced in the 94th Congress as S. 2727 and

H. R. 10883, but not enacted. The Department's Legislative Program for the 1st Session, 95th Congress includes such a proposal. Those provisions may be combined with this proposal for submission as a package.

Draft legislation is being prepared.

Enactment of the legislation would continue the current appropriation authorization.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF SECTION 114(a) OF THE MARINE MAMMAL PROTECTION ACT

Section 114(a) of the Marine Mammal Protection Act is the general authorization for appropriations to carry out the functions assigned to the Department of Commerce to implement the Act. Funds for grants to the states and special research activities concerning commercial fishing methods and gear are separate authorizations.

Extension of section 114(a) is necessary in order for the Department to continue the vitally important marine mammal program currently underway. This program has resulted in a number of significant research and management accomplishments involving the complicated relationships of marine mammals and the other living resources of the oceans. Additionally, with legal challenges involving the implementation of the Act and the relationship between the harvest of tuna and the protection of porpoise, it is imperative that the Department continue its activities which are designed to seek a point of accommodation among all the competing interests.

This legislation would extend and increase the authorization through fiscal year 1980 at a level of $8 million annually. During the 94th Congress the Marine Mammal Commission developed a draft bill which was transmitted to Congress as an Administration proposal. It was ultimately introduced as H. R. 14731. Among other things, that bill would extend the authorization for section 114(a) for one year at the $4 million level. While we support that extension we think it would be preferable and more efficient to extend the authorization for three years instead of just for a single year and to increase the authorization to a level of $8 million annually instead of $4 million.

Draft legislation is being prepared.

The bill would authorize appropriations of $8 million annually.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

PERMIT DELEGATION OF AUTHORITY FOR THE ENFORCEMENT OF TITLE III OF THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972.

Under Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 the Secretary of Commerce is charged with the responsibility of assuring that regulations promulgated to control activities occurring within designated marine sanctuaries are enforced. At present, the Secretary cannot delegate the enforcement responsibilities to the states in which marine sanctuaries are located or to states which are adjacent to marine sanctuaries.

Many states currently have both the capability and desire to undertake marine sanctuary enforcement responsibilities. In order to facilitate uniform management of these areas, it is proposed that the Secretary be allowed to contract with the states to assist in the enforcement of regulations with respect to citizens of the United States.

The Secretary would be authorized to enter into agreements with state officials for the delegation of the administration and enforcement of the provisions of Title III, provided that any agreement shall contain provisions the Secretary deems appropriate to insure that the purposes and policies of this title will be carried out.

Draft legislation is being prepared.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EXTENSION OF AUTHORITY FOR THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE (NACOA)

This legislation, which the Department is proposing on behalf of NACOA, would provide for a three year extension of authorizations for NACOA.

NACOA was established by Public Law 92-125 of August 16, 1971, to consist of 25 non-federal members having an interest and expertise in oceanic and atmospheric affairs. NACOA (1) continuously reviews the nation's marine and atmospheric policies and programs, (2) reports to the President and the Congress annually and upon request, and (3) advises the Secretary of Commerce with respect to the carrying out of the purposes of the National Oceanic and Atmospheric Administration (NOAA).

The Secretary of Commerce, to whom NACOA's support functions are presently assigned, was initially authorized the sum of $200,000 per year by the enabling Act. This was amended by P. L. 92-567 in 1972 to provide $400,000 per year through fiscal year 1975. P. L. 94-69, August 5, 1975, increased the authorization to $445,000 for fiscal years 1976 and 1977 with $111,250 for the transitional period between the two years caused by a redesignation of fiscal year. The latter law also specifically included national ocean policy and coastal zone management in NACOA's purview and authorized the Committee to respond to requests for advice from the Congress.

NACOA has maintained a highly active mode of operation, meeting 9 to 10 times a year in full session. However, the Committee itself is limited in its ability to expand its activities and must depend more on the staff as its advice is increasingly sought and its history lengthens. The Congress is concerned for the timeliness as well as the breadth

of response from the Committee and timeliness requires resident experts on the staff. The Committee is in general agreement that current staff is stretched to the limit and that response to requests for reports and advice from both the President, and increasingly, from the Congress, will begin to suffer. Support of the anticipated level of activity requires a core staff of twelve professionals and nine non-professionals.

Legislation was submitted to the 94th Congress on June 4, 1976, but not introduced.

Enactment of this legislation would provide authorizations of such sums as may be necessary for fiscal years 1978, 1979, and 1980.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AUTHORIZE APPROPRIATIONS FOR CERTAIN MARITIME ACTIVITIES

Section 209 of the Merchant Marine Act, 1936, provides that for certain maritime activities, appropriations after December 31, 1967, are authorized only if specifically authorized by law. The proposed legislation will include an authorization for each of the activities specified in that section in the amount for that activity contained in the Department of Commerce's budget submission for fiscal 1978.

Draft legislation is being prepared.

Enactment of this legislation will permit appropriations of funds for these activities as provided in the budget for fiscal 1978.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AUTHORIZE PURCHASE OF VESSELS FOR THE NATIONAL DEFENSE RESERVE FLEET

Under existing authority in section 510 of the Merchant Marine Act, 1936, as amended, the Secretary of Commerce may acquire any obsolete vessel (defined) in exchange for an allowance of credit upon the purchase price of a new vessel, and certain mariner class vessels in exchange for obsolete vessels in the National Defense Reserve Fleet (NDRF) that are scheduled for scrapping. Vessels acquired by the Secretary in this manner must be placed in the NDRF, established under authority of section 11 of the Merchant Ship Sales Act, 1946, as amended. The NDRF is comprised principally of vessels built during World War II, many of which are no longer suitable for national defense purposes.

There is a very limited supply of mariner class vessels available for acquisition through exchange, and few other obsolete vessels may be expected to become available to the NDRF through exchange where new vessels are purchased. In order to facilitate the implementation of a systematic program to upgrade and strengthen our NDRF, it is recommended that legislation be enacted which would authorize the Secretary to purchase for placement in the NDRF, on a regular basis, vessels constructed in the United States that have never been under foreign documentation.

Draft legislation is being prepared.

With a goal of an NDRF of 100 more modern ships, if ships are purchased and placed in the NDRF at age 20 and scrapped at age 30, it is projected that the purchase of 10 ships would be required each year. An average price of $5 million per ship is estimated for the next few years, for an annual cost of $50 million.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

EXTENSION AND EXPANSION OF SECTION 510(i) OF THE MERCHANT MARINE ACT, 1936

Section 510(i) now provides that the Secretary of Commerce is authorized, until January 2, 1977, to acquire mariner class vessels built under title VII of the Merchant Marine Act, 1936, and Public Law 911, 81st Congress, in exchange for obsolete vessels in the National Defense Reserve Fleet that are scheduled for scrapping. The traded-out vessel is to be valued at its scrap value and the traded-in vessel is to be valued at its scrap value, plus the fair value of the cost of towing the traded-out vessel to its place of scrapping. The purpose of this section is to upgrade the National Defense Reserve Fleet. There are 27 general cargo vessels eligible to be traded-in under this section, which would upgrade the National Defense Reserve Fleet. We, of course, do not expect the trade-in of any vessel for which there is a profitable commercial use. There are some vessels, however, that we think will be scrapped, unless they are traded-in under this program. All vessels now in the Reserve Fleet were built during World War II and they have served extensively in World War II, the Korean War and the Vietnam War.

This proposal is to extend the expiration of the section indefinitely, and to include, among the vessels that may be traded-in, any general cargo vessel built in the United States after 1950, which has never been under foreign documentation.

Draft legislation was submitted to Congress on August 26, 1976.

Enactment of this legislation would require no increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

PERMIT UNITED STATES CITIZENS TO DEPOSIT EARNINGS FROM THE OPERATION OR SALE OF FOREIGN-FLAG VESSELS IN THEIR CAPITAL CONSTRUCTION FUNDS

Some American corporations have foreign subsidiaries that operate foreign-flag vessels. The earnings of these vessels are not subject to United States income taxation if they are reinvested in certain "qualified shipping assets". If such earnings are invested abroad, for example, in the construction of other foreign-flag vessels, they are never subject to United States income taxation. This proposal is to permit the parent to deposit dividends from such a subsidiary in the parent's capital construction fund on a tax-deferred basis, thus committing such dividends to the construction of American flag vessels.

Draft legislation was originally submitted to the Office of Management and Budget on January 6, 1975. A revised legislative draft of this proposal was submitted to the Office of Management and Budget on December 22, 1975.

Enactment of this legislation would require no increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AUTHORIZE THE SECRETARY TO GUARANTEE TITLE XI OBLIGATIONS IN AMOUNTS UP TO 87-1/2 PERCENT OF THE ACTUAL COST OF ALL UNSUBSIDIZED VESSELS

Under section 1104, Merchant Marine Act, 1936, as amended, the Secretary of Commerce is authorized to guarantee loans for the construction, reconstruction or reconditioning of vessels. If the vessel is being constructed without the aid of construction-differential subsidy (CDS), the Secretary is authorized to guarantee obligations in an amount up to 87-1/2 percent of the actual cost of certain vessels described in Title V and Title XI. The Secretary may guarantee obligations with respect to other vessels in an amount not to exceed 75 percent of their actual cost.

The differentiation between various classes of non-CDS vessels causes confusion and uncertainty on the part of applicants, is without any known valid reason, and cannot be economically or otherwise justified. This proposal would alleviate these problems and provide uniform treatment for all unsubsidized vessels.

