

years), has allowed the number of projects to grow from 29 in 1993 to a projected 300 in 1996.⁵²

One ATP project, the Partnership for a New Generation of Vehicles (PNGV), was announced in late 1993. The PNGV or "Clean Car" initiative was created as part of a package of technology policies geared to respond to a number of commercial/technological challenges. The goals of the PNGV are: 1) to transfer U.S. military technology from the U.S. National Laboratory System to the Big Three to enhance their competitiveness and create automobiles of the future; 2) to "leap-frog" technology and foreign producers; and 3) to create a stronger U.S. auto industry by "re-taking" market shares.⁵³ U.S. government funding for PNGV was \$175 million in 1994 and \$246 million for 1995. The proposed budget for 1996 is \$333 million - a 35 percent increase from 1995.⁵⁴

The PNGV, the largest R&D consortium in the world, discriminates by giving preference to business units located in the U.S. that will manufacture substantially in the U.S.. Programmes such as the PNGV, while perhaps stretching the intent of the Subsidy and Countervailing Measures (SCM) Agreement, are not prohibited under that Agreement or the NAFTA. A strategic policy such as PNGV places any emerging advanced Canadian technology in this sector at risk of migration outside the country.

While the automotive industry is not currently considered "high technology", like other advanced technology industries, the auto industry's development cycles for new products and parts are decreasing, technology is changing rapidly and production is increasingly global.⁵⁵ While the U.S.-Canada Automotive Pact has helped to

⁵² Another core NIST activity is the Manufacturing Extension Partnership (MEP). MEP helps small and medium sized manufacturers on the use of the latest manufacturing and production technology. MEP's proposed budget for 1996 is \$147 million, up 62% over 1995.

⁵³ European and Asian carmakers are not standing still on automotive technology. Like the U.S. companies, they tend to work together on the technical issues they consider "pre-competitive".

⁵⁴ Eight agencies participate in this initiative: the Departments of Commerce, Defense, Energy, Interior and Transportation, as well as EPA, NASA and the NSF. See *Investing in S&T, A Citizen's Guide to the U.S. Federal Budget*.

⁵⁵ For a discussion of industry trends affecting Canadian auto suppliers, see: *Impact of the Partnership for a New Generation of Vehicles on the Canadian Automotive Industry*, Industry Canada (1995), pp. 75-8. Ernst and Young which prepared the report states: "There is little doubt that many major auto parts and assemblies sold today will be obsolete within the 15-year time-frame of this study [1995-2010]."