Statement Expressing Opposition to Indirect Cost Cap on Basic Research
In House Defense Appropriations Bill

The FY2008 House Defense appropriations bill would severely limit the amount universities can be reimbursed for costs incurred while conducting Department of Defense basic research.

This provision would weaken the partnership between the federal government and America's research universities that has thrived since World War II. In the past 60 years, this partnership has yielded many scientific and technological advancements, including lasers, stealth technology, global positioning systems (GPS), night vision, and the Internet.

Indirect costs of research - laboratories, utilities, research materials, and administrative and regulatory compliance costs - are real costs that are reflected in the facilities and administrative cost reimbursement rates that are regularly negotiated and audited by the federal government. To limit arbitrarily the ability of universities to recover these costs would impose an undue financial burden on universities, discouraging them from continuing to conduct the research vital to the nation's future security.

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