Draft legislation is being prepared.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AMEND SECTION 1105, MERCHANT MARINE ACT, 1936, TO ALLOW PAYMENT BY SECRETARY WHERE TIMELY DEMAND NOT MADE

Section 1105(b) of the Act provides "In the event of a default under a mortgage, loan agreement, or other security agreement between the obligor and the Secretary of Commerce, the Secretary of Commerce may notify the obligee or his agent of such default and the obligee or his agent shall have the right to demand at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than sixty days from the date of such notice, payment by the Secretary of Commerce of the unpaid principal amount of said obligation and of the unpaid interest thereon." The primary problem with this language is that if the obligee or his agent fails, for some reason, to make the demand for payment within the sixty-day period, the guarantee lapses and the Secretary can no longer legally make payment under the guarantee.

It is recommended that section 1105(b) be amended to provide that irrespective of the provision of any valid contract of insurance or any agreement with respect to the guarantee of obligations requiring that demand for payment by the Secretary under the contract or agreement be made not later than 60 days after notice of default, the failure to make such timely demand shall not terminate the Secretary's responsibility to make payment of all unpaid debt principal and interest accruing up to the date by which demand for payment was required. The proposed legislation would carry out the spirit of the 1972 amendment to section 1102(d) providing that innocent bond purchasers be protected with a guarantee backed by

"the full faith and credit of the United States". In addition, the amendment will clearly define the bondholders' rights and the Government's responsibility to bondholders, if there is a failure to make timely demand.

Draft legislation is being prepared.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AMEND SECTION 1108, MERCHANT MARINE ACT, 1936, TO ALLOW THE ENTIRE PROCEEDS OF TITLE XI OBLIGATIONS TO BE DEPOSITED IN THE ESCROW FUND

Section 1108(a) of the Merchant Marine Act, 1936, as amended, authorizes the Secretary of Commerce to accept and hold in escrow the excess of the principal amount of all obligations over 75 percent or 87-1/2 percent (whichever is applicable) of the amount paid by or for the account of the obligor. The Secretary requires that the principal amount of obligations equal to 75 or 87-1/2 percent of amounts already paid by or for the account of the obligor, which cannot be deposited into the escrow fund, be deposited into another fund under control of the Secretary ("construction fund") in a bank until such time as the obligor has paid in his required 12-1/2 or 25 percent of the cost of vessel construction. This proposed legislation would allow the Secretary to accept and hold in escrow the entire amount of proceeds from the sale of obligations, thus eliminating the need for a construction fund. It would simplify the Title XI financing procedure and reduce the administrative burdens of the Maritime Administration.

Draft legislation is being prepared.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

AUTHORIZE THE GOVERNOR OF THE CANAL ZONE TO NOMINATE WOMEN FOR ENROLLMENT AT THE UNITED STATES MERCHANT MARINE ACADEMY

Section 216(b) of the Merchant Marine Act, 1936, authorizes the Secretary of Commerce to maintain a Merchant Marine Academy at Kings Point, New York, for the instruction and preparation for service in the Merchant Marine of selected persons as officers. The section provides for the nomination of qualified candidates, without distinction as to sex except that with regard to the two vacancies allocated to the Canal Zone, the section provides that the vacancies shall be filled from among the sons of residents of the Canal Zone and the sons of personnel of the United States Government and the Panama Canal Company residing in the Republic of Panama. The Maritime Administration has amended its regulations to authorize nomination of both men and women, except from the Canal Zone. This proposal is to amend the statute to permit both men and women to be nominated from the Canal Zone so as to provide equal employment opportunity for potential women nominees in the maritime industry.

Draft legislation was submitted to the 94th Congress and introduced as S. 914, H.R. 708 and H.R. 1074.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

CLARIFY STATUS OF CERTAIN MERCHANT SEAMEN

This legislation would clarify the status of United States merchant seamen who are employed on vessels that are owned by the United States and are operated for the Maritime Administration by agents under General Agency Agreements (GAA). The Act of March 24, 1943 (50 U. S. C. App. 1291) would be amended to provide specifically that GAA seamen are exempt from the application of all laws that are generally applicable to Federal civilian employees, unless they are specifically included within the scope of such laws by provision therein. Such laws relate to the manner of employment and rights, benefits, duties and restrictions incident to such employment. The Civil Service Commission has ruled informally that GAA seamen are subject to all laws generally applicable to Federal civilian employees, except those that specifically exempt them from their application. In practice, these laws have not been applied to GAA seamen. The costs of providing benefits under these laws to GAA seamen, as well as costs of handling claims for benefits, could be substantial.

Legislation is being drafted.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

CLARIFY STATUS OF NON-APPROPRIATED FUND PERSONNEL

In 1952, Congress enacted P. L. 397, 82nd Congress, which, as amended, provides that employees of non-appropriated fund activities of the Army, Navy, Air Force and Marine Corps are not employees of the United States for purposes of laws administered by the Civil Service Commission or the provisions of the Federal Employees Compensation Act. They are, however, compensated under the Prevailing Rate System applicable to Federal wage board or blue-collar workers. Disability and death benefits for such employees are covered under the Longshoremen's and Harbor Workers' Compensation Act. The provisions of this Public Law have since then been codified in title 5 of the United States Code. This codifying legislation does not include employees of the Ship's Service Department, a non-appropriated fund activity at Kings Point. This proposal is to amend this legislation to include such employees. The legislation would merely clarify our authority to pay these employees at prevailing rates (including paid vacations and sick leave, and employee benefits, such as group life insurance and health insurance), remove any question that they are entitled to death and disability benefits for job-related injuries by placing them under the Longshoremen's and Harbor Workers' Compensation Act rather than State Workmen's Compensation Acts as at present, and make clear that they are not entitled to the benefits available to Federal employees.

Draft legislation was submitted to the 94th Congress and introduced as H. R. 8006.

Enactment of this legislation would require no increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

ENERGY POLICY AND CONSERVATION ACT

P. L. 94-163, the Energy Policy and Conservation Act of 1975 (42 U. S. C. 6201, et seq.) authorizes the Federal Maritime Commission (FMC) and other regulatory agencies to propose energy conservation programs for those activities regulated by each agency. FMC's responsibility affects only about 15 percent of the total maritime industry. It does not extend to domestic waterborne carriers. This Department's Maritime Administration has consistently promoted voluntary energy conservation efforts in the maritime industry by disseminating information and providing a forum for the exchange of information through seminars and symposia.

Amendment of the Energy Policy and Conservation Act to give the Department (Maritime Administration) the responsibility for overseeing the energy conservation efforts of the maritime industry would recognize our expertise in this area.

Legislation is being drafted.

Enactment of this legislation would require no increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

MARITIME ADMINISTRATION

EXTEND THE USE OF CAPITAL CONSTRUCTION FUNDS TO THE CONSTRUCTION OF VESSELS FOR OPERATION ON THE INLAND WATERWAYS AND IN THE CONTIGUOUS DOMESTIC TRADE

The tax-deferral benefits of section 607 of the Merchant Marine Act, 1936, are presently available to vessel operators in the U. S. foreign, domestic noncontiguous and Great Lakes trades. Excluded from eligibility are operators of vessels in the coastwise-intercoastal and inland waterways trades. In these latter trades, doubling of transportation requirements in this decade is forecast. The contribution of these water carriers in meeting our national energy transportation requirements is enormous, and their capacity must be greatly expanded to meet the increasing energy transportation needs of the future. Therefore, operators must have the ability to accumulate the capital needed for fleet expansion, renewal and upgrading.

This proposal would permit operators of vessels in the coastwise-intercoastal and inland waterways trades to establish capital construction funds under section 607. Deposits in these funds, representing tax-deferred income and depreciation, would be available to finance the construction of new vessels, including those to be used in our domestic commerce.

Draft legislation was submitted to the Office of Management and Budget on January 24, 1975.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR TOURISM

REVISION OF PROCEDURES AND REQUIREMENTS FOR FEDERAL RECOGNITION OF AND PARTICIPATION IN INTERNATIONAL EXPOSITIONS

By P. L. 91-269 (84 Stat. 271, 22 U. S. C. 2801) (the Act), Congress established a procedure to govern Federal recognition of and participation in international expositions proposed to be held in the United States. This legislation was enacted shortly after the United States became a member-nation of the Bureau of International Expositions (BIE), the intergovernmental organization which regulates the timing and frequency of expositions around the world so that host countries are protected from the need to compete for participating exhibitors, visitors, and media attention. In addition to establishing standards, criteria, and procedures to assure proper intervals between different categories of expositions, the BIE has also promulgated model rules for their conduct.

The Act was intended to complement the accession of the United States to the BIE Convention, as well as to prevent potential exposition organizers from requesting of the Congress funds for a U. S. pavilion (grant of which would imply Federal approval of the exposition), until several significant steps have been taken. Specifically, under the Act, Federal recognition of an exposition cannot be accomplished until:

1. A thorough study of the event has been made by the Department of Commerce, with an evaluation of the purposes and reasons for the exposition and a determination that guaranteed financial and other support has been secured from all sources; and

2. A report has been prepared by the State Department, stating that the proposed exposition is qualified for registration by the BIE.

Actual Federal recognition requires Presidential acceptance of favorable reports from the Secretaries of Commerce and State, and his approval to proceed with BIE registration.

After Federal recognition and BIE registration of an exposition have been accomplished, the Executive Branch may approach Congress for the necessary approval of, and funding for, Federal participation.

