Appropriations Update
Congress left Washington for its month-long recess, leaving much work to be done upon their return in September. While the House has approved all 12 of its FY08 spending bills, and the Senate Appropriations Committee has drafted 11 spending bills, the President has threatened to veto those bills that exceed his proposed budget for the next fiscal year, which begins October 1.

As reported last month, the Commerce-Justice-Science bill (HR 3093), which includes funding for NSF, NASA and NOAA, is $2.3 billion over the President’s request. In a Statement of Administration Policy, the President has made it explicit he intends to veto the bill as passed by the House. “The Administration has asked that Congress demonstrate a path to live within the President’s top line and cover the excess spending in this bill through reductions elsewhere, while ensuring the Department of Defense has the resources necessary to accomplish its mission. Because Congress has failed to demonstrate such a path, if H.R. 3093 were presented to the President, he would veto the bill." As we’ve witnessed year after year, we will most likely be looking at a series of continuing resolutions until Congress and the Administration can reconcile their spending priorities and differences.

Indirect Cost Cap in House FY08 Defense Bill
The FY 2008 House-passed Defense appropriations bill includes a provision that would cap indirect costs of research - laboratories, utilities, research materials, and administrative and regulatory compliance costs at no more than 20 percent in addition to direct funding received through a grant or contract. This provision was proposed by Congressman John Murtha (D-PA), Chairman of the House Appropriations Defense Subcommittee – the committee report accompanying the bill states, "the percent of basic research funding allocated to Department and research organizations' overhead costs has grown to unwarranted levels."

The Department of Defense, the Office of Management and Budget (OMB) and the White House Office of Science and Technology Policy are opposed to the proposed 20 percent cap. The Statement of Administration Policy for H.R. 3222 says, “The Administration also opposes the Committee’s language imposing artificial, arbitrary caps on indirect costs of basic research.” The academic community – specifically AAU and NASULGC, also has opposed this language, arguing that limiting 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.”

President Signs Innovation Legislation
Last week President Bush signed into law the "America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act," a bipartisan bill intended to strengthen the nation’s commitment to research and education. The bill is the culmination of efforts by the science community and Congress, building on the President’s
American Competitiveness Initiative,” which he announced in his 2006 State of the Union address.

It authorizes, but does not appropriate, $43.3 billion in FY 2008-2010 in science, engineering, mathematics and technology research, and in education programs.

The bill authorizes the following:

- Doubling of the National Science Foundation budget.
- Doubling of the Department of Energy’s Office of Science budget.
- Doubling of the National Institutes of Standards and Technology laboratory budget.
- Significant expansion of NSF funding for the Noyce Teacher Scholarship Program, and its Math and Science Partnerships.
- Creation of a Technology Innovation Program at the Department of Commerce that will replace the Advanced Technology Program.
- Doubling of funding for the Department of Commerce Manufacturing Extension Partnership.
- Increased funding for young researchers.
- Establishment of the Advanced Research Projects Agency for Energy at the Department of Energy.

The new law also includes the following provision to promote collaboration across federal agencies with the academic community:

“The Administrator of the National Oceanic and Atmospheric Administration, in consultation with the Director of the National Science Foundation and the Administrator of the National Aeronautics and Space Administration, shall establish a coordinated program of ocean, coastal, Great Lakes, and atmospheric research and development, in collaboration with academic institutions and other nongovernmental entities, that shall focus on the development of advanced technologies and analytical methods that will promote United States leadership in ocean and atmospheric science and competitiveness in the applied uses of such knowledge.”

The 147-page bill can be found at: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h2272enr.txt.pdf

Global Warming Legislation Outlook

Both the House and Senate are set to take up mandatory national global warming legislation when Congress reconvenes after the August recess. Senator Bingaman, chair of the Energy Committee, has introduced comprehensive legislation. And Senator Lieberman and Senator Warner, the Chair and ranking minority member respectively of the Environment and Public Works Committee’s lead subcommittee, have released a detailed legislative outline. The Lieberman-Warner bill has more aggressive targets of 70 percent reductions by 2050, but otherwise the two bills are somewhat similar, being based on a cap-and-trade architecture and having detailed measures to address costs, competitiveness and international cooperation.
The status in the House is more opaque. Representative Dingell, Chair of the Energy and Commerce Committee, has indicated that he will introduce legislation this fall with emissions reductions of 60 to 80 percent by 2050. However, no details have been publicly discussed, and Representative Dingell has floated the idea of a carbon tax as well. Further complicating the situation is the failure of the House to address CAFE vehicle efficiency standards in energy legislation, making it unclear how this rapidly growing area of emissions would be addressed.

Expect considerable Congressional action on this issue throughout the fall, with a focus on targets and timetables, and measures to minimize costs and price volatility.

Mark Abbott Will Not Head NSF’s Geosciences Directorate
Last month we reported that Mark Abbott, from Oregon State University, would become the assistant director for NSF’s Geosciences Directorate. However, early this month, NSF made the following announcement:

“Following a review by the Office of General Counsel of applicable conflicts-of-interest if he were to assume the full-time position (given that he would retain his OSU position during his appointment), Abbott and NSF officials concluded that the conflicts rules would significantly restrict his ability to manage GEO’s portfolio of programs and activities, and limit his effectiveness for both the agency and the geosciences research community. For this reason, Dr. Abbott and NSF mutually agreed not to pursue the appointment… Abbott will continue to serve on the National Science Board and work with NSF leadership on issues of importance to the oceanic and atmospheric science community. NSF intends to work rapidly to fill the GEO position.”