

EXTENSIONS OF REMARKS

PATENT AND TRADEMARK OFFICE SURCHARGE EXTENSION ACT

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 11, 1997

Mr. COBLE. Mr. Speaker, today, I am pleased to introduce a bill which responds to an aspect of the budget proposed by the administration last Thursday and to congressional practice over the past 6 fiscal years. The administration's budget proposal would divert \$92 million in fiscal year 1998 from the U.S. Patent and Trademark Office, which receives no taxpayer dollars, to other tax-funded areas of the Government. In 1999, the administration proposes that \$119 million be diverted. In fiscal year 1997, Congress diverted \$54 million, a significant increase over previous diversions. This legislation would correct this serious and growing problem, without harming the budget, so that the PTO can continue to be the engine that fuels the creation of competitive American technology.

Last month, Representatives GOODLATTE, CONYERS, LOFGREN, and I introduced H.R. 400, the 21st Century Patent System Improvement Act, a bipartisan bill which will make critical reforms to our Nation's patent laws and to the PTO for America's high-technology industries. However, unless we move quickly to preserve and stabilize the finances of the PTO, these improvements and the patent system itself will be in jeopardy.

The Patent and Trademark Office is funded totally through the payment of application and user fees. Taxpayer support for the operations of the Office was eliminated in 1990 with the passage of the Omnibus Budget Reconciliation Act. The act imposed a massive fee increase—referred to as a “surcharge”—on America's inventors and industry in order to replace taxpayer support the Office was then receiving. The revenues generated by this surcharge, \$119 million, which constitute approximately 20 percent of the PTO's operating budget, are placed into a surcharge account. The PTO is required to request of the Appropriations Committees that they be allowed to use these surcharge revenues in this account to support the 20 percent of its operations these revenues represent. It was anticipated in 1990 that Congress would routinely grant the PTO permission to use the surcharge revenue since it was generated originally from fees paid by users of the patent and trademark systems to support the cost of those systems.

Unfortunately, experience has shown us that the user fees paid into the surcharge account have become a target of opportunity to fund other, unrelated, taxpayer-funded Government programs. The temptation to use the surcharge, and thus a significant portion of the operating budget of the PTO, has proven increasingly irresistible, to the detriment and sound functioning of our Nation's patent and trademark systems. Beginning with the diversion of \$8 million in 1992, Congress has in-

creasingly redirected a larger share of the surcharge revenue, reaching a record level of \$54 million in the current year. In total, over the past 6 fiscal years, over \$142 million has been diverted from the PTO.

This, of course, has had a debilitating impact on the Patent and Trademark Office. The effort to reclassify the patent search file to keep it current with developing technologies had to be eliminated. The efforts to provide technological training for patent examiners and to expose them to the latest developments in their fields has been reduced. The support of legal training for patent examiners has been cut 50 percent. One of the most promising cost-saving steps contemplated by the PTO, allowing applicants to file their applications electronically, has been postponed indefinitely. Since the diversion of \$54 million this year, the Office has been forced to reduce the hiring of patent examiners 50 percent at a time when patent application filings are increasing by nearly 10 percent annually. In the budget delivered to this body by the administration last Thursday, the President is proposing that we continue to increase these diversions in the amount of \$92 million in fiscal year 1998 and \$119 million, the amount of the entire surcharge, in each of the succeeding years through fiscal year 2002. In anticipation of this denial of user fees, the PTO has canceled totally all plans for hiring patent examiners this year because it would not have sufficient funds to pay for them next year. We cannot afford to allow this dismantling of our patent system to occur.

The legislation I am introducing today is revenue neutral. It does not increase an expenditure of taxpayer revenues which would increase the deficit. It would merely permit the PTO to use all of the patent and trademark fees it receives to examine patent and trademark applications, to grant patents and to register trademarks. It does this by placing the fees generated by the surcharge mandated by the Omnibus Budget Reconciliation Act of 1990 into the same category as the other user fees paid by patent and trademark applicants. Specifically, it would characterize these fees as “offsetting collections” rather than “offsetting receipts” so that all of the fees collected could be used for the purposes for which they were paid.

We must stop this unwarranted tax on innovation. Our Patent and Trademark Office cannot operate effectively on 80 percent of its operating budget—all of which is paid for not by you and me, but by the applicants who use it. I look forward to working with all interested parties to reverse this potential decline in the services offered by the PTO. In this increasingly competitive world, the economic survival of the United States will be dependent upon high technology products and services. We cannot allow the pillar upon which our competitiveness in the global economy rests to be destroyed.

SUNSHINE ON THE FEDERAL OPEN MARKET COMMITTEE ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 11, 1997

Mr. TRAFICANT. Mr. Speaker, in 1995 the Chairman of the Federal Reserve clarified that transcripts of its Federal Open Market Committee [FOMC] meetings will be disclosed to the public—after 30 years.

