

106TH CONGRESS
1ST SESSION

S. 1494

To ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and Technology.

IN THE SENATE OF THE UNITED STATES

AUGUST 4, 1999

Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, Ms. SNOWE, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and Technology.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electronic Commerce
5 Extension Establishment Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The United States economy is in the early
2 stages of a revolution in electronic commerce—the
3 ability to buy, sell, and even deliver goods and serv-
4 ices through computer networks. Estimates are that
5 electronic commerce sales in 1998 were around
6 \$100,000,000,000 and could rise to
7 \$1,300,000,000,000 by 2003.

8 (2) Electronic commerce promises to spur tre-
9 mendously United States productivity and economic
10 growth—repeating a historical pattern where the
11 greatest impetus toward economic growth lies not in
12 the sale of new technologies but in their widespread
13 adoption and use.

14 (3) Electronic commerce presents an enormous
15 opportunity and challenge for small businesses. Such
16 commerce will give such businesses new markets and
17 new ways of doing businesses. However, many such
18 business will have difficulty in adopting appropriate
19 electronic commerce technologies and practices.
20 Moreover, such businesses in more rural areas will
21 find distant businesses entering their markets and
22 competing with them. Thus, there is considerable
23 risk many small businesses will be left behind in the
24 shift to electronic commerce.

1 (4) The United States has an interest in ensur-
2 ing that small businesses in all parts of the United
3 States participate fully in the electronic commerce
4 revolution, both for the sake of such businesses and
5 in order to promote productivity and economic
6 growth throughout the entire United States econ-
7 omy.

8 (5) The Federal Government has a long history
9 of successfully helping small farmers with new agri-
10 cultural technologies through the Cooperative Exten-
11 sion System at the Department of Agriculture,
12 founded in 1914. More recently, the National Insti-
13 tute of Standards and Technology has successfully
14 helped small manufacturers with manufacturing
15 technologies through its Manufacturing Extension
16 Program, established in 1988.

17 (6) Similarly, now is the time to establish an
18 electronic commerce extension program to help small
19 businesses throughout the United States identify,
20 adapt, and adopt electronic commerce technologies
21 and business practices, thereby ensuring that such
22 businesses fully participate in the electronic com-
23 merce revolution.

1 **SEC. 3. PURPOSE.**

2 The purpose of this Act is to establish an electronic
3 commerce extension program focused on small businesses
4 at the National Institute of Standards and Technology.

5 **SEC. 4. ESTABLISHMENT OF ELECTRONIC COMMERCE EX-**
6 **TENSION PROGRAM AT NATIONAL INSTI-**
7 **TUTES OF STANDARDS AND TECHNOLOGY.**

8 (a) ESTABLISHMENT.—The National Bureau of
9 Standards Act (15 U.S.C. 271 et seq.) is amended by in-
10 serting after section 25 (15 U.S.C. 278k) the following
11 new section:

12 “REGIONAL CENTERS FOR THE TRANSFER OF
13 ELECTRONIC COMMERCE TECHNOLOGY

14 “SEC. 25A. (a)(1) The Secretary, through the Under-
15 secretary of Commerce for Technology and the Director
16 and in consultation with other appropriate officials, shall
17 provide assistance for the creation and support of Re-
18 gional Centers for the Transfer of Electronic Commerce
19 Technology (in this section referred to as ‘Centers’).

20 “(2) The Centers shall be affiliated with any United
21 States-based nonprofit institution or organization, or
22 group thereof, that applies for and is awarded financial
23 assistance under this section in accordance with the pro-
24 gram established by the Secretary under subsection (c).

1 “(3) The objective of the Centers is to enhance pro-
2 ductivity and technological performance in United States
3 electronic commerce through—

4 “(A) the transfer of electronic commerce tech-
5 nology and techniques developed at the Institute to
6 Centers and, through them, to companies through-
7 out the United States;

8 “(B) the participation of individuals from in-
9 dustry, institutions of higher education, State gov-
10 ernments, other Federal agencies, and, when appro-
11 priate, the Institute in cooperative technology trans-
12 fer activities;

13 “(C) efforts to make electronic commerce tech-
14 nology and techniques usable by a wide range of
15 United States-based small companies;

16 “(D) the active dissemination of scientific, engi-
17 neering, technical, and management information
18 about electronic commerce to small companies, with
19 a particular focus on reaching those located in rural
20 or isolated areas; and

21 “(E) the utilization, when appropriate, of the
22 expertise and capability that exists in State and local
23 governments, institutions of higher education, the
24 private sector, and Federal laboratories other than
25 the Institute.

1 “(b) The activities of the Centers shall include—

2 “(1) the establishment of electronic commerce
3 demonstration systems, based on research by the In-
4 stitute and other organizations and entities, for the
5 purpose of technology transfer; and

6 “(2) the active transfer and dissemination of re-
7 search findings and Center expertise to a wide range
8 of companies and enterprises, particularly small
9 companies.

10 “(c)(1) The Secretary may provide financial support
11 to any Center created under subsection (a) in accordance
12 with a program established by the Secretary for purposes
13 of this section.

14 “(2) The Secretary may not provide to a Center more
15 than 50 percent of the capital and annual operating and
16 maintenance funds required to create and maintain the
17 Center.

