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AMENDING THE ORGANIC ACT OF THE
NATIONAL BUREAU OF STANDARDS

HEARING
BEFORE THE
COMMITTEE ON
SCIENCE AND ASTRONAUTICS
U.S. HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH CONGRESS

FIRST SESSION

ON

H.R. 5838

OCTOBER 3, 1963

[No. 5]

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[H.R. 5838, 88th Cong., 1st sess.]

A BILL To amend the Act of March 3, 1901 (31 Stat. 1449) as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to make certain improvements of fiscal and administrative practices for more effective conduct of its research and development activities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish the National Bureau of Standards," approved March 3, 1901, as amended, is further amended by adding the following sections:

"SEC. 16. Appropriations to carry out the provisions of this Act may remain available for obligation and expenditure for such period or periods as may be specified in the Acts making such appropriations.

"SEC. 17. Funds available to any department or agency of the Government for research, development, test, or evaluation, or procurement or production related thereto, may be transferred to and merged with the appropriations for the National Bureau of Standards when the Secretary of Commerce determines, with the concurrence of the head of the department or agency concerned and the approval of the Director of the Bureau of the Budget, that all or part of the purposes of such transferring appropriations can best be achieved by the National Bureau of Standards."

SEC. 2. Such Act is further amended by adding to section 11 the following paragraphs:

"(c) Funds accepted by the Secretary under the authority of this section which are not designated as to purpose may be expended without regard to existing limitations or restrictions on the objects of expenditure: *Provided*, That not to exceed \$1,000 may be available annually for the purposes of entertainment which will support the functions described in other portions of this Act and that a report of such expenditures shall be made annually to the Congress.

"(d) Payments and royalties for papers, books, articles, and speeches prepared or delivered by employees acting within the scope of their official responsibilities under this Act may be available for expenditure as authorized by subsection (c) of this section."

SEC. 3. Such Act is further amended by inserting after the first sentence of section 3 the following: "These functions may be exercised for international organizations of which the United States is a member, or for governments of friendly countries and private institutions therein."

AMENDING THE ORGANIC ACT OF THE NATIONAL BUREAU OF STANDARDS

H.R. 5838

THURSDAY, OCTOBER 3, 1963

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE AND ASTRONAUTICS,
Washington, D.C.

The committee met at 10:30 a.m., pursuant to call, in room 214-B Longworth House Office Building, Hon. George P. Miller (chairman) presiding.

The CHAIRMAN. The committee will come to order. This morning we will take up the bill H.R. 5838, which is a bill to amend the Organic Act of the National Bureau of Standards to incorporate therein the authority to make certain improvements of fiscal and administrative practices for more effective conduct of its research and development activities. This is a department bill, and I am pleased to recognize Dr. R. D. Huntoon, Deputy Director of the National Bureau of Standards, as the witness this morning. We will have filed in the record a copy of H.R. 5838 (p. v). Dr. Huntoon, have you a prepared statement?

Dr. HUNTOON. Thank you, Mr. Chairman. H.R. 5838 requests an amendment to our basic organic act in four respects. With regard to these, I have also a statement for the record. Three of the amendments requested here have been treated in previous testimony before this committee in hearings on June 6 and 26 of 1962. The statement which I have is sufficiently long that I do not propose to read it; but, rather, to say a few words about each of the four amendments requested.

(The prepared statement of Dr. R. D. Huntoon is as follows:)

STATEMENT OF DR. R. D. HUNTOON, DEPUTY DIRECTOR

PURPOSE AND NEED FOR AMENDMENTS TO THE ORGANIC ACT OF THE NATIONAL BUREAU OF STANDARDS

The proposed amendments to the Organic Act of the National Bureau of Standards would permit the following:

1. Appropriation of funds to remain available beyond 1 fiscal year.
2. Transfer of appropriations from other agencies and merger with appropriations of the National Bureau of Standards.
3. Discretionary expenditure from undesignated gifts and bequests to aid and facilitate the work of the Bureau.
4. Performing services for international organizations and governments of friendly countries and their laboratories.

The Organic Act of the National Bureau of Standards is the act of March 3, 1901, as amended (31 Stat. 1449; 15 U.S.C. 271-278e). The functions and authorities of that act are lodged in the Secretary of Commerce by the act of July 22, 1950 (64 Stat. 371). The bill proposes to add new sections 16 and 17, as well as paragraphs (c) and (d) to section 11 and a new sentence to section 3.

The intent of and need for each amendment are explained in the following paragraphs.

Section 16. Appropriation availability

The proposed section 16 would provide statutory authorizations for appropriations for the Bureau to be on a multiple year basis or to be without fiscal year limitation. The final determination whether to limit the availability of an appropriation is made when the Congress acts on the appropriation bill, but an appropriation bill providing for a departure from single-year availability would be subject to a point of order if an authorizing statute had not previously been enacted. The proposed legislation is, therefore, merely a first step that must be taken before the question of extended appropriation availability can be raised with the Appropriations Committees.

Most research and development appropriations for other agencies are provided as "no-year" funds, available until expended. Their justification is found in the uncertainties inherent in research programs, the high incidence of unpredictable factors that compel readjustment of program activity, and the need for flexibility to permit prompt response to changed circumstances. It is probably not necessary to present a detailed discussion of the reasons for appropriating research funds on a no-year basis, but a summary of some of the pertinent NBS situations may be helpful.

1. Problems of obtaining or developing essential equipment or recruiting essential scientists will often delay implementation of an initial stage of a research project. If the funds budgeted for that first stage are available only for 1 fiscal year and cannot be used that year, they are lost to the project and must be replaced in the succeeding year by all or part of the funds programed for the second stage of the project. If the funds could be carried over from the first year, at least some of the lost time might be made up by a doubling up of effort during the second year.

2. The opportunities to hire high-potential scientists and engineers frequently arise at the most inopportune time in the budget cycle. Because the academic year closes at about the same time as the fiscal year, recruitment commitments are often needed just at the time when appropriation requests are being considered by the Congress. The uncertainty about appropriation levels frequently prevents timely recruitment commitments. If appropriations could be carried forward to the succeeding year, funds could be set aside to assure the financing of the new staff members long enough to permit other adjustments in the succeeding appropriation if that becomes necessary.

3. The rigid deadline on availability of funds often induces a premature decision concerning initiation of a task or purchase of equipment because postponement of the decision means the loss of the funds and thus elimination of the task or purchase.

4. Program expansions, especially in times of recruiting difficulty, involve problems of budgeting that are aggravated by the single-year availability of funds. It would be much more efficient and desirable to budget for the first 12 months or first full stage of a research project, even though this would cross over into a second fiscal year.

It is also very desirable to have appropriations for construction, plant improvement, and major equipment items available without fiscal year limitation. Many such projects are carried out by Bureau personnel and it is quite important that the funds be available for the entire cost of a project before it is initiated.

Section 17. Appropriation transfers

Section 17 would permit the transfer into NBS appropriations of research and development funds appropriated for other agencies, when the Secretary of Commerce determines that the purpose of the other agency's appropriation can best be achieved by the National Bureau of Standards. The concurrence of the head of the other agency and the Director of the Bureau of the Budget would be required.

One of the most troublesome problems facing the Bureau is that of closer coupling with the major Federal programs that are so closely tied to an advancing technology. The Bureau is a primary producer of the basic physical data which is essential to the programs of the Defense agencies, the National Aeronautics and Space Administration, the Atomic Energy Commission, and such other users of technology as the Federal Aviation Agency. While hundreds of millions of dollars have been made available to support major national technological programs of concern to these agencies, there has been no comparable increase

in support for the NBS programs on which they are dependent. As a consequence, the Bureau's resources are so inadequate with regard to the current demands for its services that the necessary flexibility of programing to meet urgent needs arising from major programs of other agencies seldom is possible. A mechanism is needed to make a portion of the larger resources available to NBS when needed.

