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# AAU WEEKLY WRAP-UP

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Friday, July 17, 2009

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## CONGRESSIONAL SCHEDULE *NEW*

The House and Senate were in session today. The House approved the FY10 Energy and Water appropriations bill (H.R. 3183)—the ninth of 12 FY10 funding bills—while the Senate continued debate on the Defense authorization bill (S. 1390), with no votes.

Both chambers will reconvene on Monday, July 20.

The House next week is expected to consider the FY10 Labor-HHS-Education and Transportation-HUD appropriations bills. The chamber also is expected to take up legislation to re-establish statutory pay/go rules (H.R. 2920) and a bill to give the Food and Drug Administration expanded funding and authority to investigate food safety (H.R. 2749).

The Senate next week will continue work on the FY10 Defense authorization bill. Senate Majority Leader Harry Reid (D-NV) said yesterday that he believes that approving the Defense bill, confirming Supreme Court nominee Sonia Sotomayor, and approving a health care bill are possible before the August recess.

This proposed schedule may prove difficult to meet. Even though the Senate does not plan to begin its August recess until August 7—one week later than the scheduled House recess—CongressDaily reports that Senate consideration of a health care package may be put off until September.

## **BUDGET & APPROPRIATIONS**

### **HOUSE CONTINUES PROGRESS ON FY10 APPROPRIATIONS BILLS *NEW***

The House is working steadily through the FY10 appropriations bills and is likely to meet Democratic leaders' goal of approving all 12 bills before the August recess. With today's approval of the Energy and Water bill (see next item), the House has now completed nine bills, with Labor-HHS-Education and Transportation-HUD scheduled for consideration next week. (At this writing, the Appropriations Committee was still marking up the Labor-HHS-Education bill.) No floor schedule has been announced for the remaining bill, Defense, which is expected to be marked up in the full Appropriations Committee on July 22.

The Senate has approved two FY10 appropriations bills—Legislative Branch and Homeland Security—with an additional seven bills reported from the Appropriations Committee and awaiting Senate consideration. The Committee has not acted on the Defense, Labor-HHS-Education, and Transportation-HUD bills.

### **HOUSE APPROVES FY10 ENERGY AND WATER APPROPRIATIONS BILL *NEW***

The House today approved its version of the FY10 Energy and Water appropriations [bill](#) (H.R. 3183) by a vote of 320 to 97. The measure provides \$26.9 billion overall for the Department of Energy (DOE), or about \$500 million less than the Senate committee-approved bill (S. 1436) and \$1.5 billion less than the Administration's FY10 request of \$28.4 billion.

The White House [Statement](#) of Administration Policy (SAP) on H.R. 3183 thanks House leaders for fully funding the DOE Office of Science but urges restoration of its full request for the Office of Energy Efficiency and Renewable Energy—a \$68 million difference. The SAP expresses strong support for the Innovation Hubs and the RE-ENERGYSE program, both of which received funding in the House bill considerably below the request. (Additional details below.)

DOE Office of Science. The House bill would fund the DOE Office of Science at \$4.94 billion, just over the Administration's request, and \$186 million over the FY09 level. The Senate measure would provide \$4.90 billion. (The Office of Science also received \$1.6 billion in Recovery Act funds, to be spent over FY09 and FY10.) The House bill includes about \$38 million in congressionally directed projects; the Senate bill includes about \$41 million. These projects would reduce the amount of money available to support the funding requested by the President.

The House [bill](#) provides \$1.675 billion for Basic Energy Sciences (BES), about \$10 million below the request, and \$409 million for the Advanced Scientific Computing program, the same as the request. Nuclear physics would receive \$536 million, or about \$16 million below the request; High Energy Physics would be allocated \$819 million, the same as the request; Biological and Environmental Research would receive \$597 million, about \$7 million below the request; and Fusion Energy Sciences would be funded at \$441 million, or \$20 million above the request.

