

MALCOLM BALDRIGE AWARDS FOR NONPROFIT ORGANIZATIONS

FEBRUARY 11, 2004.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOEHLERT, from the Committee on Science,  
submitted the following

R E P O R T

together with

AN ADDITIONAL VIEW

[To accompany H.R. 3389]

[Including cost estimate of the Congressional Budget Office]

The Committee on Science to whom was referred the bill (H.R. 3389) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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## I. PURPOSE OF THE BILL

The purpose of the bill is to amend the Stevenson-Wydler Technology Innovation Act of 1980 by adding a nonprofit category to the existing categories under which Malcolm Baldrige National Quality Awards are made. The existing categories are manufacturing, small business, services, health care, and education.

## II. BACKGROUND AND NEED FOR THE LEGISLATION

The Malcolm Baldrige National Quality Awards were established in 1987 to promote improved quality assurance and management in U.S. companies and organizations. The Awards recognize those that have substantially benefited the economic or social well-being of the United States through outstanding improvements in the quality of their goods and services that result from the effective practice of quality management. The Awards were intended to raise awareness about the importance of quality and performance to competitiveness, and establish a process to disseminate information about successful strategies and best practices.

The mechanism for making these awards, established in the law, is a public-private partnership housed in the National Bureau of Standards (now the National Institute of Standards and Technology (NIST) within the Department of Commerce). Authority was provided in the legislation to seek and accept gifts from public and private sources to carry out the program. Today, NIST is responsible for the development of the criteria under which each award is made, the training of the examiners who will review applicants to the award program, and the publication of criteria and related information for dissemination to the public. Collectively these activities are known as the Baldrige National Quality Program. The American Society for Quality (ASQ) assists in the administration of the award program under a contract with NIST. The Foundation for the Malcolm Baldrige Quality Award was created to raise funds to permanently endow the partnership. Prominent leaders from U.S. organizations serve as Foundation Trustees.

The awards are made on the basis of the Baldrige Criteria, which are based on seven general categories: leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and business results. The Criteria constitute a methodology companies and other organizations can apply to themselves to improve quality and productivity.

Companies or organizations that compete for the Malcolm Baldrige National Quality Award, participate in an application and examination process in which the NIST trained examiners audit the organization or company and score them according to the Baldrige Criteria. Each applicant receives a feedback report at the end of review process which provides an analysis of the applicants' strengths and recommendations for improvement. Award winners are required to share information on their practices and strategies with other U.S. organizations, which they do through the annual Quest for Excellence conference, and a variety of other public sessions.

Since the passage of the law, the Baldrige Criteria have become commonly used by companies worldwide to increase their performance. In addition, a large number of the U.S. States have established their own state-level Baldrige Award systems to recognize excellence, and have begun to establish categories in addition to those offered at the national level. One of these categories is the nonprofit category. A nonprofit category permits entities from the nonprofit sector not involved in health care or education, or entities of Federal, State, or local government not similarly employed, to compete on the basis of the Baldrige Criteria. This category has proven especially popular and nonprofits and States where this category is recognized have urged Congress to establish a nonprofit category within the Malcolm Baldrige National Quality Award.

### III. SUMMARY OF HEARINGS

No hearings were held on H.R. 3389.

### IV. COMMITTEE ACTIONS

Congressman Brad Miller introduced H.R. 3389, To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations, on October 29, 2003, at which time the bill was referred to the Committee on Science. On February 2, 2004, the bill was discharged from the Subcommittee on Environment, Technology, and Standards. On February 4, 2004, the Committee on Science considered H.R. 3389 and favorably reported the bill without amendment, by voice vote.

### V. SUMMARY OF MAJOR PROVISIONS OF THE BILL

The legislation amends the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3711a(c)(1)). The Act was amended in 1987 to establish the Malcolm Baldrige National Quality Award, to be made in three categories: companies or their subsidiaries, small businesses, and companies that provide services. Education and health care were added in 1998 and the first awards in those categories were made in 1999. H.R. 3389 adds nonprofit organizations to the list of eligible applicants.

### VI. COST ESTIMATE

A cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted to the Committee on Science prior to the filing of this report and is included in Section X of this report pursuant to House Rule XIII, clause 3(c)(3).

