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LEGISLATION TO REFORM
CONGRESSIONAL PENSIONS

HON. BOB GOODLATTE
OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 19, 1995

Mr. GOODLATTE. Mr. Speaker, calls for reduced Government spending have echoed throughout this great Nation of ours. Unfortunately, the voices of the people have often been ignored by this Chamber in previous years. When these cries have been heard, the response has been to shift the burden of budget cuts. I believe the time has come for the Members of Congress to lead by example.

Today I am introducing legislation that demonstrates to the American people the steadfast commitment of this Congress to fight against excessive spending by tackling the largest perk in government—Congressional pension plans. I also introduced this legislation in the 103d Congress. I hope and anticipate that the reform-minded 104th Congress will look upon this bill much more favorably and make the bold move to reconcile profitable congressional pensions with those of hard working Americans.

Congressional retirement benefits are ridiculously more lucrative than those of many private sector and all Federal employees. Some Members of Congress make more in retirement than most Americans could hope to make in a lifetime.

The National Taxpayers Union estimates that over 180 Members will collect over \$1 million each in lifetime benefits. My legislation will slam shut the doors of this congressional pension millionaires club.

Under current law, retired Members of Congress receive a pension that is 10 to 20 percent higher than comparable pensions for retired Federal employees. There is a drastic difference in the formulas used to calculate Members' pensions and those of Federal employees. Due to the huge disparity in the pension equations, Members of Congress receive thousands of dollars more in annual retirement benefits compared to Federal employees with comparable years of service.

Furthermore, when you consider that Members of Congress are near the top of the Federal pay scale, the difference between most pension plans and the lucrative congressional plans is compounded.

Clearly, Representatives' and Senators' retirement benefits should be consistent with Federal employees which is why I am introducing a bill which will do just that.

My bill recalibrates the formula used to calculate Members' pensions. It changes the equation so that our pension plan is the same as that of any other Federal employee. It also increases the age at which a form Member may begin to collect their benefits from age 50 to age 55. The bill would finally put Members' retirement benefits on par with Federal employees.

The time has come for us to address the gross disparities between congressional retirement benefits and those of the average American. The era of governmental abuse has come to a close and the buck stops with us. I urge my fellow Members to hear the calls of the American people, and demonstrate your leadership by setting the example and cosponsoring this legislation.

INTRODUCTION OF THE BIOTECH
PROCESS PATENT PROTECTION
ACT OF 1995

HON. CARLOS J. MOORHEAD
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 19, 1995

Mr. MOORHEAD. Mr. Speaker, today, the gentleman from Virginia, [Mr. BOUCHER] and I are introducing the Biotech Process Patent Protection Act of 1995. This is the 4th consecutive Congress that we have introduced this legislation together.

From an economic point of view, the U.S. Biotech industry has gone from zero revenues and zero jobs 15 years ago to \$6 billion and 70,000 jobs today. The White House Council on Competitiveness projects a \$30 to \$50 billion market for biotech products by the year 2000, and many in the industry believe this estimate to be conservative.

Companies that depend heavily on research and development are especially vulnerable to foreign competitors who copy and sell their products without permission. The reason that high technology companies are so vulnerable is that for them the cost of innovation, rather than the cost of production, is the key cost incurred in bringing a product to market.

In addition to the ability to obtain and enforce a patent, small companies in particular must be concerned about obtaining a patent in a timely fashion. In 1992 the pendency of a biotech patent application as 27 months with the backlog in applications increasing from 17,000 in 1990 to almost 20,000 in 1992. The Patent Office has taken steps to improve the situation by reorganizing its bio-technology examination group and increasing the number of new examiners. The PTO has also implemented special pay rates for their biotechnology examiners. As a result, biotech patent application pendency has been reduced from 27 months to 21 months and the backlog in applications have been reduced from 20,000 in 1992 to 17,000 in 1994.

Although this is slow progress it is a substantial improvement. However, we must continue to reduce these delays because this industry is so dependent on patents in order to raise capital for reinvestment in manufacturing plants and in new product development, and even more so for an industry targeted by Japan for major and concerted competition.

The House Judiciary Committee took the first step in 1988 when the Congress enacted two bills which I introduced relating to process patents and reform of the International Trade Commission. However, our work will not be complete until we enact this legislation. This bill modifies the test for obtaining a process patent. It overrules *In Re Durden* (1985), a case frequently criticized that has been cited by the Patent Office as grounds for denial of biotech patents, as well as chemical and other process patent cases.

Because so many of the biotech inventions are protected by patents, the future of that industry depends greatly on what Congress does to protect U.S. patents from unfair foreign competition. America's foreign competitors, most of whom have invested comparatively little in biotechnology research, have targeted the biotech industry for major and concerted action. According to the Biotechnology Association, in Japan the Ministry of Inter-

national Trade and Industry [MITI] and the Japanese biotechnology industry have joined forces and established a central plan to turn Japanese biotechnology into a 127 billion yen per year industry by the year 2000. If we fail to enact this legislation, the Congress may contribute to fulfillment of that projection.