Pursuant to the Act, this may be done only after a detailed plan has been prepared by the Department of Commerce on the nature and extent of Federal participation. In preparing such a plan, the Act requires that consideration be given to whether the Federal Government would have a need for a permanent Federal facility in the area of the exposition. If such a need is established, consideration must be given to making a condition of Federal participation the sponsor's deeding over the site for the Federal pavilion in fee simple, free of liens and encumbrances.

Experience to date has proven these provisions of the Act to be an effective screening device, ensuring that only the most serious organizers will take on the challenge of mounting an exposition and meeting the tests for Federal recognition and BIE registration. However, we have also found that the success of any exposition held in the U. S. is highly dependent upon Federal participation. The proposed amendments would provide for Congressional involvement in the recognition/participation procedures earlier in the overall study process than is now authorized. In this way, should Congress decide against Federal participation, the plans of the exposition organizers could be terminated, if they so desired, without serious adverse consequences.

Moreover, in accordance with the recommendations contained in a June 1976 GAO study on residual use of U.S. Federal Government pavilions at international expositions, the proposed amendments would address planning, designing, and funding problems in order to increase the likelihood of Federal residual use or reduce construction costs where no such use was anticipated.

In addition, the proposed amendments would provide for the designation of a Commissioner General for the exposition at an early stage of the process, together with adequate funding for his staff. The Commissioner General would have, among his other duties, the responsibility for presenting the exposition plans to the BIE, and securing BIE registration.

Legislation is being drafted.

Enactment of this legislation would require additional funding in amounts necessary to complete the required studies on recognition and participation by the Department of Commerce and to fund the Commissioner General and his staff. At present, the Act authorizes a total of $200,000 to carry out its provisions. Any additional funding would be required only in years when international expositions are under consideration or are taking place.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

OFFICE OF MINORITY BUSINESS ENTERPRISE

STATUTORY AUTHORIZATION FOR A MINORITY BUSINESS DEVELOPMENT AND ASSISTANCE ADMINISTRATION

In carrying out its activities, the Office of Minority Business Enterprise (OMBE) presently relies upon the general powers of the Secretary of Commerce to foster and promote commerce (15 U.S.C. 1512), Executive Order 11625 and Title III (grant authority) of the Public Works and Economic Development Act of 1965, as amended.

The proposed legislation would elevate OMBE to the level of an administration and create a new Assistant Secretary of Commerce for Minority Business. In addition, it would give the Secretary of Commerce minority enterprise contract and grant authority for the provision of management and technical assistance. The present authorities of the Secretary of Commerce under Executive Order 11625 would continue to be exercised by the Secretary under the new statutory authorization.

The proposed legislation would give the federal minority enterprise program added prestige and strengthen the ability of the DOC to mobilize the delivery of federal, state and local, and private resources to minority entrepreneurs. In addition, it would give the Congress and this Administration an opportunity to endorse the achievements of the program and provide evidence that the program is not of a transitory nature.

Draft legislation is being prepared. Related bills to provide statutory authority for OMBE, e.g., S. 2617 and H.R. 14483, were introduced during the 94th Congress.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT

TECHNICAL AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965, AS AMENDED.

This legislation would amend the Public Works and Economic Development Act of 1965, as amended, in certain technical respects for the purpose of deleting obsolete matter, and modifying and clarifying requirements of the Act in the interest of effective administration in advancing the achievement of the purposes of the Act.

For example, one proposed amendment would delete from section 202(a)(1)(C) the restriction on loan guarantees to loans made by private lending institutions to private borrowers for the purpose of financing, within a redevelopment area, the purchase or development of land and facilities. This would permit EDA to guarantee loans by or to public or quasi-public institutions, such as development organizations. This proposed amendment would also authorize EDA to guarantee evidences of indebtedness in addition to loans and would exclude from the loans that may be guaranteed those governmental obligations the interest on which is exempt from Federal taxation.

Draft legislation is being prepared.

Enactment of this legislation would have no impact on appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT

TECHNICAL AMENDMENTS OF CHAPTERS 3 AND 4 OF TITLE II OF THE TRADE ACT OF 1974 RELATING TO ADJUSTMENT ASSISTANCE TO FIRMS AND COMMUNITIES

These proposed amendments would make certain technical corrections to the Trade Act of 1974 to enable the Secretary of Commerce to administer properly chapters 3 and 4 of the Trade Act, and his remaining responsibilities under the Trade Expansion Act of 1962. In addition, this legislation would make certain amendments to the appropriation authorizations, revolving fund and other financial provisions of the Act to correct technical deficiencies that would otherwise hinder the Secretary in his performance of his functions.

Draft legislation has been prepared. However, it will be held in abeyance until such time as the Administration determines it would be appropriate to request amendments to the Trade Act.

Enactment of this legislation would have no impact on appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

OFFICE OF REGIONAL ECONOMIC COORDINATION

AUTHORIZATION TO SUPPLEMENT FEDERAL GRANT-IN-AID PROGRAMS

Section 509(c) of title V of the Public Works and Economic Development Act of 1965, as amended (PWEDA), defines the term "Federal grant-in-aid" as all federal grant-in-aid programs in existence on or before December 31, 1970 assisting in the acquisition of land or the construction or equipment of facilities. The date of December 31, 1970, has not been changed in recent amendments to the statute. By contrast, the Administration in proposing legislation to extend the funding authority of the Appalachian Regional Commission modified similar language in the Appalachian Act to reflect a date of December 31, 1978. This language has been retained by the Senate in passing H. R. 4073, although another part of the section in question was modified and the Appalachian funding authorization under H. R. 4073 would expire September 30, 1977.

Accordingly, we propose that the December 31, 1970 date in section 509(c) of title V of PWEDA be changed to December 31, 1979.

Draft legislation was submitted to the Office of Management and Budget on February 17, 1976. S. 2228 and H. R. 9398, bills extending and amending PWEDA would accomplish this purpose.

Enactment of this proposal would not require additional appropriations; it would permit greater flexibility and effectiveness in the use of supplemental grant funds.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

AUTHORIZE APPROPRIATIONS FOR THE FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974

This legislation would authorize appropriations for the continuation of the programs of the National Fire Prevention and Control Administration and the Fire Research Center for fiscal years 1979-1980.

Draft legislation authorizing appropriations of such sums as may be necessary to continue the programs for fiscal years 1977 and 1978 was submitted to Congress on November 26, 1975, and introduced as S. 2862 and H. R. 11506. H. R. 12567, a clean bill, providing specified authorizations through fiscal year 1978, was cleared by Congress but was vetoed by the President on July 7, 1976, because it also contained an unacceptable Congressional veto provision with respect to plans for the Fire Academy. Subsequently, authorizations for fiscal years 1977 and 1978, omitting the objectionable provision, were enacted as P. L. 94-411.

Legislation is being drafted.

The legislation would authorize appropriations of such sums as may be necessary.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ADMINISTRATION

ADDITIONAL ASSISTANT SECRETARY

This legislation would authorize an additional Assistant Secretary of Commerce.

This position is required in order to establish the position of Assistant Secretary for Economic Affairs. The Assistant Secretary would be the principal economic advisor to the Secretary and to other officials within the Department; would serve as the Department's liaison with the Council of Economic Advisers and with other high-level economic officials of the Government; and would exercise policy direction and general supervision over the Bureau of the Census and the Bureau of Economic Analysis.

These functions are currently assigned to the Chief Economist of the Department. Experience with this arrangement has shown, however, that effective performance of these functions requires a top official who has the confidence of the Secretary and the Administration, and who has been appointed by the President, by and with the advice and consent of the Senate. An individual in such a position will be better able to participate in and have an impact upon departmental and government-wide economic policy decisions.

Draft legislation was submitted to OMB on September 16, 1976.

Enactment of this legislation is not expected to require any additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ADMINISTRATION

PROVIDE PROTECTION FOR THE SECRETARY OF COMMERCE

This legislation would make it a federal crime to assault or kill the Secretary of Commerce, the Under Secretary of Commerce, or any Department of Commerce special agent, investigative or security officer assigned to the protection of the Secretary or the Under Secretary. In addition, the legislation would authorize special agents, investigative and security officers of the Department of Commerce to protect the Secretary and the Under Secretary of the Department. Finally, the legislation would provide specific authority to the Secretary to designate investigative and security officers who could make arrests and, if qualified in their use, carry firearms while assigned to the protection of the Secretary and the Under Secretary.

Draft legislation was submitted to the Office of Management and Budget on May 9, 1975.

Enactment of this legislation is not expected to require any increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ADMINISTRATION

AUTHORIZE SECURITY PERSONNEL TO CARRY FIREARMS AND MAKE ARRESTS

This legislation would authorize the Secretary of Commerce to permit certain personnel under his jurisdiction to carry out security functions in areas under his statutory protection and control. It would authorize such personnel (security officers) to carry firearms and also to make arrests under certain circumstances.

Draft legislation was submitted to the 94th Congress and introduced as S. 2341.

Enactment of this legislation would not require any increase in appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ADMINISTRATION

PROVIDE AUTHORITY FOR APPROPRIATIONS TO BE AVAILABLE FOR PERIODS IN EXCESS OF ONE YEAR

This legislation would provide authorization for Department of Commerce appropriations to be available until expended or for periods in excess of one year.

Under the rules of the Senate and House, appropriations making funds available to a Department beyond a single fiscal year are subject to a point of order unless authority in law exists for this type of funding. The Appropriations Committees have pointed out, on several occasions, that in the absence of specific statutory authority, multiyear appropriations in an appropriation bill are subject to a point of order because they propose new legislation. The Department's efforts to reduce the number of appropriation accounts have resulted in 75% of our appropriations containing funds which are available beyond a single fiscal year. The proposed legislation would provide authority in law for multiple-year and no-year appropriations. Whether or not funds are actually appropriated on this basis would be determined by the language contained in the appropriation act.

