

You Call That a Deal?

Who says the U.S. Congress can't accomplish anything? During July and August, Congress worked hard to turn a legislative molehill into a policy mountain. The 2011 battle over increasing the federal debt limit, which has been routinely increased in the past with little or no fanfare, resulted in a final agreement that could have seriously negative implications for domestic programs, including federally funded scientific research.

The deal reached by the White House and Congress would increase the debt limit and cut spending in two phases. The first phase will immediately increase the debt limit by \$900 billion. The second increase in the debt limit will take place later in 2011; its size will be determined by the work done by a special joint committee of the U.S. House and the Senate.

The spending cuts connected with the first phase of the debt limit increase will be achieved by placing limits or "caps" on the size of annual federal spending. The caps will be on spending on both nonsecurity discretionary and security-related programs. The nonsecurity programs include the U.S. National Institutes of Health (NIH) and the National Science Foundation (NSF), and the security programs include the Defense Department and homeland security

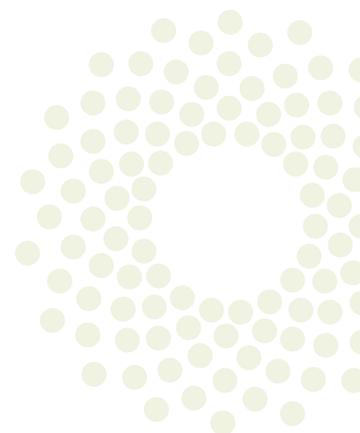
programs. The spending caps will be in place until 2021.

In 2013 and 2014, the deal prevents Congress from "raiding" spending for domestic programs to provide more funding for security programs and vice versa. Unfortunately, these "firewalls" do not exist beyond 2014. Historically, similar firewalls have been crucial in preventing Congress from reducing domestic spending to provide more funding for politically popular defense and security programs.

The newly created joint committee will be required to reduce the budget deficit by as much as \$1.5 trillion through spending cuts and/or revenue increases. The new "super" committee will have to present its plan to both the U.S. House and the Senate by November 23, 2011. The House and Senate must approve or reject the spending proposal by December 23, 2011.

If the super committee does not produce at least \$1.2 trillion in savings, or if its proposal is rejected by Congress, automatic, across-the-board cuts will take place to achieve the necessary savings. It is estimated that all nondefense programs, including the NIH and NSF, would see budget cuts of 6.7% over a nine-year period if these automatic cuts go into effect. ■

—Kevin M. Wilson



Research Creates Cures, Companies, and Jobs

When scientists receive grants, they hire staff, and buy lab equipment and supplies necessary to conduct the research. A cut in U.S. National Institutes of Health (NIH) funding means fewer grants, and fewer grants mean researchers will need less equipment and fewer supplies for their labs.

In light of reductions in federal spending, companies that sell products to biology researchers funded by the NIH should be concerned about 1) the flat funding received by the NIH in recent years, and 2) proposals to cut future NIH funding.

In 2010, NIH investments led to the creation of 487,900 high-tech, high-wage jobs. Moreover, these investments produced \$68.035 billion in new economic activity around the U.S.

WHAT CAN YOU DO? Researchers should urge their equipment suppliers to contact their Senators and Member of Congress and tell them how important NIH-funded research is to their company and its ability to hire and retain employees.

The ASCB has created a website featuring tips on how lab equipment and supply companies can educate Members of Congress. The website also contains a draft letter companies can send to their elected officials.

www.ascb.org/NIHcreatesjobs.html