H.R. 3389 does not contain new budget authority, credit authority, or changes in revenues or tax expenditures. Assuming that the sums authorized under the bill are appropriated, H.R. 3389 does not authorize additional discretionary spending, as described in the Congressional Budget Office report on the bill, which is contained in Section X. of this report.

## VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, February 11, 2004.*

Hon. SHERWOOD L. BOEHLERT,  
*Chairman, Committee on Science,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3389, a bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Melissa E. Zimmerman.  
Sincerely,

ELIZABETH M. ROBINSON  
(For Douglas Holtz-Eakin, Director).

Enclosure.

*H.R. 3389—A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations*

H.R. 3389 would allow the Malcolm Baldrige National Quality Awards to be awarded to nonprofit organizations. Currently, the National Institute of Standards and Technology grants the awards to small businesses, companies, health care providers, and education providers. CBO estimates that implementing H.R. 3389 would not have a significant effect on the budget and would not affect direct spending or revenues.

H.R. 3389 has no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Melissa E. Zimmerman. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## VIII. COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 3389 contains no unfunded mandates.

## IX. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

The Committee on Science's oversight findings and recommendations are reflected in the body of this report.

## X. STATEMENT ON GENERAL PERFORMANCE GOALS AND OBJECTIVES

The House Science Committee expects a large applicant pool in the new Baldrige non-profit category. The Committee also expects winners in the Baldrige non-profit category to demonstrate a level of performance on par with winners in the other categories.

## XI. CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact H.R. 3389.

XII. FEDERAL ADVISORY COMMITTEE STATEMENT

H.R. 3389 does not establish nor authorize the establishment of any advisory committee.

XIII. CONGRESSIONAL ACCOUNTABILITY ACT

The Committee finds that H.R. 3389 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

XIV. STATEMENT ON PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

This bill is not intended to preempt any state, local, or tribal law.

XV. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

**SECTION 17 OF THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980**

**SEC. 17. MALCOLM BALDRIDGE NATIONAL QUALITY AWARD.**

(a) \* \* \*

\* \* \* \* \*

(c) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—(1) Subject to paragraph (2), separate awards shall be made to qualifying organizations in each of the following categories.

(A) \* \* \*

\* \* \* \* \*

(F) *NONPROFIT ORGANIZATIONS.*

\* \* \* \* \*

XVI. COMMITTEE RECOMMENDATIONS

On February 4, 2004, a quorum being present, the Committee on Science favorably reported H.R. 3389, To Amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations, by a voice vote, and recommended its enactment.

## XVII. ADDITIONAL VIEW OF HON. BRAD MILLER

The Malcolm Baldrige National Quality Award Program is one Congressional initiative that is widely viewed as an unqualified success. Since the late 1980s, companies have treated the standards by which the Baldrige award applicants are judged as the highest available standard for the application of total quality management principles to their operations. The Baldrige program has recruited a unique corps of our nation's most sophisticated quality experts to serve as its examiners who measure applicant companies against the standards to annually determine the winners of the award. The Baldrige program has been emulated by many states and by many foreign countries.

To win the award, a company must optimize all aspects of its operations including customer, employee, and supplier relations in light of its stated goals. Reaching the level of quality required for a site visit under this program can take years of hard work, leading many companies to work to win a state award before attempting to win the Baldrige award. Even those companies who do not win the award come away much stronger for having tried and with a much better idea of those areas where their company needs work.

Not long after the passage of the Act setting up the Baldrige Award, efforts began to extend the Baldrige program to other aspects of the economy and in the late 1990s, categories were added for education and healthcare. The winners in these categories not only have shown unprecedented levels of efficiency in applying quality principles to their activities; they also have brought creative new ideas forward about how children learn and about how healthcare is delivered.

I introduced H.R. 3389 because I believe the time is right to bring total quality management principles to the rest of our economy. Some state awards have already extended to non-profit areas of our economy including charities and government. These organizations are hugely important to the welfare of all of us and the better they deliver their services, the better off we all are. It, therefore, is my hope that my colleagues in the Congress will give this legislation priority consideration. Only then will it be clear that the Congress values well-run government at all levels as well as well-run private sector non-profit organizations and that we expect such entities both to be priorities for the quality movement and to have the same Baldrige incentives to perform at an optimum level as the private sector does.

