

will be permitted. However, the consortium's eligibility will be evaluated by the Secretary of Commerce on the basis of the project's impact on the U.S. economy. This process lacks transparency and is open to abuse by special interest groups.

On the question of improved access to participation, the record is mixed. There have been cases where Canadian firms have gained access to consortia where they were able to mount attractive proposals. There have been some difficulties with such high profile programs as SEMATECH, which have been moderated, on the weapons technology side, by diplomatic representations to have Canadian firms recognized as part of the U.S. industrial base. In fact, 10 USC Section 2491(1) defines the term "national technology and industrial base" to mean persons and organisations that are engaged in research, development, reduction, or maintenance activities conducted within the United States and Canada.

Proposed legislation would further restrict access to U.S. technology support initiatives if passed with recent amendments that narrow the eligibility criteria for federally supported programs under the Stevenson-Wydler Act and the National Competitiveness Act.⁶⁶ In particular, the Manton (Collins) amendment imposes rigid, new domestic manufacturing and sourcing commitments on funding recipients such that they would agree to "promote the manufacture within the United States" of products resulting from the technologies developed with government assistance. Furthermore, the Secretary of Commerce would be directed to consider a company's agreement "to procure parts and materials ... from competitive United States suppliers". Appendix B contains the full wording of the proposed amendment.

In 1991, ISC commissioned a study of U.S. federal programs that promote applied research, technology development and technology transfer.⁶⁷ The programs selected were chosen for their focus on developing and transferring technology to promote industrial competitiveness. Some conclusions arising from that study indicated:

- the U.S. government has placed an increasing emphasis on transferring federally-developed technology to the private sector;
- aid to small and medium-sized U.S. businesses has become a high priority in federal technology support, with many programs giving preferential treatment

⁶⁶ These amendments do not appear in the Senate version of the act.

⁶⁷ The following information is derived from background material from the former Bilateral Trade Policy Division of the Trade Policy and International Affairs Branch, of ISC.