This has been accomplished in part through the transfer of funds to NBS from other agencies to support work in which they have a particular interest. Where the results of the work are of limited interest beyond the sponsoring agency and the project is of limited duration this procedure is satisfactory. There are occasional situations, however, when work is initiated with transferred funds which both NBS and the other agency recognize as being a logical part of the Bureau's continuing program which should be supported with NBS funds. Such programs may be started with funds transferred by the agency having an urgent interest in the work with the understanding that NBS will seek to include funding for the program in its own appropriation in future years. The Bureau is then faced with the task of budgeting for the program, usually as a major increase within a minor total increase available to NBS. In such situations, it would simplify the process in presenting the case to the Appropriation Committees if at the time of the initial financing the funds could be transferred to and merged with the NBS appropriation rather than treating the transaction as a reimbursement for services rendered. This would increase the Bureau's appropriation base with a corresponding reduction in the appropriation of the other agency. Funds to continue support of the program would not then appear as an increase in the NBS budget request for the next year.

The proposed legislation would permit any research and development appropriation, or any procurement or production appropriation involving research to be the source of transfers to the NBS appropriation. It would not automatically affect any agency, but it would provide authority to solve problems which the agencies themselves recognize. It would provide a means through which major new research programs which are basically the responsibility of the National Bureau of Standards, but which become urgent because of an unforeseen development in the program of another agency, may be accommodated in the Bureau's fiscal program.

Amendment to section 11. Gifts and bequests

The proposed legislation would amend the existing authorization to allow the acceptance of gifts and bequests to aid the work of the Bureau, permitting the use of certain gifts for purposes for which appropriated funds may not be used. It would also clarify the status of royalties and honoraria received by the Bureau.

At the present time, when gifts and bequests from private citizens or organizations are deposited in a trust account, they take on the character of appropriated funds and can be used only for the same type of expenditure for which appropriated funds may be used. In most cases this limitation does not interfere with the accomplishment of the purpose of the donor, but occasionally it will. If certain types of otherwise prohibited expenditures would be of benefit to the Bureau, the use of nonappropriated funds appear to be quite reasonable especially if adequate safeguards against abuse are provided.

The Bureau, in many ways, is comparable to a university laboratory, a research foundation, or a Government contract laboratory. In many of its relationships with scientists and scientific societies in particular, the Bureau is a research institution rather than a typical Government agency. The informal relationship thus derived is of great benefit to the Bureau's performance of its mission through the ready exchange of ideas and the better understanding of the needs of the scientific community.

This informal relationship, however, is hampered and restricted by some of the normal restrictions on Government expenditures. The Bureau believes that those restrictions are, by and large, appropriate, but it would welcome some relief from their rigid application. Recognizing that Government funds cannot be used to provide refreshments, for example, when the Bureau is host to scientific meetings, it does not provide them although this is a failure to reciprocate in such amenities received by Bureau representatives at meetings elsewhere. A moderate relaxation of the restriction would serve an extremely valuable purpose, promoting informal interchange and cooperative activities.

Occasionally, this function is served through contributions by Bureau employees or the employees' association. For many years, for example, the Bureau

has entertained at a tea for the members of the American Physical Society during their annual Washington meeting. This affair must be financed by employee contributions although the real benefit is to the Bureau and the Government, not the employees. Similarly, senior staff members who have been entertained officially by foreign scientists or American institutions cannot reciprocate, except out of their own pocket and that is often embarrassing.

The proposed legislation would permit this sort of expenditure from funds contributed to the Bureau from private sources. If such funds were not otherwise designated for particular purposes, they would be included in a discretionary fund to be disbursed upon certification and approval by the Director. Expenditures for the purpose of entertainment, however, would be limited to \$1,000 per year.

Although the explanation of the purpose of the legislation has dwelt upon entertainment cost, the legislative language has been broadly drawn to cover all items of expenditure otherwise prohibited by law or Comptroller General ruling. It would not, however, waive prohibitions or restrictions that are not tied to expenditure restrictions. Thus it would not permit the consumption of alcoholic beverages in public buildings, nor the employment of persons at unusual salary rates or outside prescribed conditions.

The authority would be used in those areas where the Director determines that an expenditure is desirable but where it cannot be found to be a "necessary expense" in the rigid sense prescribed for appropriated funds. In certain circumstances, for example, laboratory costs might be provided despite the failure to meet the rigorous criteria currently enforced by the Comptroller General. Similarly, certain desirable but not necessarily essential equipment or furnishing items might be purchased.

The proposed bill would also provide that payments to the Bureau as honoraria or royalties for papers, books, articles, and speeches prepared or delivered by employees of the Bureau may be deposited in the discretionary fund. Such receipts are more in the nature of gifts than payments because they usually are of nominal value compared to the cost of the service provided. Because they do not represent the full cost of the service, or even an identifiable element of cost, and because they are often paid after the fact with no prior advice to the Bureau, it is difficult and expensive to try to set these receipts up as partial reimbursements for the costs of the services rendered. Depositing them in the discretionary funds seems to be the most appropriate way to carry out the wishes of the donor to aid the Bureau.

Amendment to section 3

The objective of the addition to this section is to clarify the authority to encourage international standardization of science and technology by providing certain assistance to international organizations of which the United States is a member, to friendly countries and to institutions in those countries. At present the NBS has specific authority to furnish services only to the U.S. Government, to State and local governments, and to institutions and firms within the United States.

The increasing complexity of modern measurement techniques combined with the increasing cost of facilities required to calibrate and standardize measurement instruments which are a vital part of international scientific, technological, and defense activities has created a growing need for the National Bureau of Standards under direction from the Department of Commerce to provide calibration, measurement, and other specialized services to friendly countries on a worldwide basis. Moreover, the position of the United States as a leader in the international community in science and technology requires it to take an active part in encouraging international standardization.

For many years the National Bureau of Standards has cooperated with the national standards laboratories of other nations, both directly through the cooperation of the Department of State and through the International Bureau of Weights and Measures. The Bureau also has cooperated with foreign scientific institutions which are engaged in studies of interest to NBS or other agencies of the U.S. Government. These exchanges of information and special measurement services have been encouraged as an essential part of the responsibilities of the NBS and the Department for the correlation of our national measurement system with those of other nations and for the precise determination of important physical constants. In recent years, however, there have been increasing requests for limited NBS service from a variety of sources in other countries including laboratories, as well as government and academic institutions. In par-

ticular, foreign laboratories now purchase about \$100,000 worth of standard samples per year from NBS. These are samples of highly characterized materials prepared and sold by the Bureau for use in a variety of scientific operations such as checking chemical analysis, temperature, color, viscosity, heat of combustion, and various basic properties of materials. The sale of these samples to foreign countries now amounts to about 30 percent of the Bureau's total activity in this area.

The current practice of cooperation can produce only limited assistance from the Bureau to friendly countries. It is, therefore, necessary to have authority to furnish direct service to other countries and their institutions if we are to exert more active leadership in promoting scientific and technical standards throughout the world.

The services of the NBS are provided on a reimbursable basis. The proposed legislation would not alter this procedure. The technical assistance provided to the laboratories of other nations under the proposed authority will be at no additional cost to the United States. It does to a limited extent, however, provide foreign exchange. It is clearly consistent with the many governmental policies and practices aimed at increasing U.S. leadership in science and technology. The authority would be subject to existing rules and regulations and to such others as the Secretary of Commerce may publish.

Dr. HUNTOON. Briefly, to set the stage first, let's say what the four are:

The first is to seek authorization so that we can accept appropriation of funds remaining available beyond 1 fiscal year.

The second refers to an arrangement for a transfer of funds from appropriations given to other agencies and merging them with the appropriation to the National Bureau of Standards.

The third seeks freedom to make discretionary expenditures which would facilitate the work of the Bureau from funds given to the Bureau through bequests and gifts, and

The fourth is to clarify our position with respect to performing services for international organizations, governments of friendly countries, and their laboratories.

First, with respect to the approbation of funds to remain available beyond the end of the fiscal year, most of the agencies of the Government having research and development activities now have such legislative authority. What we are seeking here is the authority to have funds appropriated to the Bureau which do not expire at the end of the fiscal year.

In certain instances, failing to have the funds remain available beyond the end of the fiscal year does not lead to their most efficient use in research and development work. For example, if we get funds to undertake a particular scientific program and, through difficulties in recruiting staff or in getting equipment, we are delayed in starting the program, then with the funds expiring at the end of the year the part of the program that was planned for that year is, in effect, operated on reduced funds.

