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**Position Statement on the
National Institute of Standards and Technology (NIST) FY 2014 Budget Request
submitted by the
NIST Task Force, ASME Board of Government Relations Inter-Sector Committee on
Federal R&D, Public Affairs and Outreach Sector**

July 17, 2013

The recent heightened awareness around budget deficits and our nation's fiscal health has catalyzed an important and timely discussion regarding how we begin to make the difficult decisions that will improve our long term fiscal outlook. However, even in the frame of this discussion, it is critical that research and development remain one of the highest priorities for domestic discretionary spending. Scientific and engineering research has long been the foundation of our nation's economic growth and prosperity. Our country's economic strength comes from our ability to produce the world's best scientists and engineers, nurture new ideas and innovation, and develop new technologies and industries. If America is to remain a global economic leader, we must continue to invest in the scientific and engineering enterprise that generates new technologies, industries and jobs.

The National Institute of Standards and Technology (NIST) Task Force of the Board on Government Relations Inter-Sector Committee on Federal R&D of the ASME Public Affairs and Outreach Sector is pleased to have this opportunity to provide comments on the Fiscal Year (FY) 2014 budget request for NIST. The NIST Task Force and ASME Standards & Certification have a long-standing relationship with NIST and thus recognize NIST as a key government agency that contributes significantly to the development and application of technology.

In the President's fiscal year 2014 (FY14) budget request, the Task Force supports the proposed increases for NIST programs, which are consistent with the doubling path by FY17 identified by the Administration as a goal for NIST.

Introduction to ASME and the NIST Task Force

Founded in 1880 as the American Society of Mechanical Engineers, ASME is a worldwide engineering society of over 130,000 members focused on technical, educational and research issues. ASME conducts one of the world's largest technical publishing operations, holds approximately 30 technical conferences and 200 professional development courses each year, and sets many industry and manufacturing standards.

Mechanical engineers play a key role in the research, technology development, and innovation that influence the economic well being of the nation. ASME has supported the mission of NIST since it was founded in 1901, as the National Bureau of Standards. In fact, ASME was instrumental in establishing the Department of Commerce, NIST's parent agency. The technical programs of NIST are unique in that they foster government and industry cooperation through

cost-sharing partnerships that create long-term investments based on engineering and technology. These programs are aimed at providing the technical support so vital to our nation's future economic health.

Overview of NIST's Fiscal Year 2014 Budget Request

The Administration's budget request for NIST in FY 2014 is \$928.3 million. This represents a \$177.3 million increase over the FY 2012 (FY12) enacted amount. This year, the Administration has also identified \$1 billion in mandatory spending for a National Network for Manufacturing Innovation. The Task Force is delighted to see that NIST is looking to ensure the nation's future competitiveness in this sector.

Although the NIST Task Force is pleased to see the Administration seeking higher funding for NIST, we remain concerned that the cancellation of NIST programs such as the Technology Innovation Program (TIP) as well as the Baldrige Performance Excellence Program may obstruct the path toward a high-technology manufacturing economy as envisioned by President Barack Obama. The Task Force would also note that the budget increases proposed for FY14 would come on the heels of a previous discretionary budget cycle that was flat overall for NIST.

This budget includes \$693.7 million for the Scientific and Technical Research and Services (STRS), NIST laboratory research, which is \$126.7 million over the FY12 enacted amount. The FY14 budget would provide \$618.8 million to support laboratory programs, a \$96.3 million increase over the FY12 enacted amount. This is reflective of the desire expressed by Undersecretary of Commerce and Director of NIST Patrick Gallagher to discontinue the Baldrige program and identify private sector funding sources for its continuation. There is no set timetable for this to take place.

A large portion of the NIST budget is devoted to the Industrial Technology Services (ITS) programs, which previously consisted of the Technology Innovation Program (TIP). Now, ITS is mostly devoted to the Hollings Manufacturing Extension Partnership (MEP), which would receive \$174.5 million in FY14, a \$46.1 million increase over the FY12 enacted amount. In more recent years, the erosion of U.S. manufacturing jobs has become a key issue for the MEP to develop sustainable practices for industries in the US. The MEP incorporates competitive business practices and technologies into small- to medium-sized enterprises – companies that create a significant number of jobs. The Administration's request of \$129 million reflects the importance of NIST as a part of the Administration's goals for innovation, as well as harkens to the bipartisan "America COMPETES Act." The NIST Task Force has long supported MEP as a catalyst for technological innovation and is pleased with the Administration's support for this program as NIST seeks to facilitate the development of new industries that will catalyze manufacturing and industrial practices in the U.S. The Task Force supports the total request to fund the ITS in FY14 with the understanding that the additional funds will go toward programmatic spending such as the development of centers of excellence and galvanizing dispersed talents, rather than administrative costs. These funds will help to support the program's mission to help U.S. manufacturers be globally competitive.