Draft legislation will be prepared.

Draft legislation was submitted to the 94th Congress and introduced as S. 2645 and H. R. 11570. H. R. 11570 was reported by the House Interstate and Foreign Commerce Committee on June 9, 1976.

Enactment of this legislation will not require additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR ADMINISTRATION

ESTABLISH GUIDELINES AND PROCEDURES FOR FEDERAL FINANCIAL PARTICIPATION IN INTERNATIONAL ATHLETIC EVENTS

This legislation would authorize the Secretary of Commerce to establish guidelines and procedures to be followed in determining the extent and nature of federal financial participation in international athletic events. Recently there has been considerable effort in Congress to authorize federal contributions to such events; specifically, in the 1980 Winter Olympics at Lake Placid and the Pan American Games to be held in Puerto Rico. In addition, pressure is building for federal participation in an athletic event being considered for Los Angeles, and it is possible that similar pressure may be created to help subsidize American athletes in preparation for the 1980 Summer Olympic Games at Moscow.

Rather than handle each of the potential international athletic events individually, it seems appropriate to develop legislation providing for standardized procedures and guidelines. The purpose would be to let all potential applicants know just what they would have to do in order to qualify for federal assistance which would not be automatic. An analogous situation was evident in federal participation in international expositions held in the United States. This resulted in legislation (Public Law 91-269) which sets up criteria which must be met before the Federal Government would consider participating financially in such expositions.

Draft legislation will be prepared.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

OFFICE OF THE CHIEF ECONOMIST

CHANGE IN TIMING OF VOTER SURVEYS

Section 207 of the Voting Rights Act of 1965, as amended (42 U.S.C. 1973aa-5) directs the Bureau of the Census to conduct a survey to compile registration and voting statistics in certain states and political subdivisions in connection with statewide general elections for members of the House of Representatives. This requires biennial surveys. We propose legislation amending the Act to provide that the voter surveys conducted by the Bureau of the Census be changed from biennially to every four years.

Draft legislation will be prepared by this Department. We believe, however, that it would be more appropriate for the Department of Justice to submit the draft legislation to the Congress, since that Department has lead responsibility for implementing the Act.

The change in the timing of voter surveys is expected to result in a reduction in the Fiscal Year 1978 budget request in the amount of $1,652,000.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR DOMESTIC AND INTERNATIONAL BUSINESS

TO REQUIRE FULL AND FAIR DISCLOSURE OF THE NATURE OF INTERESTS IN BUSINESS FRANCHISES IN ORDER TO PROVIDE INCREASED PROTECTION IN THE PUBLIC INTEREST FOR FRANCHISEES IN THE SALE OF BUSINESS FRANCHISES

This proposal would prohibit abusive franchising practices and establish a uniform system of regulation which would preempt conflicting state laws with respect to disclosure requirements in business franchises.

A departmental survey, Franchising in the Economy, 1974-1976, reveals that franchising of all kinds has expanded to an estimated 442,000 establishments in 1975. Sales of all kinds of franchise establishments totaled $179.0 billion in 1975, up 8 percent from the 1974 level of $166.0 billion.

In recent years, state and local agencies, the Congress, the Commerce Department, and the FTC have heard complaints from small businessmen concerning various practices of franchisors. Abuses complained of have included misleading advertising, misrepresentations as to services to be provided by franchisors, the refundable nature of fees, and misrepresentations or extravagant claims with respect to expected profits. These abuses are particularly disturbing because they usually are directed to persons possessing only minimal business experience.

These questionable franchising practices, which the Department believes are employed by a fairly small proportion of franchisors, have clouded the image of legitimate and ethical franchisors.

Responsible industry spokesmen have repeatedly pointed to the need for federal disclosure legislation that would become the exclusive, unifying body of law in the field.

Approximately 14 states have enacted franchise disclosure-of-information laws, and a number of others have been, or are, considering such laws. These laws contain various types of disclosure standards which impose complex compliance requirements on interstate franchisors. Interstate franchisors have to print and maintain a supply of different disclosure materials to satisfy the differing disclosure requirements of the states where they do business. This problem could be corrected by enacting federal preemptory legislation providing for uniform disclosure standards in all 50 states.

The Department believes that a federal disclosure law, if it is to promote the development of franchising, should:

-- assure to franchisees adequate and accurate information on which to decide whether to enter franchise agreements;

-- assure to reputable franchisors freedom from any public distrust because of the unethical promotional and selling practices of a few; and

-- assure to the franchise system a consistent and uniform set of regulations and laws in all states by providing for federal preemption of state franchise disclosure laws.

Draft legislation is being prepared.

This proposal would require no additional appropriations for the Department.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR DOMESTIC AND INTERNATIONAL BUSINESS

AMENDING THE FOREIGN AGENTS REGISTRATION ACT OF 1938

The Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. 611-621 (the Act) requires inter alia, the registration with the Department of Justice of all agents of a foreign principal in the United States, and mandates that copies of any political propaganda distributed by such agents be filed with the Department of Justice and that such items be conspicuously stamped with certain identifying information. The Act's definition of "political propaganda" in pertinent part is as follows:

> The term "political propaganda" includes any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or foreign political party or with reference to the foreign policies of the United States ... (Section 1(j))

The current practice of the Department of Justice is to include within such definition trade promotional materials, but to exclude travel promotional materials.

We have recently received a complaint from the Polish Chamber of Foreign Trade Office in San Francisco, an agent of a foreign principal for the purposes of the Act, regarding the Act's labeling requirements for trade promotional and economic statistical material that that office distributes. It claims that this labeling requirement

stigmatizes the material and consequently inhibits legitimate trade promotion efforts. Since it is the general policy of the U.S. Government to encourage and facilitate international trade, the Department is concerned that the labeling requirement in the Act may in fact hinder this policy, not only with regard to trade with Poland but with all countries that have established official trade promotion offices in this country. The Department is of the opinion that material solely devoted to trade promotion and economic data should either not be considered "political propaganda" within the meaning of the Act, or at the least be exempted from the Act's labeling requirement.

Accordingly, two alternative proposals to amend the Act should be considered. First, we would suggest amending section 1(j) of the Act to exempt specifically materials which deal solely with trade promotion or economic data from the definition of "political propaganda". This would have the effect of exempting such material from the coverage of the Act, including its filing and labeling requirements. Such an approach would appear to have the disadvantage of permitting the issuing entity to determine what is "solely trade promotion and economic data" without review by the Department of Justice. Therefore, an alternative suggestion is amending section 4 (Filing and Labeling Requirements) to exempt the material described above from that section's labeling requirements. The filing requirement would not be altered, thus permitting the Department of Justice an opportunity to review all material disseminated by the office in question.

Either of the proposed amendments would meet the perceived need to facilitate the work of foreign trade promotion offices. We feel that the latter proposal is more likely to be accepted by the Department of Justice since it would not eliminate the review mechanism now in existence.

Draft legislation is being prepared.

The enactment of either proposal will not require any expenditures by this Department.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

ASSISTANT SECRETARY FOR DOMESTIC AND INTERNATIONAL BUSINESS

AMENDMENT OF VARIOUS STATUTES GOVERNING CONDUCT OF GOVERNMENT BUSINESS OVERSEAS

This legislation would amend various statutes which restrict the authority of the Department to conduct its international exhibition program in the most efficient manner. Among the statutes which the Department proposes to amend are those: restricting contracts for stationery or supplies to a term of one year (41 USC 13); requiring supplies and service to be procured after advance advertising (41 USC 5); requiring contracts for advertisement to be procured on written authority from the Secretary (44 USC 3702); restricting the advance of funds to contractors (31 USC 529); providing limitations on the maximum rental and on expenses incurred for alterations, repairs and improvements to rented premises (40 USC 278a); prohibiting payment for advertising in excess of commercial rates (44 USC 3703); and requiring government printing to be done by the Government Printing Office (44 USC 501).

In addition, the legislation would amend certain statutes relating to government personnel stationed abroad to authorize settlement of tort claims arising in foreign countries; full medical coverage for employees stationed overseas and their dependents; and employment of aliens and citizens by contract overseas.

Legislation is being drafted.

Enactment of this legislation would require no additional appropriations.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

PART III

LEGISLATIVE PROPOSALS UNDER CONSIDERATION IN THE DEPARTMENT WHICH HAVE NOT YET REACHED THE STAGE FOR INCLUSION IN THE LEGISLATIVE PROGRAM. NO ESTIMATE CAN BE MADE AT THIS TIME OF WHEN THESE PROPOSALS WILL BE READY FOR PRESENTATION IN PROGRAM FORM

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

PART III

ASSISTANT SECRETARY FOR SCIENCE AND TECHNOLOGY

1. The Department is considering legislation to amend the Federal anti-wiretapping statute (chapter 119 of title 18, U.S. Code) to prohibit (1) tapping wire communication facilities carrying information to or from computers, or similar messages, such as telegrams; and (2) using a remote terminal and wire communication facilities to enter a computer without authority or for a wrongful purpose. A bill (S. 1), the Criminal Justice Reform Act, introduced in the 94th Congress, would comprehensively revise title 18 of the U.S. Code. Its anti-wiretapping provisions would apply to all wire communications. Thus, its enactment would obviate the need for amendment of the current chapter 119 of title 18. A June 1976 criminal conviction in the U.S. District Court for Maryland indicates that the existing fraud by wire statute (18 U.S.C. 1343) is sufficiently broad to encompass the Department's proposed prohibition against the improper use of remote terminals. Unless this precedent is reversed on appeal or in subsequent cases, legislation specifically dealing with the use of remote terminals appears unnecessary. During the 95th Congress, this Department will follow the progress of the Criminal Justice Reform Act when reintroduced, and appeals (if any) of the aforementioned criminal conviction. If the Criminal Justice Reform Act does not pass in the 95th Congress, or is amended in a way which would limit its protection of wire communications, or if the conviction is reversed on appeal, appropriate actions will be recommended.