Enough is enough. I urge my colleagues to once again cosponsor my Sunshine on the Federal Open Market Committee Act, which will apply the Government-in-the-Sunshine Act to FOMC meetings.

The Fed is charged with duty of not only conducting the day-to-day banking for the entire Nation, but regulating the economy through the formulation of monetary policy. Needless to say, it wields immense power. In a typical month, it pumps anywhere between \$1 and \$4 billion into the economy while dangling the threat of higher interest rates over the American public. Even more intimidating, Mr. Speaker, is that half of all the banks in the country are members of the Federal Reserve System; all national banks must belong. All told, the Fed has holdings of over \$300 billion—accounting for nearly 7 percent of the national debt.

The entity within the Fed responsible for determining the country's monetary policy is the FOMC, which consists of the 7 member Board of Governors and 5 of the 12 district bank presidents. The FOMC meets every 6 weeks but, unfortunately for the general public, they meet in relative secrecy. I say relative because, in the wake of a FOMC meeting, members of the committee give speeches to business groups where, with a wink and a nod, they may reveal specifics of the new policy. Meanwhile, the ordinary American gets a convoluted synopsis of the policy immediately after the meeting, an edited transcript 6 weeks later, and the full story 30 years later. It is time to open these meetings up to all.

Mr. Speaker, the Government-in-the-Sunshine Act, passed in 1976 to increase accountability of over 50 Federal agencies, opens closed meetings to private scrutiny. It requires that every portion of every meeting of an agency that is headed by a collegial body must be open to public observation. There are exceptions to the law, however, and the Fed has massaged the English language to the point where the Supreme Court overruled the lower courts and allowed one such exemption to apply to the FOMC meetings. Consequently, the Fed has the extraordinary timetable for disclosure that I mentioned.

Mr. Speaker, I understand the sensitivity with which the Fed must treat monetary policy. I also understand the need for apolitical decisionmaking during the FOMC meetings. But when a governmental entity can wield a \$300 billion bludgeoning tool at will in the marketplace, it should be held accountable. As such,

• This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I am reintroducing the Sunshine on the Federal Open Market Committee Act to ensure the FOMC is held accountable for its policies.

I urge my colleagues to once again support and cosponsor this important measure.

TRIBUTE TO CLARENCE DUDLEY
NOLAND

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 11, 1997

Mr. ROGERS. Mr. Speaker, today I would like to pay tribute to a dedicated public servant, a good citizen, and a man who is well-respected throughout my home State of Kentucky.

Clarence Dudley Noland, known to many as "C.D.", the gentleman from Estill County, is a man who has left his mark in Kentucky. As a State legislator, an entrepreneur, a railroad engineer, a farmer, and a 30-year member of the Army National Guard, C.D. has touched the lives of many people throughout our State.

As a Member of the Kentucky House of Representatives for 15 years, C.D. earned a reputation for being hard-working, fair-minded, and rooted in good, old-fashioned common sense. From the first day C.D. took his oath of office in 1982, he set out to make a difference for the people he represented.

If you know anything about the Appalachian region of eastern Kentucky, you realize that we have many challenges, but C.D. has tackled those challenges with great success. He has been instrumental in developing industrial parks, medical service heliports, sewer and water improvements, and mobile dental clinics for Appalachian children. He has fought for veterans programs, affordable housing, nursing home facilities, and historic preservation and conservation of Kentucky's lands and heritage.

C.D.'s dedication, diligence, and fairness gained him the esteem of Governors, legislators, and public administrators alike. During his tenure, he served as vice chairman on the powerful Appropriations and Revenue Committee. Other committees he served on include the Legislative Research Commission, Rules Transportation, Program Review and Investigations, Cities, and Natural Resources and Environment. He was a member of the Governor's Task Force on Health Care and the Governor's Commission for Tax Reform where his insights proved invaluable. His was also actively involved in the executive committee of the Kentucky Republican Party, the American Legislative Exchange Council, and the National and Southern Conferences of the State Legislators Association.

From 1991 to 1994, C.D. stepped into the leadership of the general assembly, when he was elected to serve as the house minority caucus chairman. After serving two terms, he stepped aside so fellow legislators might share the experience.

C.D.'s departure from the general assembly did not mean that he would hang up his hat. Today, he is still doing what he can to improve the quality of life for the people of Kentucky. He continues to share his time and talent as a member of the board of directors of 21st Century, Inc; the Marcum Wallace Hospital Board of Directors; the Estill County Chamber

of Commerce; the Irvine-Ravenna Kiwanis Club; the Community Development Foundation Council; the Natural Bridge Park Association; the Council of the National Rifle Association; F and A Masons, Irvine Lodge 137; Oleika Shrine Temple; and the Estill County Sportsmen's Club.

It has been an honor and a privilege knowing and working with C.D. Noland throughout the years. On behalf of the people of eastern Kentucky, I want to commend C.D. for all he has accomplished for our State, and thank him for a job well done.