BRAD MILLER.

**XVIII. PROCEEDINGS OF THE FULL COMMITTEE MARKUP ON H.R. 3389, TO AMEND THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980 TO PERMIT MALCOLM BALDRIGE NATIONAL QUALITY AWARDS TO BE MADE TO NONPROFIT ORGANIZATIONS**

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**WEDNESDAY, FEBRUARY 4, 2004**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON SCIENCE,  
*Washington, DC.*

The Committee met, pursuant to call, at 10:08 a.m., in Room 2318 of the Rayburn House Office Building, Hon. Sherwood L. Boehlert [Chairman of the Committee] presiding.

Chairman BOEHLERT. Good morning. The Committee on Science will be in order. We will begin with a few brief administrative matters involving the Subcommittee assignments. I ask unanimous consent to change the ratio of the Subcommittee on Energy from ten Republican Members and eight Democrat Members to eleven Republican Members and nine Democrats. Without objection, so ordered.

I ask unanimous consent that the gentleman from Texas, the Honorable Ralph Hall, be elected to the Subcommittee on Energy and to the Subcommittee on Space and Aeronautics. Without objection, so ordered.

Let me just say this is—you will notice some adjustments in the chairs up here, in the line up. First of all, it is a pleasure for me to welcome Mr. Hall to our side of the aisle. We have come to expect wonderful things from Mr. Hall. And one of the things that I admire most about him, in addition to his wit, is his good judgment. So Mr. Hall, welcome.

And I also want to welcome my dear friend and colleague of many years, Bart Gordon, to the position as Ranking Member as leader of the Democrats. He is not leader of the opposition; he is leader of our partners in this effort. And I want to particularly note that he has been a most active Member of this committee from the beginning, from his first time here in 1985 as a freshman Member. He is a thoughtful, deliberative guy. He is a guy who pays attention to the issues and one from whom I will expect great things in the future. I would point out that he also has a minor Committee assignment. He is a Member of Energy and Commerce, but this is

where he devotes his—so much time and attention to very productive results. So Mr. Gordon, welcome. Mr. Hall, welcome. We are glad to have everyone here.

And now the Chair is pleased to recognize the Ranking Member from Tennessee, Mr. Gordon.

Mr. GORDON. Mr. Chairman, I should just say amen. I don't think I can beat your kind remarks. Thank you very much. I am excited about having the opportunity to serve as the Ranking Member. And I am pleased that our friend, Mr. Hall, is going to stay and be the referee. He has set a very good example for us, as you said, in working in a bipartisan manner. We want to continue that example.

I think today is fitting that we have a full agenda, and so I want to be very brief and—so that we can move forward, but I do want to thank you for allowing Congressman Udall and Congressman Miller to have two bills today. And I hope that you will help us bring these to the Floor as promptly as you have brought them to this committee.

Thank you very much.

Chairman BOEHLERT. Mr. Hall.

Mr. HALL. Mr. Chairman, and to the Ranking Member and to the other Members, I thank you very much. I am honored to be back on the Committee.

I want to thank Mr. Gordon for his good judgment and for his kindness in keeping the team in place that we had set in place. They are good people and good folks to work with. I want to thank all of them from either side of the docket who have welcomed me here. Actually, when I decided—made the decision to switch parties, I didn't call anyone. I didn't call the President or anyone. I didn't tell anyone, including my wife, which was a mistake. I announced that I was making the switch and put it on the wire and then called and spoke to the Speaker. All I expected from him was that my seniority would be honored, and he said it would be. You have done that. And to both sides, I am the same guy I was when I came over here. I am probably the Speaker's problem now. So we will just have to wait and see how things go, but I am honored to be back with a group of men and women that I admire, respect, and look forward to working with.

Thank you, and I yield back my time.

Chairman BOEHLERT. Thank you so much.

As those who have observed the deliberations of this committee would have testified to, it really doesn't matter where you sit in this committee, because we have some very important work and partisanship doesn't rear its ugly head very often here. On occasion it does, and we are all familiar with that. But when all is said and done, we work as a team, this Science Committee, and I am very proud of that. And so no matter where they are sitting, everybody is part of the team, and I thank them for their cooperation and support and vision as we look to the future.