2. The Department is considering legislation which would protect inventors from the unethical and fraudulent practices of invention promoters. Many inventors for a variety of reasons, including the costs of legal counseling, place their inventions in the hands of promoters. Unethical promoters misrepresent

or distort the value and effectiveness of their services of selling and commercializing inventions. In addition, they, without being registered, provide advice and assistance in securing patents of a nature for which registration before the Patent and Trademark Office is required. The present patent laws are limited to the regulation of patent practitioners registered to practice before the Office.

3. The Department is studying the desirability of United States adherence to the International Union for the Protection of New Varieties of Plants. This Union, concerned with the international legal protection of plants, is now adhered to by six European countries, and undoubtedly will be adhered to by additional countries in the next few years. Under the patent laws, the United States awards patent protection for new varieties of asexually reproduced plants. If the Patent and Trademark Office concludes that United States adherence to the Union will promote plant breeding in this country, it may be necessary to make minor changes in our patent laws in order to satisfy the requirements of adherence.

4. The Department is considering legislation which would provide a statutory basis for various substantive and procedural improvements in the Lanham Trademark Act. These long overdue improvements would include such matters as elimination of trademark interferences, discontinuance of concurrent use registrations, unless granted by a court of competent jurisdiction, and liberalization of the requirements for renewals of registrations. At the same time, minor errors in this law would be remedied.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

1. The Department is considering legislation that would address a dual problem in the U. S. fishing industry--safety on vessels and insurance of fishing vessels. These problems are created, in part, by old fishing vessels, the lack of adequate safety training, and the high cost of obtaining liability insurance designed to protect U. S. fishermen in the event of accident or injury while working on board a fishing vessel. For the past several years an Ad Hoc Group on Commercial Fishing Vessel Insurance has been

studying the factors which affect the cost of protection and indemnity insurance of commercial fishing vessels. This group has completed its work and prepared a draft bill intended to be used as a vehicle for initiating Congressional consideration of the several complex issues involved. The Department intends to study the draft bill carefully to determine if some or all of it would be suitable for submission as a departmental initiative. It is expected that some time will be required for an adequate review of the bill, alternatives, and related policy issues before a decision on submitting legislation can be made. Legislation addressing these issues was introduced in the 94th Congress as H.R. 9716.

2. The Department is considering legislation to amend the Fur Seal Act of 1966 to accurately reflect changing conditions and federal responsibilities brought about by the enactment of the Alaska Native Claims Settlement Act; to delegate responsibilities for sea otters; and to align the objectives of the Fur Seal Act, which implements the North Pacific Fur Seal Convention. The expected changes in the Convention would align it more closely with the Marine Mammal Protection Act of 1972, as amended. Under the Fur Seal Act the Department is charged with certain responsibilities for attending to the social welfare needs of the Aleut Natives of the Pribilof Islands. With the enactment of the Native Claims Act, and as a result of the programs carried out by the Department under the Fur Seal Act, the Aleuts of the Pribilof Islands have obtained a degree of self-sufficiency which warrants a reassessment of the Department's role under the Act. Pursuant to the Marine Mammal Protection Act, we engaged in negotiations with other signatories to the Convention, designed to redirect the thrust of the Convention to bring it into conformity with the objectives of the Marine Mammal Protection Act. The protocol adopted by the negotiators was ratified by the Senate on September 15, 1976. The Fur Seal Act should be amended to reflect the protocol. Additionally, under the Fur Seal Act, the Department has certain responsibilities for the protection of sea otters. Those responsibilities were delegated to the Department of the Interior under the Marine Mammal Protection Act. The Fur Seal Act should be amended to reflect this delegation.

3. The Department is considering legislation to amend the Marine Mammal Protection Act of 1972. The problems associated with the incidental taking of marine mammals during commercial fishing operations need resolution. Secondly, there are several instances where definitions and stated objectives appear to be in conflict and result in confusion regarding such things as the concept of optimum sustainable populations, optimum carrying capacity, and health and stability of the ecosystem. Court action may generate the need for additional amendments to the Act.

4. The Department is considering the desirability of legislation to authorize the Secretary to provide fishery products inspection and consultative and technical assistance services to producers and processors of fishery products in foreign countries. Such services could be provided on a fee-for-service basis to foreign countries primarily in connection with products intended for importation to the United States. Alternatively, the Secretary would be authorized to recognize fishery product inspection systems in foreign countries that provide consumer safeguards similar to U. S. programs and accept certificates of inspection issued by source countries with a minimum of verification inspection at ports of entry. Enabling legislation for the existing inspection program has been construed to be limited to inspection and certification of products that are shipped or received in interstate commerce. As a result, inspection services cannot be provided to producers and processors of fishery products in foreign countries that provide over 65 percent of the annual United States supply of fishery products for human consumption. Legislation to provide such authorization to the Secretary would allow foreign countries to utilize these services. U. S. consumers would benefit from increased protection from public health and safety hazards, and receive more consistent quality products. At the same time, U. S. processing firms that also handle or broker imports would be able to market a complete line of inspected fish and fishery products.

5. The Department is considering legislation to amend the Atlantic Tunas Convention Act of 1975 to broaden the scope of regulatory authorization so that socio-economic considerations may be taken into account in implementing the recommendations of the International Convention for the Conservation of Atlantic Tunas. These socio-economic factors would include the implementation of bag limits, quotas and limiting entry into the fishery.

6. The Department is considering legislation to amend the Fishery Conservation and Management Act of 1976 (P. L. 94-265) in order to remedy several technical deficiencies that have been identified during the Act's implementation.

Section 302(b)(1)(C) of the Act provides that certain voting members of the Councils are appointed by the Secretary from a list of nominees submitted by the Governors. Each Governor is required to submit at least three nominees for each applicable vacancy. This section should be amended to authorize the Secretary to appoint voting members to the Regional Management Councils in the event that a Governor fails to submit a list of three qualified individuals from his State.

Amendatory legislation is needed pursuant to section 305(e)(2)(A) in order to provide an effective term of 120 days (as opposed to 90 days under the existing Act) for emergency regulations promulgated by the Secretary. It is anticipated that the procedure for enacting a management plan or an amendment could take 90 days or longer. Thus, it is considered necessary to have the emergency plans effective for at least 120 days.

Section 305(f) requires a technical amendment that would alter the submission date of the Secretary's Annual Report to the Congress and the President from March 1 of each year to June 1. The Councils' reports to the Secretary are not due until February 1 of each year, and one month would not provide sufficient time for the Secretary to prepare his report.

Section 402 of the Act repeals the Bartlett Act which, inter alia, prohibited foreign fishing within 12 miles of our coast. Section 307(2) of the Act will prohibit foreign fishing within 3 miles of our coast, but, since fishing is defined as excluding fishing for certain species of tuna, foreign fishing for tuna within 3 miles of our coasts is not prohibited. This appears to be an inadvertent gap in the legislation.

Section 307(2) of the Act needs to be amended so as to prohibit foreign fishing for tuna in U. S. territorial waters.

Section 203 of the Act currently provides that governing international fishery agreements (GIFAs) do not become effective until they have been placed before the Congress for "60 calendar days of continuous session." This could prevent GIFAs from entering into force for an unnecessary length of time. Amendatory legislation is needed

that would specifically allow the Congress to take affirmative action to approve the GIFAs by means of a positive "fishery agreement resolution" (sec. 203(d)(2)). Section 404 of the Act amends the Marine Mammal Protection Act to extend its jurisdiction out to 200 miles. The Conference Report indicates that the conferees did not intend for this amendment to affect the whaling quota established by the International Whaling Commission (IWC). However, section 404 could be construed to prevent whaling within 200 miles of the U.S. coast. In the interest of preserving the IWC, an amendment to the Act is needed in order to clearly establish that whaling activities, pursuant to the IWC quotas, will be allowed within 200 miles of the U.S. coast.

7. The Department is considering the desirability of legislation to authorize NOAA to encourage needed progress in ocean engineering activities through implementation of a wide-ranging program to meet basic national ocean engineering needs and to provide technical alternatives to be on hand when decisions are made. Use of the oceans is expanding faster than is the knowledge being provided to support the expansion. The impact of weather over water, the physical, chemical, and biological effects of water on materials, instruments, and construction are more extreme than they are on land. Ocean and coastal resources can, through development and application of ocean engineering, satisfy many human needs. Additionally, the need for the U.S. to decrease its dependence on other nations for what is critical to its own existence, and potentially available from the ocean areas, requires a strong focused effort in civilian ocean engineering.

MARITIME ADMINISTRATION

1. The Department is considering legislation to amend section 808 of the Merchant Marine Act, 1936, to make its provision inapplicable to dry bulk vessels. Section 808 makes it unlawful for any contractor receiving operating-differential subsidy (ODS) "unjustly to discriminate in any manner so as to give preference directly or indirectly in respect to cargo" in which the contractor has "a direct or indirect ownership, or purchase or vending interest". This prohibition effectively precludes participation in the ODS program by U.S.-owned proprietary bulk carriers. Without ODS, the owners of these vessels have little incentive to build vessels in United States shipyards for operation under U.S. registry by U.S. merchant seamen. The U.S.-flag dry bulk fleet now consists

of only 19 vessels, with a total deadweight capacity of slightly more than 500,000 deadweight tons, and carries only about 1.6 percent of our dry bulk foreign trade.

