October 19, 2011

The Honorable Dianne Feinstein   The Honorable Rodney Frelinghuysen
Chairwoman                           Chairman
Subcommittee on Energy & Water       Subcommittee on Energy & Water
   Development, and Related Agencies Development, and Related Agencies
Appropriations Committee             Appropriations Committee
United States Senate                 United States House of Representatives
Washington, DC 20510                 Washington, DC 20515

The Honorable Lamar Alexander   The Honorable Pete Visclosky
Ranking Member                       Ranking Member
Subcommittee on Energy & Water       Subcommittee on Energy & Water
   Development, and Related Agencies Development, and Related Agencies
Appropriations Committee             Appropriations Committee
United States Senate                 United States House of Representatives
Washington, DC 20510                 Washington, DC 20515

Dear Chairwoman Feinstein, Chairman Frelinghuysen, and Ranking Members Alexander and Visclosky:

On behalf of the Association of American Universities (AAU) and the Association of Public and Land-grant Universities (APLU), whose combined memberships include most of the major public and private research universities in the United States, we thank you for your strong support for the Department of Energy (DOE) research and development programs that support cutting-edge science and technology and the training of our next generation of scientists and engineers.

As you work to finalize the FY12 Energy and Water Development appropriations bill (H.R. 2354), we encourage you to agree to $4.843 billion for the DOE Office of Science as approved by the Senate Appropriations Committee, and the same as the FY11 enacted level, and $250 million for the Advanced Research Projects Agency-Energy (ARPA-E). We appreciate your continued support of the Office of Science’s Energy Frontier Research Centers (EFRCs) and urge you to support funding for the additional innovation hubs proposed by DOE in its budget request. We also hope you will fund the DOE graduate fellowship program at the Senate Committee-approved level of $7.5 million. This additional funding is essential to enable a new cohort of graduate fellows to be named and supported in the coming year.

Strong, sustainable, and predictable funding levels for energy research, such as the projects funded through the Office of Science and ARPA-E, are necessary to ensure that America remains a global leader in energy science and technology. Virtually all of our nation’s economic competitors, including the European Union, China, and other industrialized nations, are strategically ramping up their governments’ investments in energy research and
development and attempting to become global leaders in energy. Now is not the time for the United States to fall behind the competition.

We also want to share our concern that the House report to accompany H.R. 2354 recommends significant changes to the manner in which the DOE’s Office of Science awards multi-year research grants. Currently, multi-year research awards are funded out of a series of consecutive annual appropriations bills. In the report language, the House proposes to set aside the total funding for each award from the appropriation for the year in which the award is made. However, the House does not provide additional appropriations for the transition. An immediate change could result in cutting DOE’s research portfolio by as much as 66 percent for the first transition year, assuming the average research grant was for three years. This would cause layoffs and other significant disruptions in the academic community, in addition to the precipitous decline in energy research in the United States.

Since multi-year government grants and contracts, by law, already are conditioned on the availability of appropriations in the out-years, we fail to see what is gained by the disruption to research that would occur as a result of this change. The situation, of course, will be exacerbated if funding levels go down. We urge you to make clear in the conference report or statement of managers that Congress does not intend to decrease energy research levels in FY12. If this change must be enacted, we ask for a phased-in transition over several years to move toward full funding of awards with corresponding short-term funding increases to avoid any temporary reduction in awards.

In these challenging budget times, funding scientific research should be a priority. Science and technological advances, like those funded by DOE, are the foundation of our nation’s economic growth and aid in our national defense. As Microsoft Chairman Bill Gates recently stated, “Understandably, especially in this period of tight budgets, people ask why the private sector can’t fund the necessary R&D into energy alternatives. No matter how well intentioned, utility companies and other private investors simply are not going to invest deeply in the kind of R&D needed to create scalable, low-cost, low-carbon energy innovations. They have little or no economic incentive to do so. This is a unique but critical role for government, one central to our long-term economic competitiveness.”

We thank you for your consideration of our views and recommendations. We stand ready to work with you through the remainder of the appropriations process to create a final version of legislation that meets our nation’s energy security needs.

Sincerely,

Hunter R. Rawlings III     Peter McPherson
President      President
Association of American Universities    Association of Public and Land-grant Universities

cc: Senate Appropriations Committee Chairman Daniel Inouye
    Senate Appropriations Committee Ranking Member Thad Cochran
    Members of the Senate Appropriations Subcommittee on Energy and Water Development, and Related Agencies
    House Appropriations Committee Chairman Harold Rogers
    House Appropriations Committee Ranking Member Norman D. Dicks
    Members of the House Appropriations Subcommittee on Energy and Water Development, and Related Agencies