Pursuant to notice, the Committee on Science meets today to consider the following measures: H.R. 3551, the *Surface Transportation Research Act of 2004*; H.R. 3752, the *Commercial Space Launch Amendments Act of 2004*; H.R. 912, *Charles "Pete" Conrad Astronomy Awards Act*; H.R. 1292, *Remote Sensing Applications*



*Act of 2003; H.R. 3389, To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations; and H.Con.Res. 189, Celebrating the 50th anniversary of the International Geophysical Year and supporting an International Geophysical Year-2 in 2007–08.* I ask unanimous consent for the authority to recess the Subcommittee at any point, and without objection, it is ordered.

We will now proceed with opening statements. I want to welcome everyone here for this important markup. We want to get done by 11:00 a.m., so we will need to be brief. I am not planning to make any statements this morning other than this one, so I will discuss each of the bills right now. But first let me say that all of the bills, as usual, reflect long hours of bipartisan work on important issues. The smooth markup that we expect today is the result of countless hours of staff work on both sides of the aisle working out the kinks.

The first that we will take up is the Transportation Research and Development Act offered by Dr. Ehlers and the negotiated amendments to it. The bill ensures that we will be devoting more resources to transportation R&D and that those resources will be better targeted. The bill authorizes an organized R&D effort that will focus on questions related to safety, environment, demographics, and getting the most out of the infrastructure that is already in place. It is an eminently sensible approach, and we will work hard to see that it becomes part of the overall highway bill. I know many Members have contributed ideas to the bill and to the amendments, including, in addition to the ones I have to offer, two freshmen Members on our side of the aisle, Mr. Neugebauer and Ms. Burgess—Dr. Burgess. I thank them for their contributions.

The second measure on the roster is Mr. Rohrabacher's bill to amend the *Commercial Space Launch Act*. I want to thank Chairman Rohrabacher for bringing this important matter to our attention. We need to create a balanced and predictable regulatory regime that can help jump-start a commercial human space flight industry while protecting the public. I think that this bill does just that. I know some have concerns about the provision in the bill extending indemnification for just 3 years. I don't want to have a long debate in this now, but the argument for indemnification has always been that we need to help out an infant industry. Well, no industry can remain infant forever. Indemnification has already been extended many times. Infancy has lasted long enough. In industry's interest, we need to send the signal now that the insurance regime out to be changing in the future. It certainly would not be fair or wise to catch industry off guard.

The third bill is also offered by Chairman Rohrabacher. It would set up awards for amateur astronomers who discover near-Earth asteroids. It is one of those ideas that is so obviously good that it is amazing that it hasn't happened already.

The fourth bill is Mr. Udall's remote sensing bill. This is also a sensible bill that we passed in the last Congress. We ought to be doing more to ensure that the remote sensing data we have is actually being used. Mr. Weldon will be offering a helpful amendment on that to single out one use of the data: locating forest fires. I support that amendment.

The fifth bill would expand the Baldrige Quality Awards to include nonprofits. I helped craft the legislation creating the Baldrige Award years ago. Little did I appreciate then what a major success the award would be. I congratulate Mr. Miller on his bill to expand the award.

The sixth bill by Mr. Udall would call for another International Geophysical Year, 50 years after the first one was so successful in bringing the world together to conduct pioneering research in Antarctica, research several of us got to see firsthand last year. This is another idea that deserves this committee's support.

I congratulate all of my colleagues on their hard work on these bills, and I look forward to their prompt passage here and on the House Floor.

Let me once again restate the deep appreciation all of us have, on both sides, for the outstanding work of the very capable and hardworking professional staff. These are people who are here long after we have gone home, long after we have checked out of the airport to return to our Districts, working day and night and weekends to provide us with the support we need to do the good work we are doing.

I now recognize Mr. Gordon for five minutes to present his opening remarks.

[The prepared statement of Chairman Boehlert follows:]

PREPARED STATEMENT OF CHAIRMAN SHERWOOD BOEHLERT

I want to welcome everyone here for this important markup. We want to get done by 11 a.m., so we all need to be brief. I'm not planning to make any statements this morning other than this one, so I will discuss each of the bills right now.

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The sixth bill, by Mr. Udall, would call for another International Geophysical Year, 50 years after the first one was so successful in bringing the world together to conduct pioneering research in Antarctica—research several of us got to see firsthand last year. This is another idea that deserves this committee's support.

