

Tippling Points®

WHITE HOUSE HOLDING OAK RIDGE, TN SCIENCE & TECHNOLOGY SUMMIT... McCAIN & OBAMA ARE TALKING ABOUT S&T ISSUES... CONGRESS IN RECESS... BUDGET “C.R.” IN WORKS... SCIENCE BUDGET UPDATE BY KEY AGENCIES... SBIR COMPROMISE REACHED...

NATIONAL SCIENCE & TECHNOLOGY SUMMIT SLATED FOR AUGUST 18-19 IN OAK RIDGE, TN: The **National Science & Technology Summit** called for by the *America COMPETES Act of 2007* will be held August 18-19 in Oak Ridge, TN. Conference registration is closed, but more details about the event can be found at:

www.ostp.gov/galleries/press_release_files/NatSciTechSummit_Agenda%20-%20July%202008.pdf

ASTRA is pleased that three of our Board Members, **Dr. Susan Butts (Dow Chemical)**, **Wayne Johnson (Hewlett-Packard)** and **Dr. Larry Sumney (Semiconductor Research Corporation)** will deliver white papers during panel discussions at the event.

McCAIN AND OBAMA ARE DEBATING SCIENCE ISSUES: While rarely mentioned in national campaign coverage, the two Presidential campaigns have extensive positions staked out over key science and technology issues. Visit the following ASTRA Sites to compare the candidate’s positions and to see the latest YouTube videos of the **Rick Warren Saddleback Forum held August 16:** www.usinnovation.org/pres_track/pres_tracking.asp For each candidate’s individual positions see www.usinnovation.org/pres_track/mccain.asp and www.usinnovation.org/pres_track/obama.asp You might also want to visit the AAAS Web Site at <http://election2008.aaas.org/> There are additional Sites and resources available from both ASTRA and AAAS sites should you be interested...

CONGRESS HAS GONE FISHING WITH NO FY 2009 SPENDING BILLS PASSED: Congress has gone on a very long Summer Recess, a.k.a. its “Summer District Work Period” (House) and the “State Work Period” (Senate) that will last through both of the major party conventions (Senate recess began, August 9 and House, August 1), returning around September 8. Consensus is that no appropriations (spending) bills will be sent to the President until after the election, if at all. Both Houses are expected to pass a continuing resolution (C.R.) to fund government operations until after the November 4 General Election. The C.R. will have to be voted on before the 2009 Fiscal Year begins on October 1 to keep the government in business...

SENATE HAS MADE SURPRISING PROGRESS — KEY SCIENCE SPENDING AGENCIES HAVE BENEFITED PROVISIONALLY: That being said, the Senate has actually passed six of 12 spending bills. Science spending in particular is looking very good, thanks to a more than \$21 billion increase by Senate appropriators over the Administration’s budget request in a variety of spending accounts...

OIL DRILLING AND HOUSE DEMOCRATS DON’T MIX WELL: The House continues to be stalemated over Republican efforts to attach offshore drilling legislation to the **Interior Department’s** appropriation bill. As reported earlier, Republican insistence on record votes on drilling issues (for campaign use) threatens to shut down the entire process. One exception: It remains possible that both Houses will pass a **Department of Defense** funding measure, as they did in 2007, in order to not disrupt funding for the wars in Iraq and Afghanistan. House Republicans continue to meet and conduct debate over oil drilling in spite of that chamber being adjourned for the Recess...

SCIENCE SPENDING TO INCREASE IN FY 2009? This issue, we want to look at what might be possible in the near future with science funding, given what the Senate has done with its own appropriations bills. For more information on the status of such legislation, you may want to visit the following site periodically: thomas.loc.gov/home/approp/app09.html

NATIONAL SCIENCE FOUNDATION (NSF): The **National Science Foundation (NSF)** is on target to receive a 12.5% increase from the Senate, matching the Administration’s request. This would bring NSF’s total budget to about \$6.9 Billion. NSF’s R&D accounts would increase to record \$5.2 Billion — a 15.1 percent increase. The House remains stymied, but would probably come in with a similar number. NSF research directorates would receive large increases in 2009 after flat funding in 2008 under Senate plan. All would recover from the 2004 budget cuts and reach all-time highs...

NIST FUNDING IS LOOKING VERY GOOD: The **Senate Appropriations Committee** would award increases to most parts of NIST (part of the **U.S. Dept. of Commerce**). In order to protect the ASTRA-supported **MEP** and **TIP** Programs (so-called “extramural” programs or “non-core” agencies) the Senate would trim the intramural research activities of NIST — but this function would still increase by 6.2% to \$409 million. The **Technology Innovation Program (TIP)** would receive \$65 million for FY 2009 and the **Manufacturing Extension Partnership (MEP)** would receive \$110 million despite Administration efforts to eliminate them entirely. Speaking of which, the **TIP Regional Seminars** have been completed, and a **September 4 deadline looms** for those interested in entering the first competition. See www.nist.gov/tip/ for more information...



NOAA, another Dept. of Commerce Agency, would receive an 8.9% increase of \$633 million in the Senate plan given the urgency of its research related to global climate change, hurricane monitoring and environmental research...