Secondly, the phasing of the appropriations with respect to recruiting opportunities in the universities so works out that at the very time when it's most propitious to recruit staff, we are not in a position to know what our funding situation is. This usually happens in April, May, and June—maybe in late June or in the beginning of the next fiscal year. Not knowing what our appropriation will be, we are not in a position to make commitments to these individuals. On the other hand, if our appropriations did extend beyond the fiscal year we could lay plans. We could set aside the money to cover their salaries when they came on board.

Thirdly, I would like to point out that the course of research and development is not always clear. At times, if the funds are going to expire, one is forced to make decisions which he would prefer to delay somewhat. By virtue of delaying the decision to purchase equipment or to purchase supplies, the funds would be lost and, therefore, a premature decision, possibly not as well thought out as might otherwise be, takes place.

These are essentially the reasons why we seek this authority. Now, we do from time to time get appropriations for planning facilities items, for equipment items, which carry no deadline. These are always subject to a point of order because we do not have the legislative authority. It is for this reason that we seek it and I would like to pause here for discussion of this point before we go to the next one.

The CHAIRMAN. This was one of the points, or one of the items, that you had in the bill last year.

Dr. HUNTOON. This is correct, sir.

The CHAIRMAN. To which no objection was raised. This bill was before us last year. It was not approved because there was a provision in it relative to the bringing over of foreign scientists and paying them and—there was some question about this, so that has been taken out of the bill that we have today. The bill is substantially the bill of last year, that received full acceptance.

Is that right, Dr. Huntoon?

Dr. HUNTOON. That is right.

The CHAIRMAN. If you have questions now on this phase of it now is the time to ask them.

Mr. ROUDEBUSH. Mr. Chairman, I would like to ask a couple of questions.

The CHAIRMAN. Yes.

Mr. ROUDEBUSH. You operate on what is known generally in Congress as "continuing authority" in the Bureau of Standards. Isn't that true?

Dr. HUNTOON. That is correct.

Mr. ROUDEBUSH. In other words, you don't require an authorization bill—just an appropriations act. How does your appropriations, let's say, over the last 3 years compare for the Bureau of Standards? Have they held the line pretty consistently?

Dr. HUNTOON. They have gone up in the last 3 years. I don't remember the numbers offhand. Last year it was \$28 million. This year we don't know what it will be. It is still in process. The House has allowed us about the same as we had last year, slightly less.

The CHAIRMAN. You are talking about operating funds?

Dr. HUNTOON. I am talking about funds for operation—research and testing funds. In addition we get funds for plant and facilities and a third appropriation for construction.

The CHAIRMAN. They are building a new plant for facilities out near Gaithersburg, Md., so the capital investment now going in shouldn't be confused with the operating one, but a great deal of their money to operate comes from other agencies who reimburse them or contract with them and from private industrial sources. So, if some industrial company wants, they will perform services for them, calibration and so on, and this is where a great deal of their money comes from.

You do a lot of work for NASA, a tremendous amount of work for DOD, I believe.

Mr. ROUDEBUSH. Well, Mr. Chairman, my only other question then—What corollary is there to this type of authority? Do other agencies have this type of authority?

Dr. HUNTOON. Yes. This question was raised in the previous testimony. I'm looking at page 11 of the hearing last year on H.R. 11561 where we submitted a list of agencies with similar authority.

Mr. ROUDEBUSH. Then a number of other agencies have this authority?

Dr. HUNTOON. There are about 15 of them.

Mr. HECHLER. Following up the question of my colleague from Indiana, Dr. Huntoon, would you have any objection if Congress stipulate you go through the same authorization process as, say, the National Aeronautics and Space Administration, prior to appropriation?

Dr. HUNTOON. This question has come up in the past. Our problem with respect to this, as I understand it, is that doing so would remove the Bureau of Standards from the normal appropriations procedures of the Department of Commerce of which it is a member bureau. This could lead to some complications by treating NBS differently in appropriations policy than the rest of the bureaus in the Department.

The CHAIRMAN. I think the Bureau would be powerless to make that decision as part of the Department of Commerce. If you want to do this you'd have to go to the Department of Commerce and not to the Bureau.

Mr. HECHLER. Just to clarify the record, when the Department of Commerce obtains an authorization, does that authorization cover the National Bureau of Standards?

The CHAIRMAN. It doesn't get an authorization.

Dr. HUNTOON. So far as I know, the Department doesn't get an annual authorization in this sense.

The CHAIRMAN. The only agencies, as I remember, that have authorization bills are certain sections in the Department of Defense—not all the Department of Defense. Just merely construction matters in the Department of Defense.

Mr. DUCANDER. Missiles, guns, and planes.

The CHAIRMAN. Missiles, guns, and planes. The rest of it you go right to the Appropriations Committee.

The Foreign Service and NASA are the only ones in Government that must get annual authorizations.

Mr. DUCANDER. Certain Atomic Energy activities.

The CHAIRMAN. Yes, certain Atomic Energy activities have to get annual authorizations before going to appropriations.

Mr. HECHLER. I ask these questions to clarify the record—and the procedure, to make sure we have comparability of procedure. I appreciate the gentleman.

Mr. MOSHER. Mr. Chairman?

The CHAIRMAN. Mr. Mosher.

Mr. MOSHER. I don't believe Dr. Huntoon completed his answer to Mr. Roudebush. I think I heard an aside here which indicated your operating budget in the last 3 years was \$28 million, \$26 million, and \$22 million. Did I hear correctly?

Dr. HUNTOON. These are the numbers I was trying to check with my budget officer. We had \$23.5 million in fiscal year 1962, and \$28.165

million in fiscal year 1963. Fiscal year 1964 as it now stands in the House action is still about \$28 million.

Mr. MOSHER. I think those were the figures Mr. Roudebush wanted for the record.

Mr. ROUDEBUSH. Yes; I merely wanted to show consistency of expenditures.

Dr. HUNTOON. Now, this is for operating funds.

Mr. ROUDEBUSH. I understand.

Mr. MOSHER. I'd like to ask Dr. Huntoon how the contracts are negotiated, or how the fees are determined when you do contract work for industry and for other agencies.

Is there an established formula or is each one negotiated?

It isn't a low bid arrangement, I assume.

Dr. HUNTOON. No. This needs to be split into three answers to your question. In the first place, we have a published fee schedule which indicates the charges we make for calibrating instruments of those kinds that are listed in the schedule. For these we are under the requirement that we must do our best to ascertain the actual cost of the service and make the fee cover this cost. We are not supposed to show a profit nor are we supposed to lose money. These actual costs, as things work today, are the costs of performing the calibration, not the costs of the research and development leading up to having the capability.

Our operating funds cover the costs of, say, learning how to measure and devising the measurement system. Later, when we construct the actual piece of equipment used for a calibration service, the costs of construction can be charged to the users of the service. Then the salary costs for people who perform the calibration are added and this sets the fee.

Mr. MOSHER. Has that schedule—have you increased the prices you are charging on this basis in recent years?

Dr. HUNTOON. Oh, yes, this is kept up to date in terms of our actual costs.

Mr. MOSHER. You feel the fees you are getting are adequate as you define them?

Dr. HUNTOON. As we define them, the fees cover our actual costs.

That, I believe, covers one part of your question. With regard to the second part, where we are doing research and development work, for other agencies, we have a negotiation with them leading to an estimate of what the work is going to cost as near as we can determine. Funds are transferred to the National Bureau of Standards and charges are billed against those funds for the actual costs of what is done. We do not run over the agreed-upon estimate without concurrence of the other agency. If there are funds left over they are returned to the other agencies.

With respect to jobs for industry, at present we do not do much in the way of direct work for private industrial institutions aside from the calibration service. We now have the authority to do such work, however, and it would be based on a negotiation and estimate with them as to what the work would actually cost.

Mr. MOSHER. How are those funds you receive from industry and other agencies handled so far as accounting and bookkeeping are concerned? Do they go into the General Treasury?

Dr. HUNTOON. No, sir. The funds from the calibration fees are placed in our working capital fund. Then, they are available for reimbursing the costs of doing the jobs.