The Senate committee-passed [bill](#) funds Basic Energy Sciences at \$1.65 billion, which is \$25 million less than the House level and about \$35 million below the request. Advanced Scientific Computing would receive \$399 million, which is \$10 million below the House level and the request. Nuclear Physics would receive \$540 million, or \$4 million above the House level and

\$12 million below the request; High Energy Physics would receive \$813 million, \$6 million below both the House level and the Administration request; Biological and Environmental Research would receive \$604 million, the same as the Administration request and \$7 million above the House level; and Fusion Energy Sciences would be funded at \$416 million, \$5 million below the request and \$25 million below the House level.

Energy Efficiency and Renewable Energy. The House bill would provide \$2.25 billion, which is \$68 million below the request, about \$2 million above Senate funding, and \$321 million above the FY09 level.

Innovation Hubs. The Department has requested \$280 million to initiate eight Energy Innovation Hubs. The House bill provides just \$35 million for the centers within the Office of Science Basic Energy Science program, citing redundancy of the program with other DOE initiatives and a lack of implementation details. The Senate bill supports three hubs: Fuels from Sunlight (within the Office of Science), Energy Efficient Building Systems (within in the Office of Energy Efficiency and Renewable Energy), and Modeling and Simulation (within Nuclear Energy). The committee report says that the Fuels from Sunlight and Energy Efficient Building Systems hubs should each receive \$22 million, but only if the Department of Energy is able to free up the funding by supporting with Recovery Act funds an infrastructure/roads project associated with the planned expansion of the National Renewable Energy Laboratory. It is unclear from the committee report how much funding is being provided for the Modeling and Simulation hub.

RE-ENERGYSE. DOE has requested \$115 million in FY10 for a new clean energy education initiative called, REgaining our ENERGY Science and Engineering Edge (RE-ENERGYSE). The House Committee report notes that the panel supports the desired results of the proposed RE-ENERGYSE program but believes the Administration's justification for it lacks sufficient details. The Committee also expresses concern that the program might duplicate existing science, technology, engineering, and mathematics (STEM) education programs at DOE and other federal agencies. The Committee bill does not fund the program, but it provides \$7.5 million for DOE to conduct a study to better define future energy education and workforce needs and to understand gaps in existing federal STEM education efforts that should be filled appropriately by DOE. The Senate bill provides no funding for RE-ENERGYSE.

As proposed by the Administration, the RE-ENERGYSE program would provide \$80 million for higher education programs, including support for new experiential learning opportunities for undergraduate students as well as three-year fellowships for doctoral students and one-year postdoctoral opportunities in energy-related fields. The program also would grant competitive awards to universities to develop and offer a master's degree in Interdisciplinary Energy Studies, focused on clean energy.

The remaining \$35 million in the program would support technical training and K-12 education. This includes support for community colleges to train technicians and faculty in science, technology, engineering, and mathematics (STEM) fields, and for activities aimed at engaging K-12 students and their teachers in such activities as reducing energy use at their schools and moving toward a zero-carbon footprint.

Neither bill would provide FY10 funding for the new Advanced Research Projects Agency-Energy (ARPA-E), for which the Administration requested \$10 million. The new agency received \$400 million in Recovery Act funds and \$15 million in FY09.

## **HOUSE SUBCOMMITTEE APPROVES FY10 DEFENSE APPROPRIATIONS BILL** *NEW*

The House Defense Appropriations Subcommittee approved its FY10 funding bill on July 16, providing \$636.3 billion for Defense, which includes \$508 billion for general Defense accounts and \$128.3 billion for the wars in Iraq and Afghanistan. Full committee markup is expected on Wednesday, July 22. Subcommittee Chairman John Murtha (D-PA) said he believes a war supplemental bill will still be needed later in the year.

A subcommittee press [release](#) provides no details on general research funding, but it highlights about \$310 million in funding for biomedical research.

