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CONGRESSIONAL SCHEDULE  NEW

The House and Senate are out of session today. Both chambers will reconvene on Monday, March 13, the House for a pro forma session and the Senate to begin consideration of its FY07 budget resolution.

The Senate will have a full legislative schedule next week, in advance of the week-long St. Patrick’s Day recess. In addition to the budget resolution, the agenda will include the debt limit increase and, possibly, continuation of the debate on lobbying overhaul legislation.

The House is expected to consider the $92 billion FY06 supplemental funding bill for the wars in Iraq and Afghanistan and for hurricane relief. The House may also consider the Online Freedom of Speech Act (H.R. 1606), legislation sponsored by Rep. Jeb Hensarling (R-TX) to exclude blogs, e-mails, and other types of Internet communications from regulation by the Federal Election Commission.
FY07 BUDGET AGREEMENT FACES MAJOR HURDLES  NEW

Reflecting the election-year concerns of Members of Congress, the Senate Budget Committee approved an FY07 budget resolution on March 9 that modifies a number of proposals in the President’s FY07 budget. The budget resolution assumes a shift of $5 billion from the President’s request for defense and foreign aid to health, education, and border security and largely shies away from the President’s proposed savings in entitlement programs. It also would place a funding cap of $90 billion on emergency spending in FY07.

The package, which was approved in committee on a party-line vote of 11-10, is expected to consume most of the Senate’s floor time next week. Among the most contentious issues will be the plan’s assumption that oil exploration will be opened in Alaska’s Arctic National Wildlife Refuge (ANWR). CQ Today reports that Budget Committee Chairman Judd Gregg (R-NM) said he expects no Democrats to vote in favor of the budget plan. He added that lawmakers would have a chance to remove the ANWR drilling provision on the Senate floor.

In the House, The Hill reports that disagreements among House Republicans have prompted House Budget Committee Chairman Jim Nussle (R-IA) to postpone mark-up of an FY07 budget resolution to at least the end of the month. House floor consideration is expected the first week of April. No details are yet available on the committee’s FY07 resolution, but the conservative Republican Study Group has weighed in with its own proposal that would slash federal spending by $358 billion over five years.

SENATE BUDGET RESOLUTION ASSUMES ADDED FUNDING FOR RESEARCH UNIVERSITY PRIORITIES

The FY07 budget resolution approved by the Senate Budget Committee on March 9 explicitly assumes the increased investments the President has proposed for research and education at the National Science Foundation (NSF) and the Department of Energy (DOE) Office of Science, as well as a $1 billion increase for the National Institutes of Health (NIH) and additional funding for education.

Among the highlights—which were included in Chairman Judd Gregg’s (R-NH) “mark” released March 8—the budget resolution assumes FY07 funding for NIH of $29.6 billion, or $1 billion above the President’s request. The resolution also assumes “full funding” of the President’s requests for NSF and the DOE Office of Science, key elements of the American Competitiveness Initiative (ACI). Chairman Gregg’s mark specified that the funding level “will support scientific research tools for economically significant R&D, bolstering K-12 education including Math and Science Partnerships, high-end computing, advanced networking, nanotechnology, biotechnology, and science research. This funding is critical in supporting world-class federal research facilities and advancing innovation and discovery.”

For education, the Senate budget resolution assumes funding of $1.5 billion above the President’s request of $54.3 billion. The President’s request was $3.1 billion below FY06 funding for education. Few specifics are provided on how the extra money would be
allocated except that it would include increased funding for programs “aimed at assisting lower income and disabled students” and includes “the President’s request for $412 million in 2007 for new math and science education initiatives and programs to ensure students have access to highly skilled teachers.” The latter are also elements of the ACI.

The chairman’s mark is available on the Senate Budget Committee Web site at: http://budget.senate.gov/republican/pressarchive/MarkSummary.pdf.

AAU President Nils Hasselmo released a statement yesterday afternoon praising Chairman Gregg and other members of the Senate Budget Committee for “approving a budget based on the understanding that the nation’s global economic leadership and national security depend upon a renewed commitment to scientific research and improved education at all levels.”


A copy of the AAU letter thanking Senator Gregg is available at: http://www.aau.edu/budget/Ltr_Gregg_FY07Budget.pdf.