Mr. MOSHER. These funds carry over from fiscal year to fiscal year?

Dr. HUNTOON. The working capital fund is a continuing fund, yes, sir.

Mr. KARTH. Would the gentleman yield?

Mr. MOSHER. Yes.

Mr. KARTH. Have we ascertained what part of your total income per year is dedicated to research and what part is reimbursable by industry?

Dr. HUNTOON. I have not given you these numbers, no, sir.

Mr. KARTH. Could you put that in the record?

Dr. HUNTOON. You wish it for the record? I can give you a rough estimate. If you want the exact numbers, we are happy to give them for the record.

Mr. KARTH. A rough estimate is sufficient so the committee has some idea.

Dr. HUNTOON. Operating funds, as I said, are approximately \$28 million a year. Reimbursable funds, as I remember, run about \$3.5 million. Is that correct?

Dr. SKILLINGTON. The calibration and measurement services is about \$5 million.

Dr. HUNTOON. The reimbursable calibration and measurement services part of it is about 5 million. The research and development we do for other agencies with funds transferred to the Bureau amounted to about 15 million in fiscal year 1963.

Mr. KARTH. This 15 million and 5 million is just a reimbursable expense?

Dr. HUNTOON. That is correct.

Mr. KARTH. Would the gentleman yield?

Mr. MOSHER. Yes—Mr. Karth, just let me ask one further question right there.

Mr. KARTH. Yes.

Mr. MOSHER. Does this amount vary greatly year to year or is this steady?

Dr. HUNTOON. Well, statistically it is reasonably stable. There was a time when about 85 percent of the research and development activity of the Bureau of Standards was for other agencies. We have over the last few years undertaken to have more of our program supported directly and less of it from this special work for other agencies. As of the present time, about 40 percent of our activity represents this special—you can call it “contract work” for other agencies.

Mr. MOSHER. Does the 5 million and 15 million figure then change from year to year? Or, is that about normal?

Dr. HUNTOON. Well, as I say, it represents a sizable number of projects, many of which end each year and others are taken on. There is a statistical fluctuation but roughly it holds reasonably uniform.

Mr. MOSHER. In other words, this doesn't create administration problems of big fluctuations from year to year?

Dr. HUNTOON. It does not, in that sense. It does create an administrative problem because of having to negotiate at the beginning

of each fiscal year a sizable number of—if I may use the word loosely here, “contracts” with other agencies. This represents an administrative load when we have to go through all of these negotiations each year to set up and agree on a number of projects for the following year.

Mr. MOSHER. It doesn't mean turmoil in the terms year to year?

Dr. HUNTOON. It doesn't mean turmoil in terms of having to hire and fire if this is what you mean.

Mr. MOSHER. No.

Mr. KARTH. I am not sure, Doctor, I understand the procedure you use within the Department of Commerce.

Do you, the administration of the Bureau of Standards, decide what their budget should be for the next or oncoming fiscal year and then clear this through the Department of Commerce before they come to the Congress, or do you decide what you should have and then come to the Congress directly without going through the Department of Commerce?

Dr. HUNTOON. I will give you a brief sequence of these things, but I would like to be sure our fiscal people are checking me on this.

We first submit a preliminary estimate to the Department of Commerce, of what we think is a reasonable budget for a succeeding year. The Department of Commerce, working with the Bureau of the Budget, arrives at a level for the Department of Commerce and subsequently tells us a level for our budget. We then have hearings before the Department of Commerce for a budget that is within that level. However, we are at liberty to present and discuss emergency items that we may feel need to be included above that level.

Once these hearings have been held, the Department then sets a level for us to take to the Bureau of the Budget and we have hearings before the Bureau of the Budget at this agreed upon level. Then the Bureau of the Budget, as a result of these hearings, assigns an amount that we can ask the Congress for.

Mr. KARTH. I understand.

Dr. HUNTOON. Then we go to the Appropriations Committee for that amount.

Now, is this a correct statement?

Dr. SKILLINGTON. It is.

Mr. KARTH. Doctor, whatever funds are appropriated by the Congress for the administration of the Bureau of Standards for any given year, are appropriated for just that fiscal year and if there are any funds in your Department at the end of that year, do they revert back to the Treasury of the United States?

Dr. HUNTOON. Yes, in these operating funds.

Mr. KARTH. Because of lead time items wherein you—instances you cannot spend all of the money, you, in fact, might lose moneys that you need for projects that were started in previous fiscal years. Is that right?

Dr. HUNTOON. This is precisely why we are asking for this authority.

Mr. KARTH. Do you know of any other agencies of Government, or departments—other agencies of Government or departments within agencies that operate on the same basis as you?

Dr. HUNTOON. I am sorry, I don't think I understand your question.

Mr. KARTH. Are there any other departments within agencies of Government that have the same provision in the law where, if you don't spend all your funds within the fiscal year they revert back to the Treasury?

Dr. HUNTOON. Yes, sir, there are.

Mr. KARTH. You know what they are, offhand?

Dr. HUNTOON. No, I don't. This is a matter, as I understand it, of the appropriation that's given to them at the time. If they have this authority we are requesting and if, when the appropriation is made, it is designated as a "no-year money," then it remains available until expended. If it is not so designated, it expires at the end of the fiscal year and reverts to the Treasury.

I cannot tell you which agencies or departments of agencies fall in this class. Certainly, we can get this for you if you need it.

The CHAIRMAN. I think a typical one would be the Bureau of Reclamation. Quite frequently it's adopted on a no-year basis because they are going to build a dam or do certain work. This is true, I believe, too, of the Corps of Engineers.

Mr. DAVIS. Mr. Chairman, it's also true of the Weather Bureau as we learned in our hearings about the meteorological satellites.

Dr. HUNTOON. It is true of certain other appropriations of the Department of Commerce.

The CHAIRMAN. The really controlling factor is the Committee on Appropriations that clears your work. Right now they can't let you do this because you haven't the authority.

Dr. HUNTOON. That is correct.

Mr. KARTH. The only question that comes to my mind, Mr. Chairman, is that if you feel the matter of requesting—getting authorization before you get to the Appropriations Committee, is a matter of the Department of Commerce to decide rather than a matter of your individual unit of the Department to decide, and inasmuch as the Department of Commerce is subject as a Department of the Government to the same conditions that you, as a unit of the Department are subject to insofar as appropriated funds are concerned; would it not make sense for the Department of Commerce to follow through then and probably make this request for the whole Department of Commerce, rather than the Bureau of Standards making this request just for the Bureau of Standards?

Dr. HUNTOON. I think, sir, that there may be some confusion here between the question relating to us getting an annual appropriation authorization, as was mentioned earlier, and this request. This is merely to have the authority so that if the Appropriations Committee agrees that we should have no-year funds, we can accept them without the appropriation being subject to a point of order.

Mr. KARTH. I see.

Dr. HUNTOON. I do not see that it necessarily follows that we should ask for the whole Department of Commerce to have this authority. I believe that it should be a matter for each of the agencies in the Department to determine.

The CHAIRMAN. If the gentleman would yield, I would say the Department of Commerce couldn't go to any one place and ask for this. For instance, the Coast and Geodetic Survey is under the jurisdiction of the Merchant Marine and Fisheries Committee.

The Bureau of Standards is under our jurisdiction.

The Weather Bureau, I guess it's under—

Mr. CARSTARPHEN. Interstate and Foreign Commerce Committee.

The CHAIRMAN. Interstate and Foreign Commerce. So the Department of Commerce is one of these split up among a number of agencies and they have to come to the committees to which—to several committees. It isn't like the Armed Services Committee that has complete control over a single—over all of DOD.

Mr. KARTH. The only question, Mr. Chairman, that came to my mind was that because this is a fact, why then cannot the Bureau of Standards come before this committee requesting authorizations instead of going directly to them?

The CHAIRMAN. I don't know but I think the Bureau of Standards when it comes in and makes these statements has to clear them with the Department of Commerce.

Dr. HUNTOON. That is right.

The CHAIRMAN. They are not here on their own initiative. It shouldn't come from them. It should come from the agency having the top responsibility, the Department of Commerce.