ASSISTANT SECRETARY FOR TOURISM

1. The Department is considering legislation which would authorize funds for the construction and operation of a U.S. pavilion at an international exposition which is proposed to be held in the Los Angeles area in 1981. Under existing law, P.L. 91-269, Federal participation in such an exposition requires Congressional approval following a favorable report from the Department. The Los Angeles organizers of the exposition have indicated their desire that the Federal Govenment participate; however, several steps remain to be taken before the 1981 exposition receives final Presidential recognition and official registration by the Bureau of International Expositions. If the organizers are successful in achieving Federal recognition and BIE registration, and if the Department's study favors Federal participation, we anticipate that legislation will be prepared authorizing appropriation of $20-25 million in Federal funds for such participation.

OFFICE OF MINORITY BUSINESS ENTERPRISE

1. The Department is considering the desirability of legislation which would place on a statutory basis, and strengthen, the provisions of 41 C.F.R. subpart 1-1.13 which sets forth federal policy for contracting and subcontracting by government contractors with minority firms. These regulations were the subject of July 1975 hearings held by the House Subcommittee on SBA Oversight and Minority Enterprise of the Small Business Committee. The Committee Report (House Rept. 94-468) concluded that the provisions of title 41 are "totally inadequate to achieve the stated policy of the Government to increase subcontracting opportunities to minority business concerns on Government contracts." (page 32) The Office of Management and Budget's March 1976 "Report on the Federal Minority Business Development Program" also recognized the inadequacies of the regulations' contribution to minority procurement. The Department of Commerce in a proposed letter to Representative Jack Brooks, Chairman of the House Committee on Government Operations, concerning H.R. 12741, submitted to OMB for clearance on July 13, 1976, supported the need for strengthening title 41. Further, the Interagency Council for Minority Business Enterprise, chaired by the Under Secretary of Commerce, submitted an interim plan to

the Congress on May 5, 1976 to review ways to strengthen the subject provisions of title 41. One of the tentative final recommendations being considered by the Interagency Council is federal legislation with sanctions for enforcement. In the event that this is the final recommendation of the Interagency Council, the Department will work on developing such a proposal.

2. The Department is considering legislation which would amend the Small Business Investment Act to increase the capability of the Small Business Administration's (SBA) Minority Enterprise Small Business Investment Company (MESBIC) program to provide equity capital and long term debt financing for small business concerns owned by disadvantaged persons. Legislation to accomplish this objective was introduced during the 94th Congress as S. 2613 and would do the following: eliminate the present provision in the Small Business Investment Act of 1958 (15 U. S. C. 661-96) that grants the SBA discretion to require a MESBIC to pay, prior to any distribution (other than to SBA), the difference between the dividend rate on 3% cumulative preferred stock sold by the MESBIC to SBA and the rate determined as the cost of money to the government for 15 year debentures; increase generally from 100% to 200% the amount of 3% cumulative preferred stock that SBA can purchase from MESBIC; authorize SBA to require, as a condition of the purchase or guarantee of any securities in excess of 300% of the combined private paid-in capital and surplus, that the MESBIC maintain a percentage - determined by SBA to be reasonable and appropriate - of its funds available for investment as venture capital; and provide for a permanent 3% interest subsidy for the first 5 years on debentures purchased by SBA from a MESBIC. In the event that legislation is not introduced early in the 95th Congress which would remove certain impediments in the existing MESBIC program, we may propose remedial legislation.

DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION

1. The Department is considering legislation to extend the Defense Production Act for two years unless an extension proposal is submitted to the 95th Congress by the Federal Preparedness Agency. The standard procedure for many years has been for the Office of Emergency Preparedness (now the Federal Preparedness Agency, GSA) to prepare the request for extension

of the Act. In 1974, Congress enacted only a one-year extension in conjunction with an appropriation for only the first half of FY 1975 and a request that OP/GSA recommend a change in funding procedures from the delegate agency funding which had been used up to that time. Funding through the individual participating agencies, including the Department of Commerce, now seems to be well established. In 1975 the Congress enacted a 20-month extension of the Act until September 30, 1977 (P. L. 94-152).

2. The Department is considering legislation to amend the Tariff Schedules of the United States (TSUS) so as to extend the suspension of duty applicable to the following materials unless appropriate bills for the same purpose are introduced in the 95th Congress by individual members of Congress:

(a) To extend the suspension of duty on copying lathes used for making rough or finished shoe lasts from models of lasts. The TSUS provides for the duty-free entry into the United States of certain copying lathes and parts for a three-year period. The duty on these items has been temporarily suspended since 1964. The shoe last itself is a reproduction of the approximate shape of the foot over which the leather or other material is placed in the process of producing shoes. The copying lathes are available only from foreign sources since domestic machinery manufacturers have not found it commercially feasible to undertake the production of this specialized machine with its very limited marketability. Continuance of the suspension of the 5% ad valorem duty will benefit the shoe last manufacturing industry without detriment to domestic equipment producers.

(b) To extend the suspension of duty on certain dyeing and tanning materials. Currently the U. S. is dependent on imports for virtually all of its requirements of vegetable tanning extracts. This duty has been suspended since 1966.

(c) To extend the suspension of duty on certain forms of copper and scrap metal. The United States is a net importer of these items. During the long period of duty suspension there have been no adverse effects on U. S. industries involved.

(d) To extend the suspension of duty on various zinc commodities because of the growing U. S. dependence upon imported zinc ore and related materials. We believe this duty suspension will serve as an important incentive for much needed zinc metal capacity investment. The zinc problem is compounded by the closure of some domestic metal capacity plants due to obsolescence and environmental controls.

(e) To extend the suspension of duty on natural graphite. About 90 percent of all natural graphite entering the United States is amorphous graphite. Amorphous graphite is imported from Mexico on a duty-free basis. A continuation of the duty suspension on crystalline flake lump or chip would help keep down the production costs of manufactured graphite articles.

(f) To extend the suspension of duty on synthetic rutile. There is no domestic source of natural rutile and the current techniques of obtaining synthetic rutile create undesirable environmental side effects.

(g) To extend the suspension of duty on certain bicycle parts and accessories. Most of the items covered have been suspended since 1971. Continued duty-free importation of these parts and accessories, none of which, except for a small number of derailleur components, is manufactured in the United States, is important to U. S. producers of finished bicycles in preserving their competitiveness against imported bicycles. The extension would enable a duty adjustment to be made in the event the fledgling domestic industry is seriously impacted by the duty-free parts.

(h) To extend the suspension of duty on processed istle. U. S. producers of brooms and brushes of istle are largely dependent on imports for the fiber components.

3. The Department is considering legislation to repeal the Johnson Debt Default Act of 1934 (18 U. S. C. 955) and so remove an uncertainty in East-West trade financing that imposes a disadvantage on American firms. The Act prohibits the extension by an individual, partnership, corporation or association of "loans"

to a foreign government or the purchase or sale of the bonds, securities, or other obligations of a foreign government while that government is in default in the payment of its obligations, or any part thereof, to the United States. Violations of the law are punishable by a fine of not more than $10,000, or imprisonment for not more than five years, or both. Congress has already amended the Act to exempt from its application any nation which is a member of the International Monetary Fund or the International Bank for Reconstruction and Development. This amendment, however, is applicable only to Romania and Yugoslavia, among the Communist Countries. Several countries, including the Soviet Union, remain within the scope of the Act's prohibitions. Legislation to repeal the Act was included as part of the Administration's proposed Trade Reform Act in the 93rd Congress.

4. The Department is considering legislation to repeal the prohibition against the importation into the U.S. of certain fur skins which were produced in the U.S.S.R. or the People's Republic of China (P.R.C.), 19 U.S.C. §1202, Schedule I, Part 5, Subpart B, Headnote 4. Imports of certain fur skins from the P.R.C. and the Soviet Union have been embargoed ever since enactment of the Trade Agreements Extension Act of 1951. Thus, the fur embargo constitutes another example of the type of legislation which can impede the expansion of Sino-American and Soviet-American trade. The proposed legislation, repealing the embargo, would be perceived by the Chinese and Soviets as an indication of the U.S. willingness to take actions which would remove some of the antiquated obstacles to normalized trade. Legislation for this purpose was introduced in the 93rd Congress as an amendment to the Trade Act, and in the 94th Congress as H.R. 8076.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

PART IV

A LISTING OF EACH LAW OR PROVISION OF LAW OF INTEREST TO THE DEPARTMENT (WHETHER OR NOT INCLUDED IN THE LEGISLATIVE PROGRAM) WHICH EXPIRES BEFORE DECEMBER 31, 1978.

DEPARTMENT OF COMMERCE

PROPOSED LEGISLATIVE PROGRAM

PART IV

A. (1) Prohibition of the use of certain small vessels in the United States fisheries.

(2) Brief explanation - The Act was intended to prohibit the introduction into U.S. fisheries of certain small foreign built fishing boats (under 5 net tons). The Act actually was addressing a short term problem created by the sale by the Canadian Government of surplus salmon fishing boats acquired during a "buy-back" program which was part of their limited entry program.

(3) Date of expiration - October 27, 1977.

(4) Citation P.L. 92-601, 86 Stat. 1327, 16 U.S.C. 1100.

