

tended uses of funds. The Committee expects that any such reprogramming will describe how the expenditure of these reserve funds will improve patent quality, reduce the backlog of pending applications and appeals, improve the information technology (IT) infrastructure, or otherwise improve the efficiency and effectiveness of PTO.

Patents End 2 End (PE2E).—PTO shall continue to provide quarterly reports to the Committee on the status of this information technology project, including the proposed retirement of legacy IT systems, and cost savings associated with those retirements, and any efficiencies achieved in patent processing as a result of these IT investments. The Committee looks forward to receiving the fiscal year 2016 quarterly reports and expects the timely submission of these reports in fiscal year 2017.

Addressing management failures.—During fiscal year 2014, serious management concerns came to light including two Inspector General reports: *Review of Waste and Mismanagement at the Patent Trial and Appeal Board* and *Review of Conduct by a High-Ranking USPTO Official in the Hiring of a Trademark Organization Employee*; and a PTO Internal Administrative Inquiry Report in response to an Inspector General Referral regarding abuse of telework programs at PTO. In July, 2015, the National Academy of Public Administration (NAPA) released its report, *The United States Patent and Trademark Office: A Telework and Internal Control Program Review*. The Committee notes that while PTO has implemented or is implementing many of NAPA's recommendations, there are still outstanding recommendations and progress to be made on them. During fiscal year 2017, the PTO shall continue to provide quarterly reports to the Committee on the implementation of reforms in response to recommendations in these reports and to ensure that employee time and attendance is appropriately managed and that nepotism is not tolerated. The Committee looks forward to receiving the fiscal year 2016 quarterly reports, and expects the timely submission of these reports in fiscal year 2017.

Patent quality.—The Committee looks forward to receiving the fiscal year 2016 required report on patent quality. Within 90 days of enactment of this Act, PTO shall submit an updated report to the Committee on the implementation of its Patent Quality Initiative, steps taken to improve patent quality in fiscal year 2016, and planned actions for fiscal year 2017.

Government agencies.—The Committee believes the PTO should notify the appropriate government agency when an application for trademark is filed for official or colloquially used names for any real property managed by that agency.

Intellectual Property Attachés.—The Committee supports the important work of the Intellectual Property Attaché Program.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

The Committee recommends \$865,000,000 for NIST, which is \$99,000,000 below fiscal year 2016 and \$149,519,000 below the request.

Security.—The Committee is concerned about security-related issues at NIST, in particular potential inappropriate access of foreign nationals to NIST facilities and information systems. The Committee directs NIST to coordinate with the Federal Bureau of

Investigation to improve and standardize security training and enforcement across the agency and to ensure that security, counter-intelligence, and export control functions are fully staffed.

NIST shall continue to provide the following information to the Committee quarterly: an accounting of vacancy rates in security-related offices; a summary of all known security incidents occurring that quarter involving access violations by foreign nationals or the unauthorized transfer of proprietary or sensitive information; and a summary of any criminal or administrative sanctions applied that quarter due to violations of security-related laws or regulations.

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(INCLUDING TRANSFER OF FUNDS)

The Committee recommends \$680,000,000 for NIST's scientific and technical programs, which is \$10,000,000 below fiscal year 2016 and \$50,533,000 below the request.

Laboratory programs.—The recommendation includes \$608,000,000 for NIST Laboratory programs.

Standards Coordination and Special Programs.—The recommendation includes \$55,000,000 for standards coordination and special programs. Within these amounts, up to \$5,000,000 is included to maintain NIST's current forensic research and standards work. The recommendation does not include funds to support or operate Forensic Science Advisory Committees.

Lab-to-market.—The recommendation does not provide funding for the lab-to-market program.

Urban Dome.—The recommendation does not provide funding for the Urban Dome program.

Cybersecurity.—The Committee is aware that the nation's retail sector is vulnerable to and targeted by cyberattacks. The Committee encourages NIST to build on its existing industry-sector focused work to create a retail-specific cybersecurity initiative and partner, as appropriate, with academic entities and national leaders in retail cybersecurity and retail supply chain management and logistics.

Disaster resiliency.—As part of its efforts to improve the resiliency of buildings, NIST's Engineering Division is encouraged to partner with academic research institutions that have expertise in mitigating the effects of natural disasters to study and recommend best practices for resilient planning and construction. The Committee also urges NIST to study building standards and develop recommendations on how building standards for buildings, homes, and infrastructure could be improved (e.g. fortified structures and durability of materials) to enhance resiliency.

Textile research.—The Committee recognizes the importance of the U.S. textile industry and encourages NIST to pursue advanced textile and apparel research and manufacturing activities.

NIST budget structure.—The Committee encourages NIST to work to bring greater transparency into its budget structure and provide additional detail in its budget justifications about base laboratory funding, rather than just program changes and new initiatives.

Internet of Things.—The Committee recognizes the importance of United States leadership in addressing security concerns for users and data within the Internet of Things and commends NIST for its ongoing work in this area, including the 2015 release of a draft framework for cyber-physical systems. In conjunction with this and other ongoing efforts related to cybersecurity, the Committee encourages NIST to continue strengthening its cybersecurity measurement science and standard-setting efforts related to the Internet of Things, including, but not limited to, industry-led best practices such as network segmentation.

INDUSTRIAL TECHNOLOGY SERVICES

The Committee recommends \$135,000,000 for Industrial Technology Services, which is \$20,000,000 below fiscal year 2016 and \$53,991,000 below the request. This amount includes \$130,000,000 for the Manufacturing Extension Partnership (MEP) and \$5,000,000 for the National Network for Manufacturing Innovation.

Program efficiencies.—The Committee is aware of recent efforts by MEP to examine ways to reduce administrative costs and provide more direct assistance to the centers. Accordingly, MEP shall provide to the Committee an updated report within 60 days of enactment of this Act detailing the amount of funds to be maintained at headquarters and the uses of those funds. NIST shall also provide the Committee with updates on the status of recompetition of the centers.

CONSTRUCTION OF RESEARCH FACILITIES

The Committee recommends \$50,000,000 for NIST construction, which is \$69,000,000 below fiscal year 2016 and \$44,995,000 below the request. NIST shall continue to provide updates on the projects funded within this account, to include milestones and total amount of funding necessary for completion.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The Committee recommends a total of \$5,580,575,000 in discretionary funds for the National Oceanic and Atmospheric Administration (NOAA), which is \$185,004,000 below fiscal year 2016 and \$267,668,000 below the request. The recommendation prioritizes funding for National Weather Service (NWS) operations, weather research, and related satellite programs, and the National Marine Fisheries Service.

Information technology security.—The Committee is encouraged by NOAA's efforts to address the security deficiencies in National Environmental Satellite, Data and Information Service's (NESDIS') information systems, but there is still considerable room for improvement. The Committee expects NESDIS and NWS to continue to make progress in this area.

NOAA Environmental Security Computing Center.—The Committee supports the NOAA Environmental Security Computing Center and expects it to be adequately funded within the amounts provided.

Partnering with the private sector.—The Committee encourages NOAA to purchase services from the private sector when such services are available, cost effective, and practicable.