Now, we might say to the Department of Commerce—why is this so? But we can't say this to subordinate agencies under the Department of Commerce. That is, they couldn't officially give you an opinion without going back to the Department of Commerce.

Mr. KARTH. I see.

The CHAIRMAN. This is, I think, one of the mixed up things in our Government that you have agencies, for instance, the U.S. Coast Guard which is a department of the Treasury—is not responsible to any of the committees handling money. It, too, is responsible to the Committee on Merchant Marine and Fisheries.

Mr. HECHLER. Would the Chairman yield at this point?

The CHAIRMAN. Yes.

Mr. HECHLER. A comparable case would be the Weather Bureau. As I understand it, the Weather Bureau, prior to getting appropriations, secures authorization, does it not?

Does it get it directly?

The CHAIRMAN. It gets it the same way. Gets it through the Department of Commerce appropriation. It doesn't—the only one that gets authorizations as far as I tell you are the ones I have listed and I may be wrong but I'm very certain that I'm right.

The Department of Defense, Department of State, NASA, and the Atomic Energy Commission are the only ones.

Mr. HECHLER. Yes.

The CHAIRMAN. They are the only ones that have to get annual authorization.

Mr. DAVIS. But, Mr. Chairman, it's also true every appropriation must be based on authorization.

The CHAIRMAN. Yes; it's a continuing authorization.

Mr. DAVIS. Yes.

The CHAIRMAN. Authorized in the basic act—each department.

So, these people are just trying to legalize what is now being done so that it won't be subject to points of order.

Mr. RUMSFELD. Mr. Chairman—you mean this, the Appropriations Committee in the past has given authority to the Bureau to have an appropriation last more than 1 year?

Other than a no-year fund?

The CHAIRMAN. I don't think they can, officially, unless we pass this act.

Dr. HUNTOON. We do this——

The CHAIRMAN. There are others of these authorities we are trying to bring into line with these other agencies.

Mr. RUMSFELD. This bill would be permissive—permit the Appropriations Committee, in the event they desired to give you funds on other than a no-year basis——

The CHAIRMAN. Give it on a no-year basis other than an annual basis.

Mr. RUMSFELD. Yes.

The CHAIRMAN. That's all this does.

Mr. RUMSFELD. It seems to me that this being the case, there would not be a need to take the lid completely off. Why wouldn't this bill be equally good from your standpoint and yet better from a congressional standpoint if it had a lid of, say, 2 years and permitted 2 years from the date of the appropriation, the funds would not be available and this would give the——

Mr. PATTEN. Would the gentleman yield?

Mr. RUMSFELD. This would give the appropriation flexibility enough to do it for that period, but not to go on forever.

We run into this problem in foreign aid funds, for example, where there's been a substantial pyramiding over a period of years; the unexpended funds over the end of the fiscal year have gone to 4 billion, 5 billion, 6 billion, 7 billion as to the end of fiscal 1963, and it seems to me, with my concern for the Congress to exercise its legislative control as to spending, this is something we ought to consider.

The CHAIRMAN. But these funds have to be authorized every year.

Mr. KARTH. Foreign aid funds——

The CHAIRMAN. Foreign aid funds are. They are not in the same class.

Mr. RUMSFELD. I understand the distinction between the two.

The CHAIRMAN. All right, this is the responsibility of the Committee on Foreign Affairs.

Mr. RUMSFELD. I am well aware of that. I was using it as an example. My point is, the Bureau has to receive an appropriation every year and up until that appropriation has been expiring 12 months after it's been made, after it became effective—why not make it 24 months instead of making it on into the future as far as anyone could imagine?

The CHAIRMAN. The only thing I think that could be said against this is that there are hundreds of other agencies that have no-year appropriations.

Mr. RUMSFELD. There are many that have them though.

The CHAIRMAN. That is right. They have them and not all their money is going to be used. There are many places where this money is necessary for long leadtime work. The Appropriations Committee lets them have the funds. Then at the end of every 2 years they might find themselves in the same kind of "jam." I trust the Appropriations Committee carries out its work as it has in the past with respect to handling the appropriations for the Bureau of Standards just as it has for many others.

Mr. RUMSFELD. Did you have any answer to my statement?

Dr. HUNTOON. Let me try and see if I have it straight, sir. We are asking here for the legislative authority which would permit the Appropriations Committee to extend the funds beyond 1 year. If they wanted to say in any particular case it should be 2 years or 3, this would be up to their discretion. In answer to your question, rather than to say that it should always be 2 years, I think it would be better left to the discretion of the Appropriations Committee at the time to determine what the term of the money should be for the particular situation.

Mr. RUMSFELD. We would not be saying it should always be 2 years, but we would be saying it should be a maximum of 2 years as opposed to the existing situation that says it is a maximum of 1 year.

If I am not mistaken we took action this year on the NASA bill to provide authorizations that would expire after a period of years. Is this correct?

The CHAIRMAN. Would be repealed.

Mr. RUMSFELD. Well, "expired," "repealed."

The CHAIRMAN. They come in every year.

Mr. RUMSFELD. This is true. Well, the Bureau comes in every year for an appropriation and this is the analogy I am trying to present as a point.

Mr. PATTEN. I think this act only permits a specified period. At the top of page 2, for such period or periods as may be specified in the acts making such appropriations.

Mr. RUMSFELD. But the Appropriations Committee can specify a no-year basis which means forever, so our action in this committee—

Mr. WAGGONER. I don't think there is much danger doing this.

The CHAIRMAN. Remember, forever you are not dealing for sums but just specific amounts of money they appropriate that year.

After they do this, next year, if they give them a \$50,000 appropriation to carry out a certain amount of work and it's on a no-year basis, because of delays that come into it in the programing of it, they only spent \$30,000, then the other \$20,000 is allowed to wait until they get through.

Now, in the normal course of things, they get \$50,000 this year and \$50,000 next year and \$50,000 the following year, and carry on a long-term investigation. This isn't just pulling off part of their \$50,000, but when this other money isn't added to the money they get it's got to go through the same routing. I don't think it's very dangerous in that respect unless you, for reasons, let the money pile up—I don't know why. I'm certain NASA doesn't have any problem of appropriation money—hoarding any, that is.

Mr. DUCANDER. Not appropriations.

Mr. KARTH. I think the important thing, is no matter how this is done it's under the control of the Congress every year.

The CHAIRMAN. That is right.

This is only one section of the bill, gentlemen. Any other questions to this section?

(No response.)

Dr. HUNTOON. May I proceed, sir?

The CHAIRMAN. Yes, proceed.

Dr. HUNTOON. The second item of the amendments we are requesting concerns transfers of appropriations between agencies. The National Bureau of Standards conducts a large amount of work for other agencies of the Government, as we have already discussed here today. About 40 percent of our present program consists of such work. We frequently find ourselves in a situation where an urgent national program for which Congress makes funds available to an appropriate agency, requires for its successful completion special assistance from the National Bureau of Standards. In fact, the National Bureau of Standards, because of its many competences associated with its measurement mission, provides in this way one of the important technological basis for the progress of science and technology in this country. Because of this, there are few programs of a scientific or technological nature that do not depend in some way on the services of the Bureau of Standards.

In many cases, the nature of the assistance is such that it is quite specific to the needs of the program of the responsible agency. In such cases it is quite appropriate that the agency requesting the special assistance should pay for it and we have arranged, as we have discussed, to have them do so.

In some other cases, however, the assistance they seek requires work that we ourselves would normally expect to do and should do in the broad public interest. We have been striving over the years to bring into the Bureau's own appropriation all the things we should be doing in support of the entire national activity in science and technology. However, these special situations, to which I refer, arise in connection with and generate their emphasis at the time from the major national program with which they are associated. In such cases, where both agencies agree that the work to be done falls within the basic mission of the National Bureau of Standards, we feel that the funds for this work should be a part of our own appropriation.

The specific proposal before us to accomplish this is one we have developed as a result of discussions with the Bureau of the Budget. Essentially the authority we seek would permit transfer of basic appropriations from the other agency to be merged with NBS appropriations when so authorized by the Bureau of the Budget and agreed to by both agencies. This authority we would plan to use in programs of the magnitude of a hundred thousand dollars or more which would continue for several years and which fall clearly within the statutory authority of the National Bureau of Standards. By such means we would hope to stabilize our program and secure a better means than we now have to bring the base of the National Bureau of Standards appropriation more nearly in line with the needs of the other agencies.