I congratulate all my colleagues on their hard work on these bills, and I look forward to their prompt passage here—and on the House Floor.

Mr. Gordon.

Mr. GORDON. Mr. Chairman, I am pleased to report to the Committee that the Democratic Caucus of the Science Committee has elected the Honorable Nick Lampson of Texas as the Ranking Democrat on the Subcommittee on Space and Aeronautics. Mr. Lampson has been a Member of the Committee and the Subcommittee since his election to Congress in 1996. He represents the Johnson—we will try again here. Okay. He represents the Johnson Space Center in Houston, and he has been out front in his vision for human space flight. Accordingly, I ask unanimous consent that the seniority order for the Democratic membership of the Subcommittee on Space and Aeronautics be changed to reflect the action of our Caucus, placing Mr. Lampson first in the Democratic seniority.

Chairman BOEHLERT. Without objection.

Mr. GORDON. Mr. Chairman, I ask unanimous consent for another request, and that is I am pleased to report to the Committee that the Democratic Caucus of the Science Committee has elected the Honorable John Larson of Connecticut as ranking Democrat on the Subcommittee on Energy. John has been a Member of the Committee since 1998, also serves as the Ranking Member on the House Administration Committee, and was a leader in developing many of the R&D provisions of the energy bill. Accordingly, I ask unanimous consent that the Honorable John Larson be elected to the Subcommittee on Energy and that rank in seniority is first on the Democratic membership.

Chairman BOEHLERT. Without objection.

Mr. GORDON. Mr. Chairman, respecting your interest in getting out by 11:00, I will reserve any remarks on the bills as they come forth.

Chairman BOEHLERT. Thank you very much. Without objection, all Members may place opening statements in the records at this point—in the record at this point.

We will now consider the bill H.R. 3389, *To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.*

I now recognize Mr. Gordon for five minutes to present his opening remarks.

Mr. GORDON. Thank you, Mr. Chairman.

I want to congratulate Mr. Miller for extending the concept of the quality awards into the last sector of our economy that is not currently covered by the Baldrige Awards. Mr. Miller has become a leader on this committee in a variety of economic issues, including

technology transfer and quality, and I hope that the Chairman will see that the bill moves forward quickly.

I yield back the balance of my—or I yield the balance of my time to Mr. Miller.

Chairman BOEHLERT. Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman and Mr. Gordon. And I want to thank Ms. Hart of Pennsylvania for her co-sponsorship of this bill.

This is a bill of modest ambition. Since 1987, the Malcolm Baldrige National Quality Awards have been remarkably successful. They have established criteria for excellence. They have disseminated nationally best practices for how to achieve that kind of excellence. They have focused the mind of our nation's business leaders and those businesses and other entities that have competed for the awards have found that it has been a remarkably good thing for them to think about their business in terms of those criteria of excellence and how to achieve that kind of excellence. I have seen some astounding figures, which I can not find at this moment, that American businesses have saved \$24 billion in productivity because of the changes they have made as the result of competing for the Malcolm Baldrige Awards.

There are now five categories: manufacturing, service, small business, and since 1999, health care, and education. There is still a large, significant part of the United States economy that can not compete for these awards, can not be considered, and those are nonprofit organizations. Those include, obviously, human service awards, religious—human service organizations, religious organizations, cultural trade and professional associations, cooperatives, mutual insurance companies, credit unions, and et cetera. This would allow the benefit of the Baldrige Award competition to that important part of our economy.

Chairman BOEHLERT. Thank you very much. The Baldrige Awards are near and dear to my heart. I claim partial parentage with my colleague—former colleague, Congressman Doug Walgren of Pennsylvania. And I remember vividly the day we were at the White House and President Reagan waxed as eloquently as he could about this and about the promise for the future that it offered, and it has exceeded our most optimistic projections. It is a wonderful program working exceptionally well, and that is why I am so pleased that you and Ms. Hart have teamed up to advance this.

Ms. Hart.

Ms. HART. Thank you, Mr. Chairman. I will be brief.