## **OTHER CONGRESSIONAL ISSUES**

### **CHAIRMAN MILLER INTRODUCES HIGHER EDUCATION BILL** *UPDATED*

House Education and Labor Committee Chairman George Miller (D-CA) [introduced](#) legislation on July 15 to overhaul federal student aid programs. The measure would eliminate the federally guaranteed private student loan program, add mandatory funding to the Pell Grant program without making the program an entitlement, and reshape the Perkins Loan program. The bill also would provide new funding for community colleges and Historically Black and other minority-serving institutions; keep student loan interest rates low; increase support for college access and degree-completion programs; and provide support for facility modernization and early learning programs in K-12.

The Student Aid and Fiscal Responsibility Act is expected to be considered in Mr. Miller's committee next Tuesday, July 21. No companion measure has been introduced in the Senate.

As the Administration has proposed, the Miller bill would close down the Federal Family Education Loan (FFEL) program and move all new lending into the Direct Loan program at the Department of Education. This is estimated to generate \$87 billion in savings over 10 years. Of these savings, \$40 billion would be allocated to Pell Grants, with the rest supporting other initiatives in the bill, along with \$10 billion in deficit reduction.

The Miller bill rejects the President's proposal to make the Pell Grant program an entitlement, leaving House and Senate appropriators to continue setting the Pell Grant maximum award each year. However, the bill would use mandatory funds to increase the maximum award automatically each year through 2019 by the Consumer Price Index plus one-percent, as requested by the Administration. This would raise the Pell Grant maximum from \$5,550 in 2010 to \$6,900 in 2019.

Universities are concerned about a provision in the Miller bill that would eliminate the in-school interest exemption for graduate and professional student borrowers. Since creation of the federal guaranteed student loan program in 1965, students who receive a federal student loan have not paid interest on the loan while they remained in school. The committee proposal would drop this public commitment for a particular class of student borrowers. Moreover, the added loan burden would serve as a disincentive for graduate and professional study, particularly in fields like social work, education, and religion where borrowing is common and employment earnings tend to be modest. The higher education community is encouraging the committee to remove this provision from the bill.

Chairman Miller's bill also would overhaul the Perkins Loan program. Participating institutions would no longer have to match 25 percent of the federal government's capital contribution to their program with their own funds, but it remains unclear how the in-school interest rate issue would be addressed. (The Administration has proposed that students cover the in-school interest costs themselves.)

The community college initiative in the bill would create competitive grant programs for community colleges to work with states to create innovative new education and training programs and expand proven educational reforms; build partnerships with businesses to create new career pathways and training programs; support innovative strategies to promote college completion; modernize facilities; and create a new online skills laboratory.

AAU staff and the higher education community continue to work with staff to address issues of concern in the bill.

### **THIRTY-FOUR NOBEL LAUREATES URGE INCLUSION OF \$150-BILLION R&D FUND IN CLIMATE CHANGE BILL *NEW***

A group of 34 Nobel Laureates sent a [letter](#) to President Obama on July 16 asking him to urge Congress to include in its final climate change bill the 10-year, \$150-million Clean Energy Technology Fund he has requested.

The group expressed concern that climate-change legislation (H.R. 2454) approved by the House on June 26 provides "less than one-fifteenth" of the amount the Administration proposed for federal energy research, development, and demonstration programs.

"This stable R&D spending is not a luxury," the letter stated. "The stable support this Fund would provide is essential to pay for the research and development needed if the U.S., as well as the developing world, are to achieve their goals in reducing greenhouse gases at an affordable cost."

During a July 16 conference call with reporters, Nobel Laureate Burton Richter, who led the group, said that the \$15 billion per year proposed by the Administration for energy and climate-change research and development would be a good start toward the type of game-changing technology developments that are needed. He was joined on the call by Rep. Rush Holt (D-NJ) and Dan Reicher, director of climate change and energy initiatives for Google.

Rep. Holt said the House-passed climate-change bill includes about \$2.5 billion a year in R&D spending: \$1 billion for the Advanced Research Projects Agency-Energy, \$1 billion for carbon capture and sequestration, and \$500 million for clean energy hubs to be based at universities (which are different from the Innovation Hubs proposed by the Administration).