When we undertake to do one of these special jobs that arises out of a major national program, we often do it by getting funds from the other agency to start the work, with the understanding that we will then seek to budget for it, ourselves, in succeeding years. Some of these undertakings involve an amount of money which is large compared to the budget increases we are normally seeking in connection with our regular work. They represent an apparent, but not real major increase in our program. Actually the work is already underway to meet the needs of the other agencies in connection with programs that the Congress has authorized and financed. It just happens

that part of the work falls to the Bureau of Standards and can best be done there.

In those cases where the work represents a general contribution to all of science and technology (although it arises from a particular special need) we would like to have the authority to arrange for a transfer of base from the appropriation of the agency that is supporting the work into our appropriation. In this way its continuation would represent a continuation of the work that Congress has authorized and not the apparent increase in our program that it seems to be at the time.

The CHAIRMAN. To do this, both agencies, the agency involved and the Secretary of Commerce acting for the Bureau of Standards, have to enter into an agreement presently for the transfer of these funds.

Dr. HUNTOON. That is correct, with the concurrence of the Bureau of the Budget.

The CHAIRMAN. The Bureau of the Budget?

Dr. HUNTOON. Yes, sir.

The CHAIRMAN. This merely is a more orderly way of doing it.

Are there any questions on this?

(No response.)

The CHAIRMAN. All right, let's get on then, to the next one. This one may give you some eyebrow lifting and I'm sure Mr. Roudebush will be concerned for we are going to talk about only a thousand dollars, but he will tell you where these funds come from.

Dr. HUNTOON. This third point requests authority for discretionary expenditure of our undesignated gifts and is, as the chairman says, to enable us to use funds for purposes for which we could not use regularly appropriated funds.

Our relationships with the scientific community and the international scientific bodies is important to the Bureau and has an informal basis. In our dealings with these people, as we go to their meetings, we often accept amenities from them which are quite their normal way of doing business. When they come back to see us we cannot reciprocate unless the individuals on our staff finance it from their own pockets. We are asking authority here, not to use appropriated funds, but to use funds given to the Bureau under our authority to accept gifts. Where these gifts are not specifically designated for a particular purpose, as most of them are, we would like to have the funds available for discretionary use. The main source we see for these funds is honoraria presented to our staff members for giving lectures and so on which they turn in to the Bureau as undesignated gifts. We get about \$4,000 a year of such money and we are asking here for discretionary authority to use it, including up to a thousand dollars of it for entertainment.

Mr. HECHLER. Mr. Chairman, are these what the gentleman from New York, Mr. Rooney, terms "tools of the trade"?

The CHAIRMAN. They are part of the "tools of the trade." I may say, Dr. Huntoon, you are invited by the Manufacturers Association, Indiana, to go out and make a speech and talk about the work of this agency and if you receive an honorarium of \$500 are you allowed to put it into your pocket?

Dr. HUNTOON. No, sir, we turn it over to the Bureau.

There are circumstances where if a—

The CHAIRMAN. I am building up Indiana, that's all.

I am certain, Dr. Weaver, if I'm transferred, you will accept the honor.

Dr. WEAVER. We will share it with you.

Mr. PATTEN. Why should we have any trouble with it? Why not do it the way Congress does it?

Mr. ROUDEBUSH. What honoraria does the Congress get?

Mr. RUMSFELD. You started to say there were exceptions.

Dr. HUNTOON. I started to say that on occasion when a man is asked to give a talk he can be authorized to retain the honorarium if he goes on annual leave and does this as a private venture. These are very infrequent. Mostly the honoraria are returned to the Government.

The CHAIRMAN. Mr. Rumsfeld?

Mr. RUMSFELD. One thing gives me pause. You say you want permission to use certain moneys, for purposes which you couldn't use it if it were regularly appropriated funds of the Federal Government. Only certain—well, I would think that not all agencies have employees who would receive substantial amounts of gift money which would then go into the agency fund. This being the case, it would seem to me that isn't there a possibility that your Bureau would be in a favored position over the others in that they have this money and therefore being able to use the money for purposes which other departments could not, it could conceivably create confusion in the mind of the public.

I don't think today the public expects the departments and employees of departments of the Federal Government to do this type of thing. It isn't normal.

Suddenly the Bureau will be doing it. Will there then be a question why others don't?

Dr. HUNTOON. I don't believe so, sir. Let me give you one example of this. For a number of years now we have invited the members of the American Physical Society which meets every spring here in Washington to a tea at the National Bureau of Standards. We finance that by voluntary contributions from our staff members and from our welfare fund which comes from selling things—cokes and whatnot, around the Bureau. If the question were going to arise that Government people wouldn't be expected to do this—it's already being done because our people themselves are chipping in to finance it.

The CHAIRMAN. These are limited. May I cite an example of how our Government sometimes falls short and loses stature in this field? I can cite some other instances in the Government where this is done because it is provided in the State Department and some of the others, but never enough money.

I was a delegate to the convention in Geneva about 4 years ago to the Conference on the Law of the Sea. This meant a great deal to us. We are feeling the press of it now in the fisheries and some other things.

Were you over, Mr. Van Pelt, to one of those?

Mr. VAN PELT. Yes.

The CHAIRMAN. Mr. Van Pelt was on the committee, as I was, on Merchant Marines and Fisheries and we were asked to have two men there all the time and this thing lasted about 3 months so we would go over at 2-week intervals.

The Russians, apparently, had unlimited money for entertainment. Did you find that—

Mr. VAN PELT. Our own delegates had to pay it out of our own pocket.

The CHAIRMAN. Yes, take it out of their own pocket. They were given \$2,500 that didn't last at all, and then the fishing industry, back here, their people had to send back and get people from the fishing industry to contribute money and we couldn't hold up our end at all and now with these newly emerging nations, this meant a great deal and one of the reasons, maybe, we lost face.

Now, I'm sure you have been invited over to the Pentagon to dinner.

Mr. RUMSFELD. No.

The CHAIRMAN. Oh, you were invited. If you didn't go, that's your business, but I know you were invited, because I was invited at the same time and all the freshman Congressmen on the committee were invited.

Mr. RUMSFELD. Lunch. For lunch? I beg your pardon.

Mr. HECHLER. Only lunch.

The CHAIRMAN. This was paid for out of public funds, but if I go out—you and I go out to the Bureau of Standards—and I've been out there, I am always invited to lunch or the group goes out and are invited to lunch. But this has to come out of the pockets of the staff of the Bureau of Standards or out of Dr. Huntoon and Dr. Astin's pocket, whoever is in the party and you have a table with these people and they have to pay this out of their own pocket.

Mr. WAGGONER. The same thing in this committee, for our own—

The CHAIRMAN. Yes, but we don't do a lot of entertaining.

Mr. HECHLER. Mr. Chairman, I think this provision should be approved without question. It's hard enough to recruit scientists and top administrative personnel to the Government without surrounding them with additional restrictions and drains on their personal finances. You live in a showcase to begin with. You have to come before a congressional committee, which may be somewhat of a burden. They are constantly hedged in by restrictions where private industry is not.

I would like to speak up a word on behalf for the employees of the executive branch and say that anything that we can do in order to make their position more nearly comparable is a step in the right direction. I certainly think this provision ought to be approved without any question.

The CHAIRMAN. And the money involved is not public money. It is grants or gifts to the Bureau or royalties and fees earned by members of the Bureau that must be deposited back.

I want to tell you if I was a member of the staff, I'd always take leave when I was going to make a speech or something.

Mr. ROUDEBUSH. Mr. Chairman, so the record can be abundantly clear; certainly, I don't want to object. I want to ask you—you mention honorariums by members of your staff. They travel. For example they ask you to come to the University of Illinois. You travel there on Government expense—right?

Dr. HUNTOON. Right.

Mr. ROUDEBUSH. You receive an honorarium for your appearance. Now, at the present time, you must endorse that check and turn it back to the Government of the United States.

Dr. HUNTOON. That is right.

