

WASHINGTON REPORTS

105th Congress Passes Massive FY 1999 Budget That Boosts R&D and Purveys Lots of Pork

The 104th Congress is best remembered for shutting down the Federal government for two blustery weeks in December 1995. The 105th Congress, which finally completed its second session 20 days beyond the conclusion of fiscal 1998 on 30 September, will be remembered for passing an appropriations bill so massive and complicated that none of the lawmakers and few of their staff knew much about its contents. Originally conceived as an omnibus bill that would wrap up eight of the 13 annual appropriations bills that Congress failed to pass separately for fiscal 1999, the 4000-page package, dubbed by wags on Capitol Hill as the "ominous" legislation, provides some \$520 billion—nearly one-third of the \$1.7 trillion that will run the Federal government for the year.

After eight days of acrimonious negotiations among Republican lawmakers, led by House Speaker Newt Gingrich of Georgia and Senate Majority Leader Trent Lott of Mississippi, and a White House team headed by Erskine Bowles, President Clinton's departing chief of staff, and Jack Lew, director of the Office of Management and Budget (OMB), both sides took credit for what was and what was not in the legislation. At a signing ceremony in the White House Rose Garden, Clinton praised his budget group and the Republican leaders in Congress for reaching agreement "on a fiscally responsible balanced budget that seizes this moment of prosperity and wisely invests in the future." Clinton boasted that he had won his battle with the Republicans to provide \$1.2 billion as a down payment on a long-term plan for states to hire 100 000 new teachers and reduce class sizes for the first three grades in school districts that serve a large number of needy students. He claimed victory in getting substantial increases for a five-year plan to clean up the nation's waters and for more

research on climate change initiatives, particularly in energy efficiency and renewable energy programs.

The infusion of billions of dollars from the \$70 billion Federal surplus (see PHYSICS TODAY, November, page 47) enabled the White House and Congress to doff the spending caps, which figured so decisively in the budget-balancing act that Clinton and Congress put in place last year. In passing the fiscal 1999 budget, the lawmakers had raised the discretionary spending allocation, set for 0.5% more than fiscal 1998, to a tad above 8% this year. In the event, total federal R&D appropriations, including those agencies already funded in the final days of fiscal

something-for-everyone compromise of unrelated items. Among its disparate contents: a three-year tax moratorium on Internet commerce to forestall what advocates call "the next mother lode" for some 30 000 state and local tax jurisdictions; \$525 million to support two faltering nonproliferation activities designed to reduce Russia's stockpile of plutonium and uranium and to purchase highly enriched uranium recovered from dismantled nuclear weapons; an increase in the number of H-1B visas granted to skilled foreigners for jobs in academe and high-technology industries, from the current annual limit of 65 000 to 115 000 in 1999 and in 2000, then a decrease to 107 500

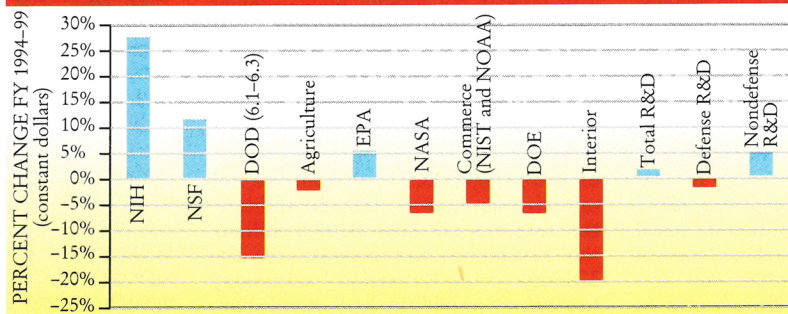
in 2001, before the number reverted to the old limit of 65 000. (The new visa law would require employers to attest that they had tried to recruit Americans and had not laid off any Americans with comparable skills and duties so that foreigners could be hired.)

In addition, responding to pleas

by some of the country's most profitable industries, particularly those producing computers, electronics and pharmaceuticals, Congress extended the R&D tax credit, three and one-half months after its expiration date, from 30 June to 30 September 1999—the ninth time this credit has been temporarily lengthened since it was first enacted in 1981. The big bill also authorized the Department of Energy, National Science Foundation, National Institutes of Health (NIH), National Institute of Standards and Technology (NIST) and NASA to spend up to \$67 million in fiscal 1999 and as much as \$75 million in 2000 for R&D on the Next Generation Internet.

Republican leaders claimed credit for stopping the "free fall" in the defense budget by adding \$9 billion more than the President had proposed and for scrapping several Administration initiatives, such as national achievement tests for fourth and eighth graders.

Trends in Federal R&D, FY 1994–99



Source: AAAS. Percentages adjusted for inflation according to OMB's GDP deflators.

1998, such as the National Science Foundation, Department of Energy and NASA, were the best allocations in more than a decade, taking inflation into account. With an increase of \$4.1 billion, or 5.3% more than fiscal 1998, the R&D total is likely to exceed \$80 billion for the first time. Every major R&D agency except NASA and those within the Department of Commerce received increases much better than the expected 2% rate of inflation. And, to the surprise of many scientists, basic research is funded at \$17.5 billion, an increase of \$1.8 billion, or 11.3%, above the previous fiscal year.

