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CONGRESSIONAL SCHEDULE

Both the House and Senate are out of session and will reconvene following Labor Day on Tuesday, September 5.

EXECUTIVE BRANCH

ASSOCIATIONS COMMENT ON ACG/SMART GRANT PROGRAM REGULATIONS

Eight higher education associations on August 16 submitted comments to the Department of Education on interim final regulations for the Academic Competitiveness Grant (ACG) and National Science and Mathematics to Retain Talent (SMART) Grant programs. The two programs were enacted in February as part of the Deficit Reduction Act of 2005 (P.L. 109-171).

The ACG program provides $750 grants to Pell Grant-eligible college freshmen who have completed a “rigorous” secondary school program and $1,300 grants to Pell Grant-eligible sophomores who have maintained a cumulative grade point average of 3.0. The SMART program provides $4,000 grants to Pell Grant-eligible juniors and seniors who are majoring in physical, life, or computer science, engineering, mathematics, technology, or a critical foreign language and have a cumulative grade point average of 3.0.

The associations’ letter, developed under the leadership of the American Council on Education, identifies five areas of particular concern in the proposed regulations: requiring institutions to analyze freshmen students’ high school transcripts to confirm their program eligibility; basing student eligibility on “academic year” rather than student grade level; creating new tracking requirements for determining eligibility for SMART grants; excluding students who are enrolled in certificate programs that articulate into four-year baccalaureate programs; and the Department’s decision to require institutions that participate in the Pell Grant program to participate in the ACG or SMART programs as well if they are eligible to do so. Eligible
institutions declining to participate in the ACG or SMART grant programs would be barred from the Pell Grant program.

A copy of the letter is available at: http://www.acenet.edu/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=17840.

**DOD REQUESTS COMMENTS ON PROPOSED EXPORT-CONTROL RULES**

The Department of Defense (DoD) has published for comment a proposed rule to modify the Defense Federal Acquisition Regulation Supplement (DFARS) regarding DoD contracts and export-controlled information and technology.

This second proposed rule is greatly improved over the version published July 12, 2005, and largely responds to concerns expressed by the educational research community and comments made by AAU (See AAU’s comments at: http://www.aau.edu/research/AAUCommDODECrule101205.pdf).

Among other changes, the proposed rule has been modified to eliminate a provision in the original proposed rule that required unique badging and segregated work areas for foreign nationals. The second proposed rule also addresses the concern raised by AAU about the flow-down of export-control contract clauses from commercial entities to university subcontractors. Under the new proposed rule, DoD contractors with export-control clauses in their contracts would have to include those clauses in a subcontract only if the subcontract itself involves export-controlled information or technology.

For the most part, AAU intends to comment positively on the rule. However, the association will encourage DoD to clarify a few remaining ambiguities in the proposed language. That includes clarifying the circumstances under which DoD might require its contracts to contain export-control clauses even when the research being conducted is fundamental in nature. AAU staff will provide additional guidance for institutions that wish to comment on the proposal in the near future.

The deadline for comments is Friday, October 13. The proposed rule, which also contains a detailed explanation of how the Department has responded to comments it received to the first proposal, is available electronically in the August 14 edition of the *Federal Register* (Volume 71, Number 156) at: http://frwebgate1.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=575970251616+1+0+0&WAISaction=retrieve.

**DAVID MCCORMICK LEAVES COMMERCE DEPARTMENT**

The White House announced August 16 that David McCormick, Undersecretary of Commerce for Industry and Security, will leave his position to become Deputy National Security Advisor for International Economic Affairs at the White House. Dr. McCormick will begin his new duties next week; no successor at the Commerce Department has been announced.

Dr. McCormick has led the Commerce Department’s efforts to respond to the Commerce Inspector General’s (IG) recommendations to tighten controls on foreign students and scholars
participating in research. Under his leadership, the Department announced in May that it would create a new Deemed Export Advisory Committee to “address complex questions related to an evolving deemed export control policy” and that it would no longer consider the IG’s recommendations.

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