NIST has again proposed the creation of a new program called the Advanced Manufacturing Technology Consortia (AMTech) but has asked for \$21.4 million instead of the \$12.3 million it

requested in FY12, when it did not receive funding from Congress. According to NIST, the program will also be “based on NIST's experience with the Nanoelectronics Research Initiative (NRI) partnership.” The program has been described as a vehicle for aiding private industry seeking to develop nanotechnology products for the manufacturing sector. AmTech will seek to assemble a consortium of public and private stakeholders to identify, and collectively fund, long-term technical challenges to this high-technology manufacturing sector. Unlike TIP, there is no cost share requirement for AmTech. This program effectively demonstrates the value of NIST as a convener of U.S. stakeholders to collectively work toward the establishment of groundbreaking new industries like the nanotechnology field. The Task Force was disappointed that Congress did not fund AmTech in FY12 or FY13 and, although difficult fiscal challenges lay ahead, the Task Force strongly urges Congress to honor the request to fund AmTech in FY14. We believe that investment should be made into initiatives such as the AMTech program because of their potential for high return on investment and to maintain global US competitiveness.

Finally, the Construction of Research Facilities (CRF) would receive \$60 million, a 9 percent increase from the FY 2012 enacted amount of \$55 million. NIST laboratories remain a critical resource that is vital to the economic health and national security of the United States as outlined in the President’s Innovation Agenda, inspired, in part, by the original “America COMPETES Act of 2007” (P.L. 110-69). The NIST engineering laboratory “promotes the development and dissemination of advanced technologies, guidelines, and services to the U.S. manufacturing and construction industries through activities including measurement science research, performance metrics, tools and methodologies for engineering applications, and critical technical contributions to standards and codes development.”

NIST’s Standards Mission

Part of the mission of NIST is to promote the use of American standards, conformity assessment programs and technology in countries and industries around the world as a means of enhancing U.S. competitiveness and opening new markets for U.S. products and services. Standards provide technical definitions and guidelines for design and manufacturing. They serve as a common global language, define quality and establish safety criteria. In the United States, standards are developed by private-sector organizations such as ASME in close collaboration with representatives from industry, government, and academia. These standards are used by industry and also frequently adopted by government agencies as a means of establishing regulatory requirements. They are vital to the economic health of many industries, and – more importantly – they help to ensure the health and safety of the American people and of citizens in countless nations around the world.

Over the years, the Department of Commerce and NIST have played an indispensable role in ensuring acceptance by other nations of U.S.-developed standards that continue to identify and incorporate technological advances and that also reflect changing needs for industry, regulation, and public safety. Congress must be aware that, unlike in the U.S. where standards development is largely the province of private sector organizations, standards development in many other countries is undertaken with strong government support. The U.S. voluntary consensus standards process enables innovation, reduces redundancy in public and private sector research, and reduces government costs. The governments of many of our key trading partners invest significant resources to promote acceptance of competing standards (developed by organizations

in those countries) in the global marketplace. It is therefore essential that the U.S. government, in partnership with private sector standards development organizations, strengthen its commitment to ensuring adequate representation of U.S. interests in international standards negotiations.

Enabling U.S. manufacturers to design and build to one standard or set of standards increases their competitiveness in the world market. The ability of NIST to assist U.S. domiciled standards developers in their negotiations with international and national standards organizations is important to the U.S. business community. The U.S. must be a full participant in global standards development if our industries are to compete effectively in a world market. Decisions made in standards bodies outside the United States have a profound impact on the ability of U.S. companies to compete in foreign markets. We believe that NIST plays a unique and crucial role in maintaining, and growing, the competitive edge of US industry in the emerging landscape of the high technology manufacturing sector.

Conclusion

The Administration's commitment to NIST appears to be strong, as demonstrated by their willingness to support increases for key NIST initiatives for FY14. The funding of the NNMI program and Centers for Excellence are crucial if the U.S. is to remain competitive globally over the next several decades. While the Task Force would prefer to see the resurrection of the TIP program, the Task Force remains strongly supportive of these initiatives as well as the underlying goals of NIST as it relates to advanced manufacturing and technological innovation. The Task Force also strongly recommends ensuring additional funding amounts provided this year be done so with the express purpose of expanding crucial programs rather than addressing additional administrative costs.

ASME is a non-profit technical and educational organization with more than 130,000 members globally. The Society's members work in all sectors of the economy, including industry, academia, and government. This position statement represents the views of the NIST Task Force of the Board on Government Relations Inter-Sector Committee on Federal R&D of the ASME Public Affairs and Outreach Sector and is not necessarily a position of ASME as a whole.