July 8, 2011

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--House Appropriators Specify Full Funding for Patent Office  NEW

EXECUTIVE BRANCH

AAU, COGR Staff Call for a Balanced Approach to Regulation of University Research

CONGRESSIONAL SCHEDULE  NEW

The House met today to finish work on the FY12 Defense appropriations bill (H.R. 2219) and to begin consideration of the FY12 Energy and Water appropriations bill (H.R. 2354). The Senate did not meet today.

CQ.com reports that legislative schedules could change next week, depending on the outcome of the latest White House-congressional negotiations on deficit reduction (see item below).

Absent such a change, when the House reconvenes on Monday, July 11, the chamber is scheduled to continue work on the FY12 energy and water appropriations bill, as well as a reauthorization of the federal flood insurance program (H.R. 1309) and possibly a bill to address the Administration’s regulatory authority (H.R. 2018).

House leaders today cancelled the chamber’s July recess scheduled for the week of July 18. After the President criticized Congress for taking recesses during budget talks, Senate leaders cancelled this week’s July 4 recess.

When the Senate returns on Monday, July 11, it is scheduled to debate a non-binding measure (S. 1323) that urges high earners to make “meaningful contributions” to deficit reduction. CQ.com reports that the measure could be used as a legislative vehicle for other debates, most likely focused on the budget. Senator John McCain (R-AZ) may bring up an amendment to allow the President to force Congress to vote on proposed rescissions to appropriations bills.
BUDGET & APPROPRIATIONS

BUDGET NEGOTIATIONS TO CONTINUE OVER THE WEEKEND  NEW

In an effort to revitalize the ongoing debt ceiling negotiations, President Obama this week upped the ante by urging congressional leaders to support a “big” $4 trillion deal rather than a smaller one, placing Social Security on the table and convening a meeting of eight congressional leaders at the White House to continue discussions. Following what he termed a “very constructive meeting” on Thursday morning, the President said staff would work over the weekend to try to add specifics to a framework agreement. The principals would then reconvene on Sunday for “the hard bargaining that’s necessary to get a deal done.”

The White House has said that a budget deal must be struck by Friday, July 22, to give Congress enough time to write and pass legislation that implements the agreement and raises the debt ceiling. The Treasury Department has set an August 2 deadline for raising the debt limit; further delay would force Treasury to default on some federal obligations.

HOUSE SUBCOMMITTEE BILL WOULD LEVEL-FUND NSF, CUT NASA FUNDING IN FY12  UPDATED

The House Commerce-Justice-Science Appropriations Subcommittee approved its FY12 funding bill unanimously on July 7, level-funding the National Science Foundation (NSF) at $6.9 billion and cutting the NASA budget by $1.6 billion from its FY11 level. The full committee is scheduled to consider the bill on Wednesday, July 13.

In his prepared remarks, Subcommittee Chairman Frank Wolf (R-VA) said, "Despite a 6 percent lower allocation than in fiscal year 2011, this bill increases funding for research accounts at NIST [National Institute of Standards and Technology] and NSF. Investments in scientific research are critical to long-term economic growth and job creation. The bill includes $6.9 billion for the National Science Foundation, including an increase of $43 million above FY11 for basic research…”

As indicated in Chairman Wolf’s statement, the subcommittee bill gives priority within the NSF budget to research. The bill funds the Research and Related Activities Directorate at $5.6 billion, or $43 million above the FY11 funding level; the Education and Human Resources Directorate at $835 million, or $26 million below the current level; and the Major Research Equipment and Facilities Construction Directorate at $100 million, or $17 million below FY11.

For NASA, the bill appropriates $16.8 billion, which is $1.6 billion below FY11 funding. Within NASA, the bill appropriates $4.5 billion for Science, which is $431 million below the current level. It also terminates funding for the James Webb Space Telescope. The bill provides $569 million for Aeronautics; $375 million for Space Technology; $3.6 billion for Exploration; $138 million for Education; and $3 billion for Cross-Agency Support programs.

Although the bill would cut $431 million from the Science budget at NASA, Chairman Wolf’s remarks added, "I am also pleased to note that the bill also includes $570 million—which is $1 million above the request—for aeronautics research.”

The bill also appropriates $10 million to restart production of Plutonium-238 for deep space missions, and it calls for the transfer of $1 million from Cross-Agency Support to NASA’s Office of Inspector General for the commission of an independent assessment of NASA’s
strategic direction and agency management. Like last year’s appropriations bill, this measure prohibits the Office of Science and Technology Policy and NASA from engaging in bilateral activities with China, unless authorized by Congress.

**HOUSE SUBCOMMITTEE BILL WOULD CUT NEH FUNDING IN FY12**

The House Interior-Environment Appropriations Subcommittee approved its FY12 funding bill on July 7 by a party line vote of 8 to 5. The measure will be marked up in the full House Appropriations Committee on Tuesday, July 12.

The bill would cut the budget of the National Endowment for the Humanities (NEH) to $135 million, a reduction of $20 million, or 13 percent, from its FY11 level. (The bill would do the same for the National Endowment for the Arts.) The National Humanities Alliance writes that if enacted, the NEH cut “would compromise the agency’s ability to fulfill its mission.”