In conclusion, Mr. Speaker, this is important legislation. The biotech industry is an immensely important industry started in the United States with many labs housed in California. In the decade ahead, biotechnology research will improve the lives and health of virtually every American family. It will put people to work and it will save people's lives. I intend to schedule action early this session.

BARROW COUNTY REPUBLICAN
PARTY ENDORSES SUPER MA-
JORITY VOTE FOR TAX LIMITA-
TION

HON. CHARLES W. NORWOOD, JR.
OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, January 19, 1995

Mr. NORWOOD. Mr. Speaker, it is imperative that this body's ability to tax and spend be limited. I have heard from my constituents back home and they heartily approve of the new rule of the House which requires a 60-percent super majority to enact any Federal tax increase on U.S. citizens.

The Barrow County Republican Party has adopted a resolution which expresses support for this new rule in the House. It is stated below:

Whereas on this date of January 16, 1995 the Barrow County Republican Party at its stated meeting on the above date, and in full accord conclude that the United States Government through taxation and regulations, has far exceeded any power granted to it by the United States Constitution, and the people of this great Nation.

And, whereas it appears to these Members of this body, that an amendment to regulate the tax and spend policies of the United States Government in such a way as to restrict the Government in the adoption of its policies of taxation on income, the ownership of personal property such as real estate, or any other personal possessions which may rightfully owned by an American citizen.

And, be it therefore resolved by the Barrow County Republican Party at this meeting that tenth district Congressman Charlie Norwood, and that United States Senator Paul Coverdell and, United States Senator Sam Nunn of Georgia be petitioned by this body to consider, and adopt the three fifth's amendment, now being considered by the U.S. House of Representatives, which would require a sixty percent super majority vote to enact any Federal tax increase on the people of the United States.

This resolution being whole heartedly approved by this body, be it further enacted that this entire document be presented in support of this resolution, to be signed, and presented as directed by the officers present at this meeting.

Signed,

MIKE GRACE,
Chairman.
EDWIN GRAVITT,
Vice Chairman.
RANDY DUBOSE,
Secretary.

H.R. 587

LOCAL OFFICIALS SPEAK OUT ON
UNFUNDED MANDATES

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 19, 1995

Mr. WELDON of Pennsylvania. Mr. Speaker, one of the high priority items for the 104th Congress is resolution of the problem of unfunded mandates. Last month, I had the opportunity to meet with local elected officials in Pennsylvania to discuss this issue. I found their comments and insights revealing.

Testimony was given by every member of the Delaware County Council, including Chairwoman Mary Ann Arty, Paul Mattus, Ward Williams, Wally Nunn, and Tom Killian. I also heard from Joseph Blair, president of Upland Borough Council; Bruce Dorbian, manager of Marcus Hook Borough; Kenneth Hemphill, Upper Darby School District; Thomas Kennedy, mayor of Ridley Park; James F. Shields, executive director, Delaware County Intermediate Unit; and Thomas J. Bannar, manager of Haverford Township.

I found their insights and experience very valuable. As we prepare to debate this issue on the floor of the House, my colleagues would do well to look beyond the statements of inside-the-beltway lobbyists and listen to the experience of local elected officials. I have included the testimony of several of the participants which I found particularly insightful. I urge my colleagues to review their statements to better understand how unfunded mandates affect local governments.

STATEMENT OF WALLACE H. NUNN, DELAWARE COUNTY COUNCIL

Earlier we identified that Unfunded Mandates occur as the result of passage of legislation, by promulgation of regulations in response to legislative initiatives, through policy decisions by government bureaucrats and as a result of court orders. Each of these has played a part in helping to construct a welfare system that is one of worst bureaucratic nightmares in terms of its size and expense, its red-tape, its lack of coordination through the various state and federal agencies that mandate its operation and its effectiveness. If we view the social welfare system as a chronological continuum of services beginning with Children and Youth Services and running through the various adult services, we note redundant programs due to more than one state and/or federal agency mandating not only the services but the way in which they are provided, with no coordination or even apparent knowledge of the other agency's mandate. This concern is exemplified in the area of Drug and Alcohol (D/A) where the County receives funding through the Department of Health, the Court system and, in some instances, the Department of Public Welfare. While we are able to cooperate internally and to coordinate the provision of some of the services, we nevertheless must maintain complex administrative structures to deal with the plethora of regulations and policies imposed on us. There may be as many as fifteen (15) different programs to deal with specialized aspects of D/A problems. Each of these is governed by its own set of regulations for operation and reporting.

Many of these regulations that govern our operation are circuitous and address not just the broad policy guidelines but actually stipulate the provision of individual services. For example, in the County Juvenile Deten-

tion Home, we are mandated not just to feed and cloth the juveniles but also to supply an evening snack. (Is eating just before bedtime a healthy practice?)