(5) Our views as to whether the law should be extended or expire - The Act should be allowed to expire since the problem no longer exists.

B. (1) Authorization of appropriations for the Federal Fire Prevention and Control Act of 1974.

(2) Brief explanation - The Act establishes a comprehensive national fire prevention and control program (primarily located within the Department of Commerce), including a

fire education and training program, a fire research and development program, and a national fire data-gathering program.

(3) Date of expiration - June 30, 1978.

(4) Citation - P. L. 93-498; 15 U. S. C. 2216, P. L. 94-411.

(5) Our views as to whether the law should be extended or expire - A proposal to extend the Act through fiscal year 1980 is included in the Department's Legislative Program for the 1st Session, 95th Congress.

C. (1) Endangered Species Act of 1973, as amended. (Sec. 6)

(2) Brief explanation - The Act provides programs for the conservation of endangered species of fish, wildlife and plants. Funds for section 6 financial assistance to the States are authorized through fiscal year 1977.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 93-205; 16 U. S. C. 1531, et seq.

(5) Our views as to whether the law should be extended or expire - A proposal to provide authorization of appropriations through fiscal year 1979 for section 6 is included in the Department's Legislative Program for the 1st Session, 95th Congress.

D. (1) Endangered Species Act of 1973, as amended. (Sec. 15(B)).

(2) Brief explanation - The Act provides programs for the conservation of endangered species of fish, wildlife, and plants. Funds for section 15(B) for the Department of Commerce to implement the Act are authorized through fiscal year 1978. The Act was extended by P. L. 94-325 (June 30, 1976).

(3) Date of expiration - September 30, 1978.

(4) Citation - P. L. 93-205; 16 U. S. C. 1531 et seq.; P. L. 94-325.

(5) Our views as to whether the law should be extended or expire - A proposal to continue the authorization of appropriations through fiscal year 1980 for section 15(B) is included in the Department's Legislative Program for the 1st Session, 95th Congress.

E. (1) Authorization of appropriations for the National Sea Grant College and Program Act of 1966.

(2) Brief explanation - The Act authorizes the Secretary of Commerce, in cooperation with experts in marine resources and with all departments and agencies of the Federal Government, to initiate and support marine resource programs at Sea Grant Colleges and agencies; to initiate and support research projects within those programs; and to encourage dissemination of information gained from those programs. The program is accomplished through the use of matching grants.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 89-688, as amended; 33 U.S.C. 1121-1124; P. L. 94-461.

(5) Our views as to whether the law should be extended or expire - On October 10, 1976, the Act was amended, and extended for one year through fiscal year 1977 by P. L. 94-461. A proposal to extend the Act for two years (FY '78 and FY '79) is in the Legislative Program for the 1st Session, 95th Congress.

F. (1) Offshore Shrimp Fisheries Act of 1973, as amended.

(2) Brief explanation - The Act implements the U.S.-Brazil Fishing Agreement of May 9, 1972, which provides, among other things, for a specified area off the coast of Brazil in which U.S. vessels may fish for shrimp.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 93-242, as amended; 16 U.S.C. 1100b-1100b-10.

(5) Our view as to whether the law should be extended or expire - A recommendation on extension of this Act will be contingent upon the Agreement being extended. The Department of State, in consultation with the Department of Commerce, will have to address that issue.

G. (1) Marine Mammal Protection Act of 1972, as amended - Section 110.

(2) Brief explanation - Section 110 of the Act authorizes the Department of Commerce/NOAA to make grants for research concerned with the protection and conservation of marine mammals. Section 110(c) authorizes appropriations through fiscal year 1977.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 92-522, 86 Stat. 1041; 16 U. S. C. 1380.

(5) Our views as to whether the law should be extended or expire - We recommend that the appropriations authorization be extended five years through fiscal year 1982, at a level not to exceed $2.5 million annually through fiscal year 1982 (two-thirds to DOC, one third to Interior). This draft proposal, submitted to Congress by the Marine Mammal Commission, has been introduced as H. R. 14731.

H. (1) Marine Mammal Protection Act of 1972, as amended - Section 114.

(2) Brief explanation - Section 114(a) of the Act authorizes to be appropriated funds to enable the Department of Commerce/NOAA to carry out its functions and responsibilities under Title I of the Act. The current appropriations authorization expires at the end of fiscal year 1977.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 92-522, 86 Stat. 1043; 16 U. S. C. 1384.

(5) Our views as to whether the law should be extended or expire - We recommend that the appropriations authorization be extended for three years through fiscal year 1980 at an

increased level of $8 million annually (current annual level is $2 million). The draft proposal submitted to Congress by the Marine Mammal Commission, introduced as H. R. 14731, extended the authorization at the $4 million level for only one year through fiscal year 1978. In our opinion, it would be preferable to extend it for three years at an increased level of $8 million annually. A proposal for this purpose is included in the Department's Legislative Program for the 1st Session, 95th Congress.

I. (1) Fishermen's Protective Act of 1967, as amended.

(2) Brief explanation - Section 7 of the Act authorizes the Federal Government to provide compensation to vessel owners and crews for financial losses resulting from the seizure of the United States fishing vessels by foreign governments on the high seas or on the basis of rights or claims to territorial waters not recognized by the United States. Section 7(e) extends the provisions of this section until October 1, 1977.

(3) Date of expiration - October 1, 1977.

(4) Citation - P. L. 90-482, 82 Stat. 729; P. L. 92-594, 86 Stat. 1313; 22 U.S.C. 1971-1977.

(5) Our views as to whether the law should be extended or expire - We recommend that the provisions of section 7 be extended until October 1, 1979. A proposal to extend section 7 is included in the Department's Legislative Program for the 1st Session, 95th Congress.

J. (1) Commercial Fisheries Research and Development Act of 1964, as amended.

(2) Brief explanation - The Act authorizes the Secretary of Commerce to cooperate with the States through their respective State agencies which regulate commercial fisheries in carrying out projects designed for research on and development of the commercial fisheries resources of the Nation.

(3) Date of expiration - September 30, 1978.

(4) Citation - P. L. 88-309, 78 Stat. 197; P. L. 90-551, 82 Stat. 957; P. L. 92-590, 86 Stat. 1303, 16 U. S. C. 779-779f.

(5) Our views as to whether the law should be extended or expire - The Department's Legislative Program for the 1st Session, 95th Congress includes a proposal to extend the appropriations authorizations for five years through fiscal year 1983 at the current levels - $5,000,000 annually for section 4(a); $1,500,000 annually for section 4(b); and $100,000 annually for section 4(c).

K. (1) Atlantic Tunas Convention Act of 1975 - Section 10 - Appropriations Authorization.

(2) Brief explanation - The Act authorizes the Secretary of State, with the concurrence of the Secretary of Commerce, (and with respect to enforcement, the concurrence of the Secretary of the Department in which the Coast Guard is operating) to receive, accept, or object to, conservation recommendations made by the International Commission for the Conservation of Atlantic Tunas.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 94-70, 89 Stat. 385, 16 U.S.C. 971.

(5) Our views as to whether the law should be extended or expire - The responsibility for amending the law belongs with the Department of State, in consultation with the Department of Commerce. However, the Department of Commerce strongly supports amending section 10 of the Act to read: "There is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums, from time to time, as may be necessary for carrying out the purposes and provisions of this Act."

L. (1) Control or Elimination of Jellyfish (Sea Nettles).

(2) Brief explanation - The Act authorizes the Secretary of Commerce to cooperate with and provide assistance to the States and Puerto Rico in controlling and eliminating jellyfish and other such pests and in conducting research to control floating seaweed in U.S. coastal waters.

(3) Date of expiration - September 30, 1977.

(4) Citation - P. L. 89-720, 80 Stat. 1149; P. L. 91-451, 84 Stat. 922; P. L. 92-604, 86 Stat. 1943; 16 U.S.C. 1201-1205.

(5) Our views as to whether the law should be extended or expire - The program was terminated in fiscal year 1973. Accordingly, we do not plan to seek extension of this law.

M. (1) Marine Protection, Research, and Sanctuaries Act of 1972.

(2) Brief explanation - The Act provides basic authority to regulate ocean dumping, carry out research on the effects of ocean dumping and other man-induced changes to ocean ecosystems, and to establish marine sanctuaries. Section 204 of the Act authorized appropriations for the Department of Commerce to carry out ocean dumping research. Section 304 authorized appropriations for the Department of Commerce to carry out its responsibilities related to marine sanctuaries. P. L. 94-326 extended both sections through FY 1977.

(3) Date of expiration - September 30, 1977.

(4) Citation - 86 Stat. 1052, 33 U.S.C. 1401-1444.

(5) Our views as to whether the law should be extended or expire - The funding authority for section 204 should be increased to a level of $7,000,000 and extended for two additional fiscal years or through September 30, 1979. The funding authority for section 304 should also be extended for two years. The funding level for FY 1978 should be at the current amount of $500,000, but the level for FY 1979 will have to be determined upon the conclusion of an ongoing study. A proposal to extend both sections is included in the Department's Legislative Program for the 1st Session, 95th Congress.

N. (1) Extension of authority for the National Advisory Committee on Oceans and Atmosphere (NACOA).

(2) Brief explanation - The Act established NACOA to review marine and atmospheric policies and programs, to report to the President and the Congress on such matters, and to advise the Secretary of Commerce with respect to the activities of the National Oceanic and Atmospheric Administration (NOAA).

(3) Date of expiration - September 30, 1977.