LONG TIME DEMOCRAT JOINS
REPUBLICAN RANKS

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 11, 1997

Mr. LIVINGSTON. Mr. Speaker, on December 19, 1996, the mayor of Slidell, LA, the Honorable Salvatore A. "Sam" Caruso, left the Democratic party for the Republican Party. I commend Mayor Caruso on his decision and welcome him to the Republican Party.

Like other conservative Democrats, mayor Caruso found it difficult to be a member of a party whose philosophy blatantly contradicted his own deeply held beliefs. I recommend that my House colleagues take a moment and read Mayor Caruso's remarks.

SOME REFLECTIONS UPON THE OCCASION OF CHANGING MY POLITICAL PARTY AFFILIATION FROM THE DEMOCRATIC PARTY TO THE REPUBLICAN PARTY

(By Salvatore A. Caruso)

Thank you for coming here today. The fact that we have had sleet, and rain and snow here in south Louisiana over the past few days was merely what Congressman Livingston predicted would happen whenever I would change political parties. Except that he predicted both events for July 32nd.

Bob Livingston has been trying to persuade me to make this change for at least ten (10) years now. In a desperate attempt about a year ago, he added one new reason. Bob told me that I look more like an elephant than a jackass. I was not sure if that was a compliment or an insult. Although he added that if I became a Republican I could ride the elephant into an unlimited political future. I told him that if the elephant could fit on my shoulders I would do it.

A lot of people have a right to a serious explanation regarding this change in my Party affiliation.

Because I have been a Democrat for all of my life and because I have been correctly identified as a proponent of a few issues which some people call "liberal", there has been an obscuring of the fact that upon several other issues I have always been strongly conservative and correctly identified with what might be called the Republican position.

Let me give you three examples:

(1) There is currently a popularly used word to describe the divesting of power by the Federal Government from itself, and the passing of that power on to Stat and Local governments. The word is "devolution."

For me, that is simply a newly popular word to replace the more traditional word "subsidiarity." Subsidiarity is a word and a concept that have been available to us for a very long time. The word has a proper place in philosophy, economics, political science, management and other areas of human en-

deavor. Put simply, it means this: Nothing should be done at a higher level of organization than is necessary to accomplish the purpose involved. Or, conversely, whatever needs to be done should be done at the lowest level of organization that is possible. In governmental terms: Whatever needs to be done by the government should be done by the government closest to the people.

(2) I am a fiscal conservative and I always have been. That strong fiscal conservatism has been consistently reflected in my speech, in my actions, and in my decisions as a public official for over eighteen (18) years now. No one turns around a public hospital from a three and one-half million dollar debt to a thriving enterprise by using financially liberal practices. No one leads a city to \$55,000,000 worth of capital improvements while finishing eleven (11) years of operations with a financial surplus by being profligate with public money.

(3) I believe strongly in environmental protection. But, I do not believe that business people ought to be, in effect, deprived of the use of their land because it holds a puddle of water for two weeks out of the year. I believe even less that local governments, struggling to keep their people from flooding, ought to have to obtain permission from the Federal Government to build the necessary structures on land where some exotic grasses are growing. I like plants, but like people more.

And, it is my love for people that brings me to the central reason for this change in political parties.

Before I expand upon that, I want to insert here a very personal note. I began this speech with a couple of humorous comments about Congressman Livingston. Now I want to tell you something that is very serious. No one should ever change political parties simply because of a personal friendship. And, over the years, I have resisted any temptation to do that. The issue is simply too important to be decided at that level. But, if there are other matters that are compelling or nearly compelling, then certainly it is honorable to allow personal considerations to top-off the decision-making process.

And, that is, in fact, happening in this case. As almost everyone knows by now, Bob Livingston and I were classmates at Our Lady of Lourdes Grammar School in New Orleans. He has survived the publication of that fact until now, and I expect that he will continue to manage after this. What yet may be unclear is the extent to which Bob has been a friend to me and to the City which I lead. Over all of these years and throughout all of his success at the national level, he has never been any different in personal attitude than he was when we were both boys. And, during all of that time no one could have been a better friend to a former classmate than Bob Livingston has been to me. No one could have been a better friend to the City I lead than Bob Livingston has been to the City of Slidell. Federal money that is at work right now in the City of Slidell came here largely through Bob Livingston. Federal money to control flooding, and for which we have only recently become eligible, will come to us almost solely because of Bob Livingston, if only we have the sense to take it.

What all of us owe to my grammar school classmate is more than I can cover in this speech. And, so, for now, in this setting, the only thing more that needs to be said is: Thank you, Bob.

Now, let me return to my comment about my love for people.

I come from a family which always struggled for a reasonable level of existence, which was occasionally near the poverty level, and in which both parents died at age fifty-three (53), and died bankrupt for the