### HOUSE CONSERVATIVES PROPOSE MAJOR CUTS IN DOMESTIC SPENDING

The Republican Study Committee, a group of House conservatives, proposed a spending plan March 8 that leaders said would balance the federal budget by cutting more than $650 billion in spending over five years. A March 7 *New York Times* article about the proposal reports that senior aides indicate that the plan would cut $350 billion from Medicare, Medicaid, and other social programs over five years and save $300 billion in part by cutting back and reorganizing the Departments of Education, Commerce, and Energy.

The two Representatives introducing the plan, Reps. Mike Pence (R-IN) and Jeb Hensarling (R-TX), describe it as a sequel to the Republicans’ 1994 “Contract with America.” Along with funding cuts in domestic and foreign assistance programs, the plan would allow defense spending to continue to rise and would protect the President’s tax cuts and Social Security.

Among many other provisions, the package would:

- eliminate the National Science Foundation’s elementary and secondary education programs and reduce agency salary expenses to FY04 levels;
- eliminate NASA’s education programs and the Moon-Mars exploration initiative, as well as retire the space shuttle after completion of the International Space Station;
- eliminate the Department of Energy’s applied research in both fossil fuels and energy conservation and renewable energy as well as funding for the energy supply and conservation program;
- eliminate several higher education programs, including the Fund for the Improvement of Postsecondary Education, international education and foreign language services, Leveraging Education Assistance Partnerships, Graduate Assistance in Areas of National Need, the TRIO programs, the Perkins Loan capital contributions program,
and subsidized loans for graduate students; administrative support for the Department of Education would be cut by 30 percent;
- eliminate the National Endowment for the Humanities, the National Endowment of the Arts, and the Institute of Museum and Library Services;
- eliminate health professions grants and reduce funding for the National Health Service Corps; and
- “encourage privatization of NIH-supported research by reducing funding by 10 percent.”

CongressDaily reports that RSC budgets generally receive fewer than 100 votes.

The plan is available at: http://www.house.gov/pence/rsc/doc/RSC_2007_BUDGET.doc

FORTY-THREE SENATORS URGE PELL GRANT INCREASE

Forty-three Senators—36 Democrats and seven Republicans—sent a letter to Senate Budget Committee leaders on March 7 urging them to adopt an FY07 budget resolution that allows the maximum Pell Grant award to rise from the current level of $4,050 to at least $4,500. The Administration has requested no increase in the maximum award, which has been flat for four years.

Senator Susan Collins (R-ME) and Russ Feingold (D-WI), co-authors of the letter, have expressed their appreciation for the work of university representatives and others in helping secure signatures for the letter.

A copy of the letter is available on the AAU Web site at: http://www.aau.edu/budget/Ltr_GreggConrad_Pell_3-7-06.pdf.

OTHER CONGRESSIONAL DEVELOPMENTS

SENATE COMMITTEE APPROVES THE FIRST OF THREE “PACE” COMPETITIVENESS BILLS

The Senate Energy and Natural Resources Committee approved the energy research bill (S. 2197) on March 8 that is part of the three-bill package that comprises the Protect America’s Leading Edge (PACE) competitiveness initiative. The PACE bills (S. 2197, S. 2198, and S. 2199) were introduced January 26 by Committee Chairman Pete Domenici (R-NM) and Senators Jeff Bingaman (D-NM), Lamar Alexander (R-TN), and Barbara Mikulski (D-MD) in response to the National Academies’ report, “Rising Above the Gathering Storm.”

S. 2197 would authorize increased funding for basic research at the Department of Energy (DOE), create new internship programs for high school students at the national labs, and authorize a new DOE Advanced Research Projects Authority-Energy (ARPA-E) aimed at accelerating development of energy technologies, modeled on DARPA at the Department of Defense. The measure was approved in the Energy Committee by unanimous consent with an amendment aimed at increasing the participation and advancement of women and under-represented minorities in science, math, technology, and engineering academic pursuits.
Senator Domenici said in a press statement:

“With the PACE bills, America is making a renewed investment in math, science and technology. I consider this the first major American effort in this arena since our response to the launch of Sputnik almost 50 years ago. We want to get American kids excited about math and science and provide them with unprecedented opportunity to develop their skills in these areas. The President’s budget goes a long way toward funding these programs. I’m working with the Budget and Appropriations Committee to get the rest of the money. I want to see these bills enacted and fully funded this year.”

The other PACE bills have yet to be acted upon. S. 2198, currently pending in the Senate Health, Education, Labor and Pensions Committee, would authorize 10-percent annual funding increases for basic research at the National Science Foundation (NSF), NASA, and the Department of Defense, and create and expand a variety of math and science education programs at DOE and NSF. S. 2199, now before the Senate Finance Committee, would modify and permanently authorize the research and development tax credit.