### **SENATE HELP COMMITTEE INCLUDES FOLLOW-ON BIOLOGICS PROVISION IN HEALTH CARE REFORM *UPDATED***

As part of its markup of comprehensive health care reform legislation, the Senate Health, Education, Labor, and Pensions (HELP) Committee on July 13 approved by a vote of 16 to 7 an amendment giving biologic drug manufacturers 12 years of market protection from generic competition. The amendment was sponsored by Sens. Orrin Hatch (R-UT), Mike Enzi (R-WY),

and Kay Hagan (D-NC). The panel rejected by a vote of 5 to 17 an amendment by Senator Sherrod Brown (D-OH) that would have limited market exclusivity to seven years.

Earlier this year, AAU [endorsed](#) follow-on biologics legislation (H.R. 1427) introduced by Reps. Anna Eshoo (D-CA), Joe Barton (R-TX), and Jay Inslee (D-WA) that would allow the Food and Drug Administration (FDA) to approve generic versions of biologic drugs after a 12-year period of market protection for the original biologic product. Rep. Eshoo [testified](#) about H.R. 1427 before the House Judiciary [Committee](#) on July 14.

House Energy and Commerce Committee Chairman Henry Waxman (D-CA) and Health Subcommittee Ranking Member Nathan Deal (R-GA) introduced a competing [bill](#) (H.R. 1427) on March 11, which would limit the data exclusivity period to five years. The Obama Administration has supported a period of seven years.

The shorter periods of data exclusivity are widely viewed within the pharmaceutical and biotechnology industries as insufficient to recover the costs of development. Without an ability to recover the costs of development, companies will be less likely to license university discoveries that could lead to new medicines and therapies.

## **SENATE APPROVES SBIR REAUTHORIZATION BILL**

The Senate on July 13 approved a reauthorization of the Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) programs (S. 1233) by unanimous consent, setting up a conference with the companion measure (H.R. 2965) approved by the House on July 8. Senate Small Business Committee Chair Mary Landrieu (D-LA) said in a [statement](#) that she would work with her House counterparts to send a final bill to the President for signature before the end of the month. Authorization for the SBIR program expires on July 31.

AAU has supported reauthorization of both the SBIR and STTR programs and has specifically [endorsed](#) the House-passed bill. However, the association continues to oppose S. 1233 because the Senate measure would increase the percentage set-aside for small business in the research budgets of the major federal research agencies. S. 1233 would raise the SBIR set-aside from 2.5 percent to 3.5 percent over 11 years and the STTR set-aside from .3 percent to .6 percent over six years. The association believes that the best way to increase the amount of funding available for these programs is to provide steady and sustained increases for federally funded research.

## **EXECUTIVE BRANCH**

### **AAU AND APLU URGE ELIMINATION OF ARPA-E COST SHARING REQUIREMENTS *NEW***

AAU and the Association of Public and Land-Grant Universities (APLU) today wrote to Secretary of Energy Steven Chu urging elimination of the 20-percent cost sharing requirement in the first funding solicitation issued by the new Advanced Research Projects Agency-Energy (ARPA-E).

The associations argue in their [letter](#) that the cost sharing requirement in the solicitation is not required by statute and would “undermine the ability of ARPA-E to support truly transformative research.” The letter notes that the proposed cost sharing requirement is based on the assumption that companies will want to invest in the research. It adds, “We believe that ARPA-E—as envisioned by you and others who were involved in the National Academies report, “*Rising Above the Gathering Storm*—must focus on research leading to transformative energy technologies that will revolutionize energy production and use in the United States and throughout the world...Such revolutionary technologies begin as radical ideas that are too far from the investment horizons of for-profit companies...Any untried concept with so little risk that a company is willing to invest in it from the beginning is unlikely to be truly transformative and is probably not bold enough to deserve ARPA-E funding.”

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