I am pleased that you worked together with Congressman Walgren, because I represent a significant number of what used to be his constituents. And I am also very pleased that two businesses in my District, actually, have been recipients of the Malcolm Baldrige Award since its inception. This year's manufacturing recipient is Medrad, Inc. of Indianola, Pennsylvania. They are a leading provider of medical devices that enhance medical imaging procedures of the human body and also of injector systems. So the medical device industry, obviously, around the country is moving forward. Medrad is one of the, I think, most forward thinking of those companies.

And one of the other recipients was—their first manufacturing recipient in 1988, Westinghouse Electric Corporation’s nuclear fuels division, which is also located in my District, was a recipient of the Baldrige Award.

In the interest of time, I will submit the rest of my statement for the record, but I thank you, Mr. Chairman, for bringing this bill up.

[The prepared statement of Ms. Hart follows:]

PREPARED STATEMENT OF REPRESENTATIVE MELISSA HART

AMENDMENT TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980 TO PERMIT MALCOLM BALDRIGE NATIONAL QUALITY AWARDS TO BE MADE TO NON-PROFIT ORGANIZATIONS

Mr. Chairman, thank you for quickly moving this legislation through the Committee and allowing me this opportunity to speak. I would also like to thank my colleague from North Carolina, Mr. Miller for introducing this simple, but necessary amendment.

Since the inception of the Baldrige Award two businesses in my region have been recipients. The first Baldrige manufacturing recipient in 1988 was Westinghouse Electric Corporation Commercial Nuclear Fuel Division. The 2003 manufacturing recipient was Medrad Inc. based in Indianola, PA. They are a leading provider of medical devices that enhance medical imaging procedures of the human body and injector systems. When I visited Medrad two months ago, they had just received notice that they had been given the award. They will be coming to Washington in one month to receive the award from the President.

This amendment makes one simple change, adding the words “nonprofit organization” to the list of companies eligible to receive the Baldrige Award. Currently, only manufacturers, service businesses, small businesses, education organizations, and health care organizations may compete for this honor. However, Baldrige-based state award programs have additional categories that include non-profits and government agencies.

In 1999, it was recognized that the Baldrige Award’s performance standards could help stimulate improvement efforts in other sectors vital to the United States economy and the areas of education and health care were added to the criteria. Since then, a total of 66 applications have been submitted in the education category and 61 in the health care category. Just as it has for businesses currently eligible for the Baldrige Award, the expansion of this program can help nonprofit organizations improve their performance, foster communication, share “best practice” information and enhance partnerships among schools, health care organizations, and businesses.

I am pleased to be a part of this effort to expand the Malcolm Baldrige Award criteria.

Chairman BOEHLERT. Thank you very much. And thank you for all of your hard work on this. And it makes a lot of sense.

Dr. Ehlers.

Mr. EHLERS. Thank you, Mr. Chairman.

As Chairman of the Subcommittee with jurisdiction on this, I am pleased to support Mr. Miller’s proposed change to the Malcolm Baldrige National Quality Awards to include nonprofits. I might also mention, I appreciate having a bill which only adds two words to existing law. That is—the minimalist approach is always good. This proposal will open the competition to Federal, State, and local governments as well as private, nonprofit organizations. These groups have also pressed—expressed strong support for the opportunity to be recognized for their efforts at the national level. Malcolm Baldrige was an enthusiastic advocate for quality assurance in both the private and public sector, and this expansion of the award that bears his name is consistent with his vision for quality in America. And we hope that this bill will result in the same types of quality improvements in the nonprofits and government as has

occurred for the—in the public sector, the profit sector with the previous awards.

Thank you.

[The prepared statement of Mr. Ehlers follows:]

PREPARED STATEMENT OF REPRESENTATIVE VERNON J. EHLERS

I am please to support Mr. Miller's change to the Malcolm Baldrige National Quality Award to include nonprofits. This will open the competition to Federal, State, and local governments, as well as private nonprofit organizations. These groups have expressed strong support for the opportunity to be recognized for their efforts at the national level. Malcolm Baldrige was an enthusiastic advocate for quality assurance in both the private and public sector, and this expansion of the award that bears his name is consistent with his vision for quality in America.

Chairman BOEHLERT. Thank you very much.

Mr. Smith.