(NOTE: This week’s CFR Update incorrectly said the bill would cut NEH by $10 million.)

**AAU URGES PRIORITY FOR RESEARCH AND STUDENT AID IN A BUDGET AGREEMENT**

AAU President Hunter Rawlings sent a letter to Administration and congressional leaders on July 6 urging that as they negotiate an increase in the federal debt limit and a framework for future federal spending and revenue levels, they “make student financial aid and research and innovation clear priorities for continued federal support.”

The letter notes that the National Commission on Fiscal Responsibility and Reform made clear that maintaining the nation’s ability to make critical investments must be a goal of any serious deficit-reduction plan. “The Commission also recognized,” adds the letter, “what previous generations of federal policymakers wisely decided long ago—the federal government has an essential role to play in supporting education and research, because they are critical to building a stronger economy and a better America.”

**INNOVATION TASK FORCE ASKS NATIONAL LEADERS TO REDUCE THE DEFICIT, INVEST FOR THE FUTURE**

The Task Force on American Innovation, in which AAU participates, wrote to White House and congressional leaders on July 8 acknowledging the importance of reducing the nation’s budget deficit, but urging them in the process to preserve investments in science and engineering research, which are the basis of economic competitiveness and national prosperity.

The Task Force wrote, “Reducing spending and deficits is necessary for achieving long-term prosperity, but reductions in federal spending must be made wisely. They should not come at the expense of science and engineering research, which has provided our nation with extraordinary prosperity for at least six decades.”

**OTHER CONGRESSIONAL ISSUES**
The next step in the six-year quest for patent reform is Senate approval of the House-passed bill (H.R. 1249). Although the Senate passed its own patent reform bill (S. 23) in March, the chamber has been poised to take up the House-passed measure as soon as Senate floor time is available. Senate Judiciary Committee leaders and a broad group of patent reform stakeholders hope the chamber will pass H.R. 1249 without amendment.

Last week, the six higher education associations working together on behalf of patent reform, including AAU, sent a letter to Senator Leahy urging him to work with Senate leadership for an early vote on the bill.

As noted in the associations’ letter, H.R. 1249 closely resembles the Senate-passed bill. Both bills “contain provisions that will improve patent quality, reduce patent litigation costs, and provide increased funding for the U.S. Patent and Trademark Office (USPTO).” The associations—and nearly all other patent reform stakeholders—prefer the provision in the Senate-passed bill that creates a revolving fund for the USPTO that prevents patent fees from being diverted to other agencies. But they endorse the House-passed measure, which retains the role of congressional appropriators in the process, as still providing an effective means of preventing fee diversion.

--House Appropriators Specify Full Funding for Patent Office

House Appropriations Committee leaders used their prepared statements for the July 7 markup of the FY12 Commerce-Justice-Science funding bill to back up their commitment to protect the U.S. Patent and Trademark Office from fee diversion. USPTO is funded in that bill.

Appropriations Committee Chairman Harold Rogers (R-KY) said while discussing national competitiveness, “We also maintain our commitment to appropriate the full estimate of fee collections by the U.S. Patent and Trade[mark] Office, so that PTO can continue to reduce the significant backlog of patent applications.”

Subcommittee Chairman Frank Wolf (R-VA) said in his prepared remarks, “The bill includes $2.7 billion for the Patent and Trademark Office -- the full estimate of fee collections for FY12 -- and a 28 percent increase above FY11. Should PTO collect additional fees above the amount appropriated, the bill makes that excess available to PTO.”

EXECUTIVE BRANCH

AAU, COGR STAFF CALL FOR A BALANCED APPROACH TO REGULATION OF UNIVERSITY RESEARCH

In an article published in the summer 2011 edition of Issues in Science and Technology, staff members of AAU and the Council on Governmental Relations (COGR) argue that regulatory and reporting requirements for university research have become excessively burdensome and costly. They call on the federal government to adopt a more balanced approach to regulation, and they offer a framework to help initiate the process.
“To better address regulatory issues at research universities, we need new and more timely and flexible mechanisms for universities and associations to work with federal officials,” says the article. “Only by working together can research universities and the federal government reach the shared goal of reducing undue regulatory requirements while maintaining safety and accountability. A more balanced regulatory load would help ease financial burdens on universities and improve morale and productivity of the researchers whose discoveries and innovations will drive our nation’s economy in this century.”

The article, written by AAU staff members Tobin Smith and Josh Trapani, and COGR staff members Anthony DeCrappeo and David Kennedy, offers a series of recommendations for improved regulation of university research, including exempting universities from certain types of regulation; harmonizing regulations to avoid duplication and redundancy; tiering regulations to the level of risk involved; focusing on performance, not process; and better synchronizing regulation of university research with the way university research is actually conducted.

The article builds on work submitted to the National Research Council Study of Research Universities. It will help inform other efforts, including the associations’ response to the Administration’s A-21 Task Force request for information.

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