Mr. ROUDEBUSH. The purpose of this amendment is merely to use funds such as that for certain entertainment you are bearing personally.

Dr. HUNTOON. The amendment would permit us to make discretionary use of these undesignated gifts with a limit of not more than \$1,000 per year to be used for entertainment.

The CHAIRMAN. Not more than a thousand dollars.

Mr. ROUDEBUSH. With a limit of a thousand dollars a year.

Mr. VAN PELT. I thought we went into this pretty thoroughly last year and OK'd it.

The CHAIRMAN. We did go into it last year.

Are there any other questions?

(No response.)

The CHAIRMAN. If not, we have——

Dr. HUNTOON. We have a fourth item here yet, sir.

This is regarding clarification of our position with respect to services for international organizations, governments, friendly countries, and their laboratories.

The law under which we now work is quite clear about our operations with respect to the States and with respect to the other Government agencies in providing our services to them, but it does not say anything about what we should do with respect to foreign governments and laboratories of foreign governments.

We have worked through the State Department in the sense that if a foreign government wants something from us they ask the State Department and the State Department asks us and then, as a service to the State Department, we can do the work for another government or for an agency of a foreign nation.

In the course of this we, as you know, sell standard samples of materials as one of the means of disseminating our capability. Something near 30 percent of the samples we now sell are sold to foreign laboratories and to foreign government institutions. We undertake, of course, to be sure we are in accord with the State Department and in accord with the Department of Commerce export authority. What we are seeking here is a clarification of our law which puts us in a position to provide this assistance directly to other governments and to their laboratories.

This is all by way of encouraging, stimulating, and tying together the international measurement system and international collaboration on measurements. All of these samples and services that we provide, provide the basis for further tightening and refining the relationship between our measurement system and that of foreign countries. It's to our advantage as well as to theirs that we do this. Our position is not clear before the law and we seek to get it clarified.

Mr. ROUDEBUSH. Again so the record may be clear, there's no security problem at all. Is that correct, Doctor?

Dr. HUNTOON. If you wanted to call them strategic materials, they would come under the export license control before we could ship them abroad. Here, we are concerned, not with security matters, but with

the measurement system and our collaboration and cooperation with friendly nations.

Mr. ROUDEBUSH. Then there is an abundance of legislation—other statutes that would prevent any sensitive materials from being sent to any foreign government.

Dr. HUNTOON. Yes.

Mr. ROUDEBUSH. I have no further questions.

The CHAIRMAN. I think that we should have—perhaps, for the record, if you would elaborate on the “friendly countries.” In case this comes up on the floor, what do we mean by “friendly countries” and “private institutions therein?”

If you would elaborate on this a bit and furnish us a statement for the record that would be helpful.

Dr. HUNTOON. You want a further statement for the record on this beyond what is in—

The CHAIRMAN. Yes, defining these a little more specifically so if the question comes up we know what it means.

(The statement requested is as follows:)

STATEMENT ON SECTION 3 OF H.R. 5838

Section 3 of the proposed amendments to the NBS Organic Act, now before Congress as H.R. 5838 and S. 1464, reads:

“Sec. 3. Such Act is further amended by inserting after the first sentence of section 3 the following: ‘These functions may be exercised for international organizations of which the United States is a member, or for governments of friendly countries and private institutions therein.’”

This amendment is needed to clarify the Department’s authority to sell standard samples and provide certain calibration and standards services to international organizations of which the United States is a member and to governments of friendly countries and private institutions in those countries. The Bureau’s functions may be exercised under the existing act of March 3, 1901, as amended (15 U.S.C. 273), for U.S. Government agencies, State and local governments, and private institutions in this country. The act contains no express language authorizing similar services on the international level, although it is possible that authority to sell standard samples to other countries and their institutions may be implied from the broad authority vested in the Department of Commerce “to foster, promote, and develop the foreign and domestic commerce.”

The proposed amendment would define authority more clearly in view of the absence of express language in the NBS Organic Act. It would permit the Bureau to sell standard samples and provide calibration and other standards services directly to the organization making the request. Such sales and services are not controversial or strategic in nature and would remain subject to the policy review by the Departments of Commerce and State and subject to applicable export control regulations.

The amendment would authorize such sales and services for “governments of friendly countries,” which generally consist of countries with which the United States maintains diplomatic relations. From time to time there may be countries with which we have diplomatic relations but which are not considered “friendly” under our foreign policy. In the event of doubt regarding the status of any particular country, the Bureau and the Department of Commerce would consult with the Department of State before filling orders for standard samples or services.

The amendment would also authorize the Bureau to exercise its functions directly for an international organization of which the United States is a member, such as the International Standards Organization. This would permit encouragement of international standardization within the framework of an international organization, subject again to the policy guidance of the Departments of Commerce and State.

Under the amendment, national laboratories of friendly countries could purchase standard samples or services from the Bureau because they would be government agencies. Universities in friendly countries could make direct

purchases either as government instrumentalities if they are government institutions or as private organizations if not. A state enterprise owned by a friendly government could also purchase standard samples or services as a government instrumentality.

The term "private institutions therein" would include privately owned firms and nonprofit research institutions, as well as private universities, which are organized under the laws of friendly countries or are domiciled therein. It would not include a state-owned enterprise organized in a "friendly country" by an unfriendly country.

In summary, the provisions of section 3 are intended to permit noncontroversial sales of standard samples and services at the normal price to friendly governments, certain international organizations and private institutions for the purpose of fostering international standardization and thereby encouraging commerce. These functions would be subject to the usual policy direction and export control regulations. Nothing in the amendment is intended, however, to restrict existing authority to assist the Department of State or other U.S. Government agency upon request in a case not covered by the proposed amendment.

OCTOBER 14, 1963.

The CHAIRMAN. Mr. Patten?

Mr. PATTEN. I was wondering, Doctor, over at the Navy Basin, they let us believe there was quite a bit of fuss where the boatowners of the countries are fighting for a larger portion of the time, the facilities—is it possible if you take over these new countries you are going to get swamped with work?

Dr. HUNTOON. No, this is not opening any floodgates. This is only a matter of these exchanges that we make with other countries in the interest of getting the measurement competence established.

The CHAIRMAN. May I say this? I just glanced through this. I thought I might find it, but it wasn't there—in the posture hearings a year or two ago, Dr. Astin told us there were certain measurements, certain industries here that had to send blocks to England, I believe, to be calibrated.

Dr. HUNTOON. Yes, sir, that was going on.

The CHAIRMAN. Now, this, to me, was shocking that this country with developed capabilities on these things, we hadn't kept it up. So, this is where we go to get information.

Dr. HUNTOON. That situation is in much better shape now. Our calibrations of length are as good as anyone's.

The CHAIRMAN. That is right, but there was a time——

Dr. HUNTOON. There was a time.

The CHAIRMAN. Manufacturers had to send their measuring blocks to England to be calibrated. This was dependence upon something beyond. I am glad it is corrected.

This is one of the reasons you must have continuous contact with other measurement experts in these fields on a worldwide basis so we keep abreast.

Mr. KARTH. Mr. Chairman.

The CHAIRMAN. Mr. Karth.

Mr. KARTH. I think it might be good to have in the record, Doctor, how you do arrive at the selling price that you charge these foreign governments for the standard samples you do, in fact, sell them. Is this on a cost basis?

Dr. HUNTOON. They are sold for the same price as to the domestic buyer and we discussed earlier how those prices are arrived at to cover exactly the costs.

Mr. KARTH. They are arrived at in the same way?

Dr. HUNTOON. Yes, sir.

Mr. KARTH. So that it doesn't cost the taxpayers of this country any money to sell these sample articles or standard samples to foreign governments?

Dr. HUNTOON. We will be selling them here in this country, anyway. It is a matter of producing more, but the costs of production are covered by the prices of the samples.

Mr. KARTH. I understand. By the same token, those costs you must pay foreign governments for samples, you might be desirous of having, might be derived by the same means?

Dr. HUNTOON. That is right.

Mr. ROUDEBUSH. Could I have an example of a standard sample? Say, an illustration—a sample?

Dr. HUNTOON. We brought a couple along so we could show them.

Mr. ROUDEBUSH. I think it would be well to have that.