I have touched on the justice system. Approximately \$48.3 million of the County Budget is projected to be expended on Administration of Justice. This accounts for over 57% of the approximately \$84 million raised in taxes. It also points out the failure of social welfare programs since these programs obviously have not resulted in shaping all of our citizens who are clients of our systems into productive members of our society. While I am not naive enough to think that we can be 100% successful in moving people toward productivity, I would like to have the opportunity to design our own programs without interference from the federal and state bureaucracies. Block grants without the punitive strings attached would be a mechanism that could be used to funnel dollars to Counties. We suggest this approach to you.

STATEMENT OF BRUCE A. DORBIAN, MANAGER, BOROUGH OF MARCUS HOOK

On behalf of the Crum and Ridley Creeks Council of Governments I graciously recognize the Honorable U.S. Congressman from the 7th congressional district, W. Curtis Weldon, and the Honorable State Senator from the 26th senator district, Joseph Loeper and members of the county council, thank you for organizing this public hearing on the subject of unfunded mandates and extending to us the opportunity to provide oral and written testimony.

The Crum and Ridley Creeks Council of Governments is an organization with 11 member municipalities formed to facilitate and develop mutual cooperation and coordination among the participating municipalities. The membership includes the boroughs of Media, Marcus Hook, Rose Valley, Rutledge and Swarthmore and the townships of Edgmont, Middletown, Nether Providence, Newtown, Upper Providence and Concord.

Whether Federal or State imposed, a mandate is a mandate. The word is feared in the local government community. Mandates can be fatal to the budget process and they occur far too frequently. They are feared because there is usually little notice or preparation, they carry new responsibilities, and seldom little authority or fiscal resources to carry them out.

WHAT ARE MANDATES?

They are requirements placed on local government by the Federal and State government to perform specified tasks. They are "mandates" because they must be done. The mandate message delivered from Federal and State government is similar to that national advertising campaign theme—"just do it."

WHO PAYS FOR MANDATES?

Local citizens and businesses pay for most Federal and State mandates through increased local taxes and fees. Most mandates are unfunded or underfunded. This means the Federal and/or the State government adopts the legislation and establishes regulatory requirements without appropriating any funds to implement the legislation or regulations. The costs for implementation are left to local and county governments.

WHY ARE MANDATES A PROBLEM?

Federal and State mandates are a problem for three reasons: (1) they are imposed without consideration of local circumstances or capacity to implement the Federal/State requirements; (2) they strain already tight

budgets forcing increases in local tax rates and fees to pay for mandates while we continue to provide local services and keep local budgets in balance; and (3) they set priorities for local government without local input. Because most mandates require compliance regardless of other pressing local needs, Federal and State mandates often "squeeze out" projects and activities that are local priorities and which would contribute more to local health, welfare and safety than the specific action or activity dictated by Federal/State laws and regulations. Local dollars spent on Federal and State mandates is money that cannot be spent on local priorities.

ARE LOCAL GOVERNMENTS OPPOSED TO MANDATES THAT PROTECT THE PUBLIC HEALTH, SAFETY AND CIVIL RIGHTS OF CITIZENS?

No local elected officials are committed to providing public services that enhance the health, safety and welfare of their citizens.

But local officials are opposed to unfunded, inflexible, "one-size-fits-all" laws and regulations. These laws and regulations impose unrealistic time schedules for compliance, specify the use of procedures or facilities when less costly alternatives might serve as well, and require far more than underlying laws appear to require. Local officials want to concentrate on performance, not procedures.

WHY SHOULD CITIZENS CARE ABOUT FEDERAL AND STATE MANDATES?

They allow the Federal and State government to write checks on the local government checkbook. They interfere with local decision-making and give authority to remote Federal and State lawmakers and bureaucrats rather than easily accessible local mayors, council members, commissioners and supervisors. And, perhaps most importantly, they force local governments to raise local taxes and fees in order to comply with mandates and maintain local services.

As municipal managers, we have day to day, hands-on experience with mandates. They impact virtually every aspect of local government operations. Recent mandates include mandatory recycling, expanded training requirements for municipal police officers, additional pension benefits for police and fire officials, workers compensation enforcement through the local building permit system, agency shop, and public access requirements of the Americans With Disabilities Act. Then there are those that simply become institutionalized in the operations of the municipality and continue to impose costs ten to twenty years after enactment. Public advertising requirements, State and Federal mandatory wage requirements for public works project, minimum wage, to name a few. Whatever the case may be, we know one thing for certain—once a mandate is imposed it is never repealed. One recent national research study ranked Pennsylvania second in the number of new mandates imposed on municipal government.

The current system allows Federal and State lawmakers and bureaucrats to impose their priorities without considering local budget and service impacts. Local budgets are statutorily required to be balanced, taxing authority is limited, and mandates cannot be passed on to another level of government. We must bring fiscal responsibility to the mandate process in this country and in Pennsylvania.

The buck has been passed to local government for too long; it is time for the "bucks" to be passed on as well.

STATEMENT OF JAMES F. SHIELDS, EXECUTIVE DIRECTOR, DELAWARE COUNTY INTERMEDIATE UNIT

It is a pleasure for me to be here today representing the Intermediate Unit, the fifteen

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