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CONGRESSIONAL SCHEDULE  NEW

The Senate met today to continue consideration of the supplemental appropriations package to address the damage from Hurricane Sandy and is scheduled to vote on the conference report for the FY13 Defense authorization bill. Majority Leader Harry Reid (D-NV) announced earlier this week that the chamber will return from the Christmas holiday on December 27 to deal with potential legislation to address the fiscal cliff (see item below).

The House met in pro forma session today, with no votes. The chamber is expected to reconvene after Christmas, but at this writing, no date has been announced. Politico reports that House Members are on 48-hour notice to return to Washington.

BUDGET & APPROPRIATIONS

STILL NO DEAL TO AVERT THE “FISCAL CLIFF”  UPDATED

There is no budget deal in sight as the days count down to the “fiscal cliff” at the end of the year. If Congress does not act, the Bush-era and other tax benefits will expire and major, across-the-board cuts to defense and nondefense spending—sequestration—will kick in.

In a dramatic move to shake up negotiations with the White House, House Speaker John Boehner (R-OH) put forward “Plan B,” which would have raised tax rates only for those earning more than $1 million. By extending tax cuts for most taxpayers, reports the Washington Post, the
Speaker hoped to take the tax issue off the table and gain a stronger negotiating position with the White House for deeper spending cuts. But the House Republican caucus balked at Plan B, and the House Republican leadership last night was forced to pull the package from floor consideration.

Perhaps with the hope that a deal can still be struck, the White House Office of Management and Budget (OMB) has issued no guidance on how a potential sequestration would be implemented at the agency level. According to the most recent estimate, under the law passed last year, Defense discretionary programs would be cut across-the-board by 9.4 percent and nondefense programs by 8.2, but no specifics on agency cuts have been released.

OMB sent agency heads and federal employee unions a sequestration fact sheet on December 20 that said funding would still be available after January 2, so furloughs would not be required unless sequestration continued for an extended period of time, reports OPM News. The Defense Department issued this memorandum.

**AFRI COALITION URGES SUPPORT FOR COMPETITIVE AGRICULTURE RESEARCH**

AAU joined a number of scientific organizations and associations in sending a letter to President Obama and congressional leaders urging them to consider the impact of the fiscal cliff on the Agriculture and Food Research Initiative (AFRI). AFRI is the USDA’s competitive research program. The letter notes, “Sequestration-level cuts to AFRI would be devastating to food, agricultural, and environmental research…” The program received $265 million in FY12.

**OTHER CONGRESSIONAL ISSUES**

**ASSOCIATIONS THANK SENATE VETERANS’ AFFAIRS LEADERS FOR REVAMPED CONSUMER BILL**

The Senate on December 19 approved an amended version of the Improving Transparency of Education Opportunities for Veterans Act (H.R. 4057), legislation that directs the Secretary of Veterans Affairs to develop a comprehensive policy for providing greater consumer information to military veterans using the G.I. bill to attend college. The Senate version, which was approved by unanimous consent, incorporates the higher education community’s recommendations for a more streamlined and less-prescriptive approach to consumer disclosure for veterans than the House-passed bill. Leaders of the House Veterans’ Affairs Committee applauded Senate passage of the amended bill, which is expected to pass the House easily.

On the day before the Senate vote, the six presidentially based higher education associations, including AAU, sent a letter to the leaders of the Senate Veterans’ Affairs Committee in support of the Senate substitute. The letter, led by the American Council on Education, also thanked Committee Chair Patty Murray (D-WA) and Ranking Member Richard Burr (R-NC) and their staffs for their work in addressing the community’s concerns regarding the House bill.
DEFENSE AUTHORIZATION BILL REMEDIES EXPORT CONTROL ISSUE FOR RESEARCH SATELLITES

The conference report for the FY13 Defense authorization bill (H.R. 4310) removes the statutory requirement that places all satellites on the U.S. Munitions List (USML) for purposes of export controls, even those that are dual-use and pose minimal national security risks. This outcome is welcome to AAU and others in the space science research community because the current policy has harmed space science research at U.S. universities. The measure is expected to pass both Houses and be signed into law by the President. (The language is in Section 1261, page 986, of the conference report.)

The language in the conference report essentially restores the President’s authority to determine which satellite-related items are on the USML and which are on the Commerce Department’s less restrictive dual-use Commerce Control List. Restrictions remain that are specific to China, North Korea, and any country that is deemed a state sponsor of terrorism.

Last month, three higher education associations, including AAU, wrote to leaders of the Senate Armed Services Committee to express their support for the provision changing the policy, which had been included in the House-passed version of the bill. AAU, the Association of Public and Land-grant Universities, and the Council on Governmental Relations asserted in their letter that the current law harmed the conduct of space science research at U.S. universities. “The current inclusion of space-related hardware on the USML,” they wrote, “has hindered the participation of leading international scholars and students at our universities in many space-related research projects and classes. This has led some campuses to decrease their research efforts in these particular areas. The current export controls rules related to satellites have also impeded U.S. space scientists from participating in legitimate and potentially valuable international scientific collaboration.”

They added, “As the educators of the next generation of scientists, engineers, and innovators, the research university community strongly supports moving less sensitive satellite and space-related technologies from the USML to the Commerce Control List.”

HOUSE APPROVES PATENT REFORM TECHNICAL CORRECTIONS BILL

The House on December 18 approved a technical corrections bill (H.R. 6621) for the Leahy-Smith America Invents Act (AIA), the patent reform bill enacted last year. H.R. 6621 generally corrects drafting errors, effective date provisions, and unintended inconsistencies in the patent bill.

Some groups raised concerns about a few provisions of the bill, but the technical advisory committee for the six higher education associations working together on patent reform identified no issues warranting comment. The associations are: AAU, the American Council on Education, the Association of American Medical Colleges, the Association of Public and Land-grant Universities, the Association of University Technology Managers, and the Council on Governmental Relations.
H.R. 6621 does not include provisions governing the grace period or prior user rights, the two issues of major concern to the six higher education associations. Work continues on these two issues.

OTHER

AUTM PUBLISHES NEW SURVEY OF TECHNOLOGY TRANSFER ACTIVITY

The Association of University Technology Managers (AUTM) last week published its latest report on technology transfer activities among its North American university, hospital, and research institution members. The report found that among survey responders, 4,899 licenses were executed in 2011, 591 new commercial products were created, and 671 start-up companies were formed, 487 of which had their primary place of business in the licensing institution’s home state.

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