**SHORT-TERM HEA AUTHORIZATION EXTENSION INTRODUCED**  

With most federal higher education programs scheduled to expire on March 31, House Education and the Workforce Committee Chairman Howard “Buck” McKeon (R-CA) yesterday introduced a short-term extension of the Higher Education Act (HEA). The bill (H.R. 4911) makes no changes to current law and extends the Act through June 30.

Chairman McKeon has indicated that he expects the Boehner-McKeon HEA reauthorization bill adopted by the education panel last July (H.R. 609) to be considered by the full House in coming weeks. Senate Health, Education, Labor and Pensions Committee Chairman Michael Enzi (R-WY) has also indicated he hopes to complete the full reauthorization process this year.

**HOUSE VOTES FINAL APPROVAL OF USA PATRIOT ACT REAUTHORIZATION**  

The House gave final approval to legislation reauthorizing expiring portions of the USA Patriot Act (H.R.3199, H. Rpt. 109-333) on March 7 by a vote of 280-138. Thirteen Republicans and 124 Democrats voted against the measure. The President signed the bill into law on March 9, one day before the provisions were to expire.

As reported previously (CFR Weekly Wrap-up, 3-10-06), the original conference report to renew expiring provisions of the USA Patriot Act failed to pass the Senate on December 16 when four Republican Senators joined Senate Democrats to block approval because of concerns over civil liberties protections. The four Republicans subsequently negotiated an agreement with the White House to modify three provisions of concern, the results of which were incorporated into the legislation and approved by the Senate on March 1.

**SENATE LOBBYING REFORM BILL DELAYED OVER AMENDMENT ON UAE PORTS MANAGEMENT ISSUE**
The Senate began debate this week on legislation to overhaul lobbying rules (S. 2349), but consideration was brought to a halt on March 8 when Senate Democrats offered an amendment to block a United Arab Emirates-owned company from taking over management of several U.S. ports. The following day, the Senate failed to invoke cloture on the bill by a vote of 51-47 in favor, with 60 votes needed to do so. Senate Majority Leader Bill Frist (R-TN) said he might bring the bill back up for consideration next week, but he would not promise to do so.

In the House, Majority Leader John Boehner (R-OH) said March 7 that the House would vote on a lobbying overhaul package before the April recess. Although no legislation has yet been introduced, Mr. Boehner told CongressDaily that he expects the package to include provisions regarding gift and travel rules and language on earmarks, but not an independent Office of Public Integrity, as has been proposed by some Senators. He said he did not support requiring Members to make their earmark requests public, noting concerns that such a requirement could prompt Members to request more earmarks publicly in order to get as many as possible in private during the appropriations process. On the question of extending earmark rules to authorization and tax bills, Mr. Boehner told the publication, “I think the single-source grants in authorization bills ought to be considered as part of this, and narrow issues in a tax bill, but when you get into all of this it’s far more complicated than having a general earmark reform proposal.”

He added that lobbying overhaul might not be the only vehicle for earmark reform this year. “I don’t think it’s clear yet how far we’ll get in to it at this first shot at it,” he said.

**EXECUTIVE BRANCH**

**OFFICIALS PROVIDE INFORMATION ON NATIONAL SECURITY LANGUAGE INITIATIVE**  

Representatives from the Departments of Education, State, and Defense, and the Office of the Director of National Intelligence yesterday held a public briefing on the President’s National Security Language Initiative. Fact sheets on each agency’s role in the initiative, along with a PowerPoint presentation on the Department of Education’s proposed programs, are available on the AAU Web site at:  

**OTHER**

**ASSOCIATIONS URGE HOUSE AND SENATE COMMITTEE LEADERS TO PRESERVE NET NEUTRALITY IN TELECOMMUNICATIONS LEGISLATION**  

Four higher education organizations concerned about telecommunications policy sent a letter to leaders of the House Energy and Commerce and the Senate Commerce committees on March 7 asking them to include a “strong provision preserving net neutrality” in the legislation they are expected to develop to update the nation’s telecommunications policy.