The omnibus agreement included \$21 billion in "emergency" funds, which don't count in the numbers assigned to the spending caps. Much of the off-budget funds go for a lengthy wish list put forward by the White House and influential legislators. In truth, the bill (P.L. 105–277), signed into law by Clinton on 21 October, is a classic

Dropped into the omnibus bill at the 11th hour was a section implementing the chemical weapons treaty, which the Senate ratified last year. The section requires no government funds but, most importantly, places the provisions of the Chemical Weapons Convention into the US legal code. As such, the US is required to outlaw the development, use and stockpiling of chemical weapons and permits an international agency to conduct inspections and collect data to verify US compliance with the treaty. Proponents of the section contended that other nations have threatened to prohibit inspections in their countries until the US allowed the international agency to examine commercial plants and government sites where battlefield chemicals might be produced or stored.

Like most appropriations legislation before this one, the omnibus bill is larded with dozens of pet projects that Congress's "sugar daddies" simply term "earmarks" but others cynically label "pork." Among these are renovations to existing hospitals and medical centers that will cost about \$65 million. The pork barrel contains such goodies as \$39 million for the Robert C. Byrd Honors Scholarships, a national program that bears the name of the West Virginian who is the Senate minority leader. A program within the Department of Education, the Fund for the Improvement of Postsecondary Education, was suddenly doubled from \$25.2 million in 1998 to \$50 million for fiscal 1999, to provide money for Congressional pork. The President had proposed reducing the fund's account to \$22.5 million, but the House and Senate passed separate bills favoring higher sums. So it was not too surprising that the first awards included \$6 million for the Robert J. Dole Institute for Public Service and Public Policy at the University of Kansas campus in Lawrence and \$1 million for the Oregon Institute of Public Service and Constitutional Studies at the Mark O. Hatfield School of Government at Port-

land State University. Sometimes, a pet project doesn't require any funding. An example of this is Majority Leader Lott's success in extending Mississippi's duck hunting season by two weeks (see PHYSICS TODAY, September, page 45).

Congress's largesse inspired John McCain, the Arizona Republican who chairs the Senate Commerce Committee, which authorizes most R&D agencies, to wage a futile battle against the penchant for pork among his colleagues and to issue a 52-page list detailing the "egregious" earmarks in the omnibus bill.

Still, the bill also contained appropriations for several R&D agencies whose accounts had not been enacted earlier in the 105th Congress. These included funding the National Institutes of Health at \$15.6 billion—a significant leap of \$2 billion, or 14.7%, over fiscal 1998, and 6% above the Administration's request. At the Commerce Department, funding for the National Institute of Standards and Technology was set at \$647.1 million, some \$67.9 million under the amount Clinton had asked for and 5.2% below 1998. The budget for NIST's measurement and standards laboratories, the centerpiece of the agency's research activities, came in at \$275.2 million, or \$11 million under the Administration's request. Funding for NIST's Advanced Technology Program was frozen at \$203.5 million, 24% less than the Administration had wanted. In addition, the omnibus bill gave \$106.8 million, the President's full request, for the Manufacturing Extension Partnership to continue providing the Federal share of support for the network of centers serving small manufacturers in all the states, Puerto Rico and the District of Columbia.

Funding for the National Oceanic and Atmospheric Administration came in at \$2.16 billion, or 8.2% more than in fiscal 1998, but below President Clinton's request. The appropriation covers nine and a half months, until 15 June. By withholding funds for the

rest of the year, Republicans believe they win their battle with the Commerce Department on the issue of whether samplings are used in the population census to be taken in 2000. The bill allotted \$287.4 million for NOAA's oceanic and atmospheric research, which is 3.6% more than the \$277.5 million in fiscal 1998 and above the \$251.2 million figure requested by the Administration.

The fiscal 1999 civilian research budget was hailed by science and engineering societies, university associations and business groups. On 2 November, in a resounding example of pulling together, leaders of 33 of these organizations sent a letter to President Clinton applauding his efforts to boost Federal investments in R&D. Among the organizations represented were the American Association of Engineering Societies, the American Association of Physics Teachers, the American Chemical Society, the American Electronics Association, the American Geophysical Union, the American Institute of Physics, the American Physical Society, the Association of American Universities, the Federation of American Societies for Experimental Biology, the National Association of Manufacturers and the US Chamber of Commerce.

The letter urged Clinton to "capitalize on the growing bipartisan movement" toward increasing the government's support of science and technology in the fiscal 2000 budget, which is being prepared now by OMB and the agencies. The organizations also encouraged the President to "lead on this critical issue" and make sure that the fiscal 2000 budget "meets or exceeds" the specific goal of the Federal Research Investment Act (S. 2217) in doubling Federal R&D over the next 12 years.

A month before the 105th Congress adjourned, the Senate passed the Federal Research Investment Act by voice vote. The House hadn't had time to move on the bill before it closed shop.

IRWIN GOODWIN

With an Exciting Election Upset, Rush Holt Doubles the Number of Physicists in Congress

For a few hours after the polls closed in New Jersey on 3 November, Rush Holt's campaign staff and volunteers were worried. They had jammed the Nassau Inn in Princeton to watch the election returns on huge TV sets and heard that the incumbent, Republican Michael Pappas, was on his way to a second term in Congress as the representative for New Jersey's 12th District. At one point, Holt's campaign

manager told the crowd that the returns did not match the reports coming in from polling stations. In the borough of Princeton, he said, Holt was running ahead of Pappas by almost four to one. Then, shortly after 11 p.m., Holt was reported to be leading in the vote count, and at 11:30 Pappas conceded. For Holt's campaign workers, despair gave way to delirium.

It seems there had been a glitch in

the official tally. The Mercer County clerk had mistakenly entered a few extra digits into her computer, then reported the still incomplete returns to the Associated Press. In the end, Holt received 91 711 votes (50%) and Pappas 86 702 (47.3%). Another 4872 votes (2.7%) were divvied up among the four other candidates, who represented the Libertarian, Green, Reform and Natural Law parties.