DEPARTMENT OF ENERGY SCIENCE RESEARCH: The Senate Appropriations Committee has approved a 15% increase for R&D in DOE Science to \$4.2 billion... this includes a 63% increase for **fusion research**, 18% for **nuclear physics**, and 12% increase for **high-energy physics**. The House has yet to act, but has similar numbers according to sources...

DOD "BASIC" SCIENCE RESEARCH GETS SIGNIFICANT INCREASES: In the Administration's final DOD budget request, it appears the **Department of Defense (DOD)** science budgets are headed for significant increases, including an unusual increase of 4% (to \$1.7 Billion) in its **Basic Research (6.1)** portfolio. Excluding \$165 Million in "earmark" funding which occurred in FY 2008, this would mean about a 16 percent increase for FY 2009...

DOD 6.1 FUNDING WILL BE SPREAD ACROSS ALL SERVICES: The new 6.1 funding would go to all three military services, with especially large increases in **Navy** and **Air Force** basic research. DOD's overall S&T spending would "fall" to \$11.7 Billion, but only because DOD would not renew \$2.2 billion in FY 2008 earmarks. Excluding those earmarks, DOD "S&T" would actually gain about 5.6 percent for FY 2009 and S&T spending would be about 2.26 of the non-emergency 2009 DOD budget. Since leopards cannot change their spots easily, it is anticipated that Congress will enact significant earmarks, increase the final Administration DOD budget request, and the ultimate DOD numbers will be higher...

NASA GETS HEALTHY INCREASES IN TWO KEY AREAS — WILL IT BE ENOUGH? The Senate Appropriations Committee has drafted a 2009 spending bill that would give the **National Aeronautics and Space Administration (NASA)** \$17.8 billion next year. This would amount to an increase of \$635 million or 3.7%. The entire increase and more goes to two high-profile projects that occur during a time of rapid, if ignored, space militarization by the governments of China, Russia and India. The projects are: the **Constellation Systems Program** to develop the next generation of spacecraft (\$3.1 Billion = an increase of 24.5%; and the **International Space Station**, which would receive \$2.1 Billion = 13.6% increase as part of its final construction goal during FY 2010...

NATIONAL INSTITUTES OF HEALTH ON A ROLL: Advocacy efforts on behalf of the **National Institutes of Health (NIH)** are beginning to affect the fortunes of physical sciences and engineering funding. NIH advocates are asking for an additional \$5 billion for FY 2009, perhaps in another economic stimulus package. At present, NIH consumes about 53% of all domestic R&D spending but it has suffered about 3 years of flat or negative funding following a doubling effort that ended in FY 2003. Massive increases for NIH are also being proposed for the next session of Congress. Unfortunately, Congress sees such requests as coming out of the same "pie" of taxpayer funding as other science priorities. Thus, health science advocates are seen as competing with the spending needs of non-health related sciences across the board...

SBIR COMPROMISE IN THE OFFING? The **Senate Committee on Small Business and Entrepreneurship** has approved a bill reauthorizing the Small Business Innovation Research (SBIR) program. The legislation, the *SBIR/STTR Reauthorization Act of 2008* (S. 3362), introduced by **Chairman John Kerry (D-MA)** and **Ranking Member Olympia Snowe (R-ME)** is the product of months of negotiations and compromise over the inclusion of controversial provisions included in the House's reauthorizing language, the *SBIR/STTR Reauthorization Act of 2008* (H.R. 5819)...

DETAILS OF SBIR COMPROMISE: According to the **Small Business Technology Council (SBTC)**, the bill will now make its way to the Senate floor, and on to negotiations with the House. The Senate compromise language would reauthorize the SBIR program for 14 years and increase award set-asides for agencies' R&D budgets from 2.5 percent to 3.5 of percent over ten years. Not all agencies would be required to increase the set-aside amount, however. The **Department of Health and Human Services (HHS)**—including the **National Institutes of Health**—would continue operating under the 2.5 percent set-aside requirement, and the **Departments of Defense** and **Energy** would be required to use the increase for development of technologies being developed under Phase II, and not for new Phase I awards. S. 3362 would increase award sizes for Phase I to \$150,000 and Phase II to \$1 million. The bill also calls on SBA to make award size adjustments for inflation every three years, and would prevent federal agencies from giving awards in excess of 50 percent larger than outlined in the bill. SBIR awardees would be allowed to receive awards for subsequent phases at an agency different from their originating SBIR-awarding agency...

ROLE OF VC FIRMS DEBATED: In addressing perhaps the most contentious of issues surrounding the SBIR reauthorization, the Senate version significantly scales back the House's proposal to expand participation in the program by venture capital (VC) backed firms. The Senate bill would allow HHS to apply to the **U.S. Small Business Administration** and the House and Senate Small Business Committees for the authority to permit firms majority owned and controlled by multiple VC companies to compete for up to 18 percent of the agency's SBIR funds. All other agencies would only be allowed to apply for such authority up to 8 percent of their SBIR funds. For more details, and differing viewpoints on the emerging

Tippling Points is created by ASTRA for the benefit of all, so feel free to share these materials with others. To learn more about ASTRA, please visit www.aboutastra.org and www.usinnovation.org — Robert S. Boege, J.D., editor. e-mail: rboege@comcast.net