AAU, the National Association of State Universities and Land-Grant Colleges (NASULGC), EDUCAUSE, and Internet2 said in a letter to Chairman Joe Barton (R-TX)
and Ranking Member John Dingell (D-MI) and to Chairman Ted Stevens (R-AK) and Ranking Member Daniel Inouye (D-HI) that in order for the Internet to “continue to serve as a powerful force for innovation, it is imperative that it remain open on a non-discriminatory basis to all lawful content, information, applications, and equipment.” This goal would be accomplished with a “strong and enforceable net neutrality provision.”

The issue of net neutrality came to the fore recently after phone companies suggested they might offer faster downloads and better service to Web sites willing to pay for the benefits.

A copy of the letter to House committee leaders is available on the AAU Web site at: http://www.aau.edu/intellect/Ltr_Barton_Dingell_3-7-06.pdf.

A copy of the letter to Senate committee leaders is available at: http://www.aau.edu/intellect/Ltr_Stevens_Inouye_3-7-06.pdf.

**AAU AND NASULGC FILING BRIEF TODAY IN EBAY VERSUS MERCEXCHANGE PATENT INFRINGEMENT CASE  UPDATED**

The Supreme Court last November agreed to hear an appeal of a patent infringement case in which eBay Inc. was sued by a Virginia-based company, MercExchange, for infringing on its patent of technology that allows users to buy products online for a fixed price.

AAU and the National Association of State Universities and Land-Grant Colleges (NASULGC) are filing a brief on the case today. The case involves the circumstances under which patent owners are granted an injunction in cases of infringement. One of the arguments in support of eBay, the defendant, is that a patent owner should be active in the respective market as a condition of being granted an injunction. This proposal seeks to address the growing problem of “patent trolls,” patent acquisition companies that use the threat of injunctions to seek excessive royalties in cases of actual or alleged infringement. However, making the availability of injunctions contingent upon the patent owner being active in the respective market would be harmful to university technology transfer programs. Universities are rarely active in commercial markets, so they would lose access to injunctions in most cases, a development that would undermine their ability to license their patents.

The university brief will describe for the Court the importance of university technology transfer to society, the role of patents and licensing in that process, the importance of the availability of injunctions for university licensing, and the need for the Court to protect this university process if it elects to make any changes to the patent system.

**STUDENT AID ALLIANCE MODIFIES ITS FY07 ADVOCACY DOCUMENT**

The Student Aid Alliance, in which AAU participates, has modified budget figures in the FY07 advocacy document the group originally released in February. The updated version of the one-pager is available on the AAU Web site at: http://www.aau.edu/budget/SAA_FY07Stmt3-8-06.pdf.

In light of these changes, AAU has also modified its one-page advocacy document on student financial aid at: http://www.aau.edu/budget/07Adv_OP_StudentAid.pdf and its
CNSF DAY ON THE HILL SET FOR JUNE 7

The Coalition for National Science Funding (CNSF) has scheduled its annual exhibit and advocacy reception on Capitol Hill for Wednesday evening, June 7. “Science at Work,” which showcases research made possible by funding from the National Science Foundation (NSF), will be held from 5:30 to 7:30 p.m. EST in B338-40 Rayburn House Office Building.

Only current members of CNSF are eligible to sponsor a booth at the exhibition, and all exhibits must showcase research funded by NSF. Those interested in sponsoring a booth at the exhibit are asked to complete the attached registration form and submit it to the organization, with a check for $300, no later than Wednesday, April 12.

Those who need additional information about the event are asked to contact Anita Benjamin at 202-588-1100 or alb@ams.org.

HUMANITIES ON THE HILL A MAJOR SUCCESS

The Humanities Advocacy Day held March 1-2 proved a major success. More than 150 supporters of the National Endowment for the Humanities (NEH) participated in the first-day briefing and training session and then helped fill Room B369 of the Rayburn House Office building that evening for an exhibition and reception. The evening event, which featured remarks from NEH Chairman Bruce Cole and House Humanities Caucus co-chairs, Reps. Jim Leach (R-IA) and David Price (D-NC), included 12 exhibits of NEH-funded projects from around the country. Among the institutions with exhibits were University of Buffalo-SUNY, University of Maryland, College Park; University of Nebraska-Lincoln; and the University of California.

The following day, humanities advocates fanned out across Capitol Hill to visit 120 House and Senate offices, covering 26 states.

Leaders of the National Humanities Alliance, including AAU staff, extend their appreciation to those who participated in the advocacy day for their hard work on behalf of NEH. Those who have not yet submitted their “Post-visit Worksheets” are asked to do so as soon as possible. The Alliance uses the information for follow-up with Congress throughout the year.

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