Mr. SMITH OF MICHIGAN. A question, Mr. Chairman, to the sponsor or to staff. The Malcolm Baldrige National Quality Awards have been very successful, and I am—has there been an investigation done in terms of reducing the effect of this award by spreading it out to an expanded community? That would be my only concern is whether it should be an expansion of this award or another award system. I would hate to dissipate and reduce the private sector contribution to establish this award.

Chairman BOEHLERT. Counsel, anything you care to say?

Mr. WEBSTER. To our knowledge, the Baldrige Foundation said it is committed to working with NIST if there is any additional cost that this will bring, but there has been widespread support by all organizations and participants that this is a good thing to do.

Mr. SMITH OF MICHIGAN. And the Baldrige Foundation, also, is the—

Chairman BOEHLERT. Or as Martha Stewart would say, it is a good thing.

Mr. GOLDSTON. And Mr. Chairman, the other aspect, it is a separate category of the award, so it doesn't dilute any of the existing categories. Each of these categories is evaluated independently.

Mr. SMITH OF MICHIGAN. Would these two awards bring it under a separate category?

Mr. GOLDSTON. I am—this is to add a separate category for nonprofits, so it would, thus, be nonprofits competing against each other. The manufacturers will still be in their own category and so forth.

Mr. SMITH OF MICHIGAN. But it won't take the financial. Roughly, we are looking at a half a million on these awards. Will it take the award money? And I guess I will close with that, Mr. Chairman.

Mr. GOLDSTON. No.

Mr. SMITH OF MICHIGAN. It will be a separate award effort for financing this sector?

Mr. GOLDSTON. Right.

Mr. SMITH OF MICHIGAN. Thank you, Mr. Chairman.

Chairman BOEHLERT. Thank you very much.

Without objection, all Members may place opening statements in the record at this point.

I ask unanimous consent that the bill be considered as read. Without objection, so ordered.

Are there any amendments? Hearing none, the question is now on the bill H.R. 3389, *To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations*. All of those in favor will say aye. Opposed will say no. In the opinion of the Chair, the ayes have it.

I now recognize Mr. Gordon for a motion.

Mr. GORDON. Mr. Chairman, I move the Committee favorably report H.R. 3389 to the House with the recommendation that the bill do pass. Furthermore, I move that staff be instructed to prepare the legislative report and make necessary technical and conforming changes, that the Chairman take all necessary steps to bring the bill before the House for consideration.

Chairman BOEHLERT. The question is on the motion to report the bill favorably. Those in favor of the motion will signify by saying aye. Opposed, no. The ayes have it. And the resolution is favorably reported.

Without objection, the motion to reconsider is laid upon the table. I move that Members have two subsequent calendar days in which to submit supplemental, minority, or additional views on the measure. I move pursuant to Clause 1 of Rule 22 of the Rules of the House of Representatives that the Committee authorize the Chairman to offer such motions as may be necessary in the House to adopt and pass H.R. 3389 and go to conference with the Senate on H.R. 3389 or a similar bill. Without objection, so ordered.

We will now—

Mr. MILLER. Mr. Chairman.

Chairman BOEHLERT. Yes, I am sorry.

Mr. MILLER. Mr. Chairman, if you would like and you give me the chance, I am sure I can find two words to take out of existing law.

Chairman BOEHLERT. Thank you very much.

This concludes our Committee markup, and I thank my colleagues for their enthusiastic participation. We are now adjourned. [Whereupon, at 1:33 p.m., the Committee was adjourned.]





Appendix:

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H.R. 3389, TO AMEND THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980 TO PERMIT MALCOLM BALDRIGE NATIONAL QUALITY AWARDS TO BE MADE TO NONPROFIT ORGANIZATIONS

108TH CONGRESS  
1ST SESSION **H. R. 3389**

To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 29, 2003

Mr. MILLER of North Carolina (for himself and Ms. HART) introduced the following bill; which was referred to the Committee on Science

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**A BILL**

To amend the Stevenson-Wydler Technology Innovation Act of 1980 to permit Malcolm Baldrige National Quality Awards to be made to nonprofit organizations.

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

3 **SECTION 1. AMENDMENT.**

4 Section 17(c)(1) of the Stevenson-Wydler Technology  
5 Innovation Act of 1980 (15 U.S.C. 3711a(c)(1)) is amend-  
6 ed by adding at the end the following:

7 “(F) Nonprofit organizations.”.