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BAUCUS COMPETITIVENESS INITIATIVES TO BECOME LAW
Final 21st Century Competitiveness Act includes energy research, education provisions, effort to help American services workers compete in global market

Washington, DC – Competitiveness initiatives proposed by Senate Finance Committee Chairman Max Baucus (D-Mont.) are now slated to become law, as the Senate last night approved the conference report on the 21st Century Competitiveness Act. Baucus proposals included in the final bill, which now goes to the White House for signature into law, will promote 21st century learning skills and distance learning. The bill also creates an Advanced Research Projects Agency for Energy (ARPA-E) to develop energy alternatives, as Baucus proposed in 2006, and includes a Baucus request to study the effects of globalization on U.S. services workers – who hold eight out of 10 American jobs. Baucus launched a comprehensive competitiveness effort with six bills last year, including major education, energy, and trade enforcement legislation.

“America needs a full-scale effort to improve our country’s competitiveness on the world stage. I championed these proposals because education and energy independence are fundamental to American competitiveness, and because we need to better understand how to create and keep good-paying jobs here at home,” said Baucus. **“When this competitiveness bill is signed into law, our country will have new and important tools to create the workforce of tomorrow right here at home, and to build an energy-independent future for all Americans.”**

Baucus introduced legislation proposing an ARPA-E in 2006 and 2007. The conference report’s design of ARPA-E is closely modeled on the Baucus proposal, making the new agency as independent as possible. The ARPA-E director reports directly to the Secretary of Energy. ARPA-E is given the power to run its own projects and programs. The director is able to appoint program managers, can hire without following civil service rules – including salary restrictions – that make it tougher to staff the government with talented personnel. An “Energy Transformation Acceleration Fund” is established at the Treasury Department so ARPA-E can run its programs largely without budget pressures imposed by the leadership of the Department of Energy. This independence will enable ARPA-E to engage in cutting-edge energy research.

Baucus education and workforce provisions in the 21st Century Competitiveness Act include:

- **21st Century Learning Skills:** Sharpens educational provisions in the America Competes Act by outlining additional skills that should be incorporated into a state’s educational curriculum plan such as critical thinking, problem solving, communication, collaboration, global awareness, and business and financial literacy.

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- **Distance Learning:** Builds on critical language provisions in the America Competes Act by helping rural areas improve critical language programs. Provides grant money for language programs to use distance learning technology. This is especially helpful in rural areas like Montana.
- **Service Industry Competitiveness:** Improves our understanding of U.S. competitiveness by looking at the effects of globalization. Services industries account for 80 percent of U.S. economy and the United States retains a trade surplus in services exports – but government economic studies remain focused on the manufacturing and agriculture sectors. This amendment requires a report on the cost, feasibility, and benefit of an annual Department of Commerce study of the services economy and its competitiveness.

Baucus's original ARPA-E proposal is posted on the Finance Committee website at <http://finance.senate.gov/press/Bpress/2005press/prb030806e.pdf>. View his Education Competitiveness bill at <http://finance.senate.gov/press/Bpress/2005press/prb091406a.pdf>.

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