18 “(3)(A) Any nonprofit institution, or group thereof,
19 or consortia of nonprofit institutions may, in accordance
20 with the procedures established by the Secretary under the
21 program under paragraph (1), submit to the Secretary an
22 application for financial support for the creation and oper-
23 ation of a Center under this section.

24 “(B) In order to receive financial assistance under
25 this section for a Center, an applicant shall provide ade-

1 quate assurances that it will contribute 50 percent or more
2 of the estimated capital and annual operating and mainte-
3 nance costs of the Center for the first three years of its
4 operation and an increasing share of such costs over the
5 next three years of its operation.

6 “(C) An applicant shall also submit a proposal for
7 the allocation of the legal rights associated with any inven-
8 tion which may result from the activities of the Center
9 proposed by the applicant.

10 “(4)(A) The Secretary shall subject each application
11 submitted under this subsection to merit review.

12 “(B) In making a decision whether to approve an ap-
13 plication and provide financial support for a Center under
14 this section, the Secretary shall consider at a minimum—

15 “(i) the merits of the application, particularly
16 the portions of the application regarding technology
17 transfer, training and education, and adaptation of
18 electronic commerce technologies to the needs of
19 particular industrial sectors;

20 “(ii) the quality of service to be provided;

21 “(iii) geographical diversity and extent of serv-
22 ice area; and

23 “(iv) the percentage of funding and amount of
24 in-kind commitment from other sources.

1 “(5)(A) Each Center receiving financial assistance
2 under this section shall be evaluated during the third year
3 of its operation by an evaluation panel appointed by the
4 Secretary.

5 “(B) Each evaluation panel under this paragraph
6 shall be composed of private experts, none of whom shall
7 be connected with the Center involved, and with appro-
8 priate Federal officials. An official of the Institute shall
9 chair each evaluation panel.

10 “(C) Each evaluation panel under this paragraph
11 shall measure the performance of the Center involved
12 against the objectives specified in this section and under
13 the arrangement between the Center and the Institute.

14 “(6) The Secretary may not provide funding for a
15 Center under this section for the fourth through the sixth
16 years of its operation unless the evaluation regarding the
17 Center under paragraph (5) is positive. If such evaluation
18 for a Center is positive, the Secretary may provide contin-
19 ued funding for the Center through the sixth year of its
20 operation at declining levels.

21 “(7)(A) After the sixth year of operation of a Center,
22 the Center may receive additional financial support under
23 this section if the Center has received a positive evaluation
24 of its operation through an independent review conducted
25 under procedures established by the Institute. Such inde-

1 pendent review shall be undertaken for a Center not less
2 often than every two years commencing after the sixth
3 year of its operation.

4 “(B) The amount of funding received by a Center
5 under this section for any fiscal year of the Center after
6 the sixth year of its operation may not exceed an amount
7 equal to one-third of the capital and annual operating and
8 maintenance costs of the Center in such fiscal year under
9 the program.

10 “(8) The provisions of chapter 18 of title 35, United
11 States Code, shall (to the extent not inconsistent with this
12 section) apply to the promotion of technology from re-
13 search by Centers under this section except for contracts
14 for such specific technology extension or transfer services
15 as may be specified by statute or by the Director.

16 “(d)(1) In addition to such sums as may be appro-
17 priated to the Secretary and Director for purposes of the
18 support of Centers under this section, the Secretary and
19 Director may accept funds from other Federal depart-
20 ments and agencies for such purposes.

21 “(2) The selection and operation of a Center under
22 this section shall be governed by the provisions of this sec-
23 tion, regardless of the Federal department or agency pro-
24 viding funds for the operation of the Center.

1 “(e) In this section, the term ‘electronic commerce’
2 means the buying, selling, and delivery of goods and serv-
3 ices, or the coordination or conduct of economic activities
4 within and among organizations, through computer net-
5 works.”.

6 (b) DESCRIPTION OF PROGRAM.—(1) Not later than
7 90 days after the date of the enactment of this Act, the
8 Secretary of Commerce shall publish in the Federal Reg-
9 ister a proposal for the program required by section
10 25A(c) of the National Bureau of Standards Act, as added
11 by subsection (a).

12 (2) The proposal for the program under paragraph
13 (1) shall include—

14 (A) a description of the program;

15 (B) procedures to be followed by applicants for
16 support under the program;

17 (C) criteria for determining qualified applicants
18 under the program;

19 (D) criteria, including the criteria specified in
20 paragraph (4) of such section 25A(c), for choosing
21 recipients of financial assistance under the program
22 from among qualified applicants; and

23 (E) maximum support levels expected to be
24 available to Centers for the Transfer of Electronic

1 Commerce Technology under the program in each
2 year of assistance under the program.

3 (3) The Secretary shall provide a 30-day period of
4 opportunity for public comment on the proposal published
5 under paragraph (1).

6 (4) Upon completion of the period referred to in para-
7 graph (3), the Secretary shall publish in the Federal Reg-
8 ister a final version of the program referred to in para-
9 graph (1). The final version of the program shall take into
10 account public comments received by the Secretary under
11 paragraph (3).

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
13 hereby authorized to be appropriated for the Department
14 of Commerce each fiscal year such amounts as may be
15 required during such fiscal year for purposes of activities
16 under section 25A of the National Bureau of Standards
17 Act, as added by subsection (a).

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