(4) Citation - The Act of August 16, 1971, as amended (85 Stat. 344; 86 Stat. 1181; 89 Stat. 384; 33 U.S.C. 857-6 to 857-12).

(5) Our views as to whether the law should be extended or expire - Draft legislation was sent to the 94th Congress but it was not introduced. On behalf of NACOA the Department has included a proposal to extend the authority for 3 years in the Department's Legislative Program for the 1st Session, 95th Congress.

O. (1) Domestic tourism authority.

(2) Brief explanation - The Act of July 19, 1940, as amended, provides for a program to encourage travel within the United States through activities which are in the public interest and which do not compete with those of State, local, or private agencies; and authorizes appropriations of $2,500,000 each for fiscal years 1977 and 1978.

(3) Date of expiration - September 30, 1978.

(4) Citation - 16 U.S.C. 18-18d.

(5) Our views as to whether the law should be extended or expire - The domestic tourism program, operated by the United States Travel Service, is less than one year old. In large part, because it was viewed as a tool for promoting travel throughout the United States during the Bicentennial Era, the Department

did not request funds to continue the program in FY 1977. However, Congress has appropriated $1.5 million for a domestic tourism program in FY 1977. Under these circumstances, we plan to continue to operate ongoing domestic tourism programs during the year, with a view toward evaluating their effectiveness. A recommendation on whether to continue the program by extending the authorization will be made by early 1977.

P. (1) Section 510(i) of the Merchant Marine Act, 1936.

(2) Brief explanation - Section 510(i) of the Act now authorizes the Secretary of Commerce, until January 1977, to accept as trade-ins certain mariner class vessels built in the early 1950's and in return to trade-out vessels from the National Defense Reserve Fleet that are scheduled for scrapping. The traded-out vessels are to be valued at their scrap value and the traded-in vessels are to be valued at their scrap value, plus the fair value of the cost of towing the traded-out vessels to their place of scrapping.

(3) Date of expiration - January 2, 1977.

(4) Citation - Section 510(i) of the Merchant Marine Act, 1936 (46 U.S.C. 1160(i)).

(5) Our views as to whether the law should be extended or expire - A proposal to extend this authority indefinitely and to include general cargo vessels built after 1950 among the vessels that may be traded-in is included in the Department's Legislative Program for the 1st Session, 95th Congress.

Q. (1) Export Administration Act of 1969.

(2) Brief explanation - The Act provides basic authority for control of U.S. exports for national security, foreign policy and short supply purposes. By Executive order, the Secretary of Commerce has been delegated authority to implement the Act.

(3) Date of expiration - Public Law No. 93-500 extended the Act until September 30, 1976. A three year extension of the Act was proposed to the 94th Congress, but was not enacted.

(4) Citation - 50 U. S. C., App. 2401 et seq.

(5) Our views as to whether the law should be extended or expire - A proposal to continue the Export Administration Act for three years is included in the Department's Legislative Program for the 1st Session, 95th Congress.

R. (1) Extension of the Defense Production Act.

(2) Brief explanation - The continuation of the priorities and allocation authorities contained in the Defense Production Act of 1950, as amended, is of the utmost importance in support of defense programs. This Act has been extended repeatedly by Congress because of the continued need for such authority to the national defense effort.

(3) Date of expiration - September 30, 1977.

(4) Citation - 50 U. S. C. App. 2061 et seq.

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors the extension of the Defense Production Act for two years. The standard procedure for many years has been for the Office of Emergency Preparedness (now the Federal Preparedness Agency, GSA) to prepare the request for extension of the Act. In 1974, Congress enacted only a one-year extension and requested that the Executive Branch recommend a change in funding procedures from delegate agency funding which had been used up to that time. Funding through the individual participating agencies, including the Department of Commerce, now seems to be well established. In 1975 Congress enacted a 20-month extension of the Act until September 30, 1977 (P. L. 94-152).

S. (1) Suspension of the duty on certain copying lathes.

(2) Brief explanation - The column 1 and column 2 rates of duty on imports of copying lathes used for making rough or finished shoe lasts from models of shoe lasts, and

certain parts thereof, have been temporarily suspended for a number of years. The most recent suspension was effected by P. L. 93-310.

(3) Date of expiration - June 30, 1976.

(4) Citation - Item 911.70 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors continued suspension of duty on these items because they are specialized and expensive types of machinery. The duty on these items has been temporarily suspended since 1964. The shoe last itself is a reproduction of the approximate shape of the foot over which the leather or other materials is placed in the process of producing shoes. The copying lathes are available only from foreign sources since domestic machinery manufacturers have not found it commercially feasible to undertake the production of this specialized machine with its very limited marketability. Continuance of the suspension of the 5% ad valorem duty will benefit the shoe last manufacturing industry without detriment to domestic equipment producers.

T. (1) Suspension of the duty on certain dyeing and tanning materials.

(2) Brief explanation - The column 1 and column 2 rates of duty on imports of certain dyeing and tanning extracts derived from vegetable matter have been temporarily suspended for a number of years. The most recent suspension was effected by P. L. 94-108.

(3) Date of expiration - June 30, 1978.

(4) Citation - Item 907.80 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors suspension of duty on these items since the U.S. is dependent on imports for virtually all of its requirements of vegetable tanning extracts. This duty has been suspended since 1966.

U. (1) Suspension of the duty on various zinc commodities.

(2) Brief explanation - The Tariff Schedules of the United States were amended in 1975 (P. L. 94-89) to suspend the column 1 duty for zinc bearing ores, zinc dross and zinc skimmings, zinc bearing materials, and zinc waste and scrap.

(3) Date of expiration - June 30, 1978.

(4) Citation - Items 911.00, 911.01, 911.02, and 911.03 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors continued suspension of duty on these items because of the growing dependence of the United States upon imported zinc ore and materials. We believe this duty suspension will serve as a much needed incentive for zinc metal capacity investment. The zinc problem is also compounded by the closure of some domestic metal capacity plants due to obsolescence and environmental controls.

V. (1) Suspension of the duty on certain forms of copper.

(2) Brief explanation - The Tariff Schedules of the United States were amended in 1975 (P. L. 94-89) to suspend the column 1 duty for copper waste and scrap, articles of copper, and other waste and scrap metals.

(3) Date of expiration - June 30, 1978.

(4) Citation - Items 911.10, 911.11, and 911.12 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors continued suspension of duty on the forms of copper covered by the tariff items listed above. The United States is a net importer of copper, and is the largest consumer as well as a net exporter of scrap metal. During the period of duty suspension there have been no adverse effects on U.S. industries.

W. (1) Suspension of the duty on natural graphite.

(2) Brief explanation - In 1975 the Tariff Schedules of the United States were amended (P. L. 94-120) to suspend the column 1 duty on natural graphite.

(3) Date of expiration - June 30, 1978.

(4) Citation - Item 909.01 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors continued suspension of duties on natural graphite. About 90 percent of all natural graphite entering the United States is amorphous graphite, imported from Mexico, which is already duty free. A continuation of the duty suspension on crystalline flake lump or chip would help keep down the production costs of manufactured graphite articles.

X. (1) Suspension of the duty on synthetic rutile.

(2) Brief explanation - In 1974 the Tariff Schedules of the United States were amended (P. L. 93-470) to suspend the column 1 duty on synthetic rutile.

(3) Date of expiration - June 30, 1977.

(4) Citation - Item 911.25 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors suspension of duty on synthetic rutile because there is no domestic source of natural rutile and the current techniques of obtaining synthetic rutile create undesirable environmental side effects.

Y. (1) Suspension of the duty on certain bicycle parts.

(2) Brief explanation - The Tariff Schedules of the United States provided for the column 1 duty free entry into the United States of certain bicycle parts and accessories until December 31, 1976 (P. L. 93-490). The suspension on the duty applies only to the column 1 rate.

(3) Date of expiration - December 31, 1976.

(4) Citation - Items 912.05 and 912.10 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors the suspension of duty on certain bicycle parts. Duties on most of these items have been suspended since 1971. During the past few years, several domestic manufacturers of similar bicycle parts have commenced production and are now supplying the parts to a small portion of the domestic market. The suspension of the 15 percent ad valorem duty in column 1 for bicycle parts reduces the component costs of the U.S. bicycle manufacturers, thus enabling them to compete on an equal basis with imported bicycles. The domestic parts industry is currently competing on a par with duty-free import parts.

Z. (1) Expiration of the allocation authority of the Safe Drinking Water Act.

(2) Brief explanation - The Safe Drinking Water Act provides authority for the allocation of various chemicals which are required for the treatment of drinking water. The authority extends beyond chlorine (which is essential for water sanitation) to other chemicals which are used for purposes such as taste and odor removal, and clarification.

(3) Date of expiration - June 30, 1977.

(4) Citation - 42 U.S.C. 300j.

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors the expiration of the allocation authority for water treatment chemicals. There will be no critical shortages of chlorine in the foreseeable future. Total national requirements of chlorine for water treatment account for only 5 percent of the total U.S. production.

AA. (1) Suspension of the duty on processed istle.

(2) Brief explanation - The Tariff Schedules of the United States have provided for the suspension of the column 1 and column 2 duty on processed istle since 1957. The most recent suspension was effected by P. L. 94-46.

(3) Date of expiration - June 30, 1978.

(4) Citation - Item 903.90 of Appendix of the Tariff Schedules of the United States (19 U.S.C. 1202).

(5) Our views as to whether the law should be extended or expire - The Department of Commerce favors extension since it would benefit U. S. producers of brooms and brushes of istle who are largely dependent on imports for the fiber components.