Dr. HUNTOON. The term "standard sample" which has now quite general acceptance is in a sense a misnomer. It is a sample of a standard material. We measure these materials with our best capability to characterize them, and state what their constitution is with respect to certain things of interest. For example, here we have a sample of a heat-resisting alloy, nickle chromium cobalt, called Waspalay. It has been measured and this analysis presents measurements of its various components according to the best technology available today. Another laboratory can use this sample to calibrate their measuring instruments. If they measure the standard alloy and get the same answer that NBS does they then can use their own instruments to check other alloys.

This is one of the most important ways of disseminating our measurement capability without people having to get together and compare measuring instruments. We say, we measured this. You measure it. If your answer is the same as ours, the process is working. These are important bases for quality control in industry and, obviously, for getting technological goods on a common basis for exchange in commerce and industry. Through good measurements you can specify and have specifications that are meaningful.

Mr. KARTH. Doctor, inasmuch as we sell more abroad, really, in terms of consumer items—inasmuch as we sell more abroad than we import from abroad, I assume this would be advantageous to this country.

Dr. HUNTOON. Yes.

The CHAIRMAN. Advantageous, too, we have to buy abroad—that we know what we are getting.

Dr. HUNTOON. It's really the fundamental basis, perhaps most important one, for disseminating our measurement capability and reaching the necessary agreement for specifications for technological goods and devices, and for exchanges in commerce internally and externally.

Mr. VAN PELT. Mr. Chairman, a motion in order?

Mr. RUMSFELD. I have a question, if we still have some time here.

The CHAIRMAN. You know we can always save time.

Mr. PATTEN. We have other speakers, too, don't we?

Mr. RUMSFELD. One thing is not clear.

I just reread your statement here and it's not clear to me, specifically, what delays or problems you are now encountering as a result of having to go through the State Department.

This amendment would permit you to circumvent the State Department and from rereading this, you state that that's a fact, that it's not quite clear to me exactly why and how.

Dr. HUNTOON. Let me see if I can clarify this.

There is a problem if we—in order to maintain our legality—have to go through the complicated chain which would require a foreign laboratory that wants a measurement service, or a standard sample from us (instead of asking us for it and getting it directly), to go through their government channels to request it through their state department, to our State Department, so our State Department can ask us to supply that service, and therefore we can say we did it as a service to a Government agency of the United States. This is a circumvolution merely to stay within the law because the upshot of it is the same. We supply the material to the other laboratory, but in becoming legalized, we must say that we did it at the request of the State Department.

Mr. RUMSFELD. So it's simply a time—basic time.

Dr. HUNTOON. Time and complication. When you are involved in many laboratories and many of the standards samples this can amount to unnecessary delay and a lot of paperwork.

Mr. RUMSFELD. The opening paragraph of your statement here says that it would be available to international organizations of which the United States is a member, to friendly countries and to institutions in these countries.

Dr. HUNTOON. Yes, sir.

Mr. RUMSFELD. This would permit an institution in a so-called friendly country to go directly to you.

Dr. HUNTOON. That's right.

Mr. RUMSFELD. And the burden then would be upon your Bureau to determine whether or not this institution in a friendly country was, in fact, a friendly institution, so to speak.

Dr. HUNTOON. Are you now raising the question of whether a specific institution in a friendly country is, itself, friendly or not friendly?

Mr. RUMSFELD. Yes, exactly.

Dr. HUNTOON. Well, I don't think that—

Mr. RUMSFELD. And what background your Bureau has to make such a determination.

I mean, previously, it's been made in the State Department where, from what I know about our Government, this is the logical place for it to be made.

Dr. HUNTOON. As I said before, where we have questions we continue to coordinate with the State Department to find out through their channels what they think of these institutions. Once it's done for a particular institution, there is no need to go through it again over and over.

Mr. KARTH. Would the gentleman yield?

Mr. RUMSFELD. Yes, sir.

Mr. KARTH. Doctor, there are many people who complain about Government redtape, complain about the number of employees on the Government payroll, this, that, and the other.

Dr. HUNTOON. Yes, sir.

Mr. KARTH. They complain about bureaucracy. This, in some instances, I suppose would go a long way toward eliminating a certain percentage of all three of those.

Dr. HUNTOON. This will eliminate excess paperwork we do not feel is necessary.

The CHAIRMAN. I was going to say, if you have ever had to deal with the State Department, as we do sometimes, in these cases, I can see the burden placed upon you, the cost placed upon you, in doing this.

So far as institutions in countries where we put this in, if they want to get these samples bad enough they can come over and buy them in this country. Nobody is going to ask who they are, what they are, or anything else—and send them over.

So, these are not high priority things that go into top defense fields. These are the things that you use every day. I can see this.

I would be hopeful that the Bureau of Standards would never have to set up an agency to screen the people to whom it sells its stuff because then we'd have another CIA outfit. I can assure you if anything happens to CIA—anybody who knows these people they generally have lists of what you want in this nature. I don't think that a danger exists here.

That's my own thinking.

Mr. DAVIS. Mr. Chairman, may I ask a question, please, sir?

The CHAIRMAN. Yes, sir.

Mr. DAVIS. Dr. Huntoon, most of your work consists of establishing standards of weights, measures, and measurements—let's say, chemical content, and what not, does it not?

Dr. HUNTOON. And physical properties of materials.

Mr. DAVIS. Physical properties.

Dr. HUNTOON. Yes.

Mr. DAVIS. What percentage in any of that would you say is ever sensitive from a standpoint of national security?

Dr. HUNTOON. A very, very small percentage of it, where we might be involved with the Atomic Energy Commission, in the measurement of certain atomic properties of a material of interest to them. This is a very small part of our activity.

Mr. DAVIS. In other words, there would be no security angle involved if you want to tell, say, Tito, how long a meter was or something like that.

Dr. HUNTOON. No, sir, no security there.

Mr. DAVIS. That's all.

Mr. KARTH. Or chemical content or the makeup of the bar by which you measure the meter.

Dr. HUNTOON. No. These are not security matters. We are concerned here with the signatories to the Treaty of the Meter and others agreeing that they are going to use a common measurement system so they don't get into confusion and chaos in exchanging goods with one another.

Mr. KARTH. Fact of the matter, Doctor, this stimulates commerce between nations, does it not?

Dr. HUNTOON. It is essential to the commerce between nations.

Mr. ROUDEBUSH. Mr. Chairman, would you tolerate one quick question?

The CHAIRMAN. I would tolerate anything from you.

Mr. ROUDEBUSH. Thank you very much.

I would like to ask you, Doctor, there are many testing laboratories in these countries and they make many different reports to the public in the form of advertising. Does the Bureau of Standards ever have a watchdog feature whereby they check the results some of these private laboratories and statements they are making in advertising?

Dr. HUNTOON. Not directly, sir.

Mr. ROUDEBUSH. Only at request.

Dr. HUNTOON. At the request of the Federal Trade Commission or at the request of the Post Office Department. We may at their request measure some particular product to see what it is or whether it is in accord with the advertising claims. This information then, is referred back to that agency for such activity as they wish to take.

We have no regulatory responsibility. The amount of this kind of work represents at most about 1 percent of our activity. We are not a consumer testing organization.

Mr. RUMSFELD. You thinking of krebiozen?

Mr. ROUDEBUSH. No.

I think that answers my question quite completely.

You do not have a watchdog feature. You only do so at the request of other agencies.

The CHAIRMAN. Who are the enforcing agencies? In case of fraudulent advertising of goods it is the Federal Trade Commission and certain things going through the mail its the Post Office.

Well, we have about 20 minutes. Did I hear a motion?

Mr. VAN PELT. Yes, if the motion is in order. I move we report H.R. 5838 favorably.

Mr. HECHLER. Second.

The CHAIRMAN. Moved and seconded that we favorably report H.R. 5838 with the usual stipulation that we do all within our means to take the necessary parliamentary steps to make it enacted in the law.

Ready for the question? All those in favor signify by saying "aye." COMMITTEE. "Aye."

The CHAIRMAN. "Noes" opposed.

(No response.)

The CHAIRMAN. The bill is favorably reported out unanimously. (Whereupon at 11:45 a.m. the committee was adjourned.)





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