



UC DAVIS FEDERAL RELATIONS UPDATE
February 1, 2013

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Executive Summary

President Obama's **second inaugural address** took place on January 21st (Page 2).

Sequestration appears likely to occur on March 1st (Pages 2-3).

Congress **raised the debt ceiling** for the next three months (Page 3).

Bipartisan group of Senators and President Obama announce **immigration reform** priorities (Pages 3-4).

President Obama lifted the ban on **gun violence research** (Page 4).

NIH work group issues a new report on use of **chimpanzees** in research (Pages 4-5).

UC Regents sign onto **amicus brief** with intellectual property implications (Page 5).

There will be many **leadership changes** in the Obama Administration (Page 5).

Inauguration

In his second inaugural address, President Obama laid out broad priorities for his second term, including immigration reform and combating climate change. With respect to education, he referred to the need to “harness new ideas and technology to remake our government, revamp our tax code, reform our schools, and empower our citizens with the skills they need to work harder, learn more, reach higher.” He also called for making the “hard choices” to reduce the cost of health care and the size of the deficit, but he rejected “the belief that America must choose between caring for the generation that built this country and investing in the generation that will build its future.”

It is not clear how President Obama will propose to address these and other issues discussed in the speech, but he is expected to provide more details in his State of the Union address, which is scheduled for February 12.

Sequestration and FY13 Funding

The White House Office of Management and Budget (OMB) has directed federal agencies to continue planning for possible major budget reductions in FY13 in case Congress fails to call off the across-the-board spending cuts, known as the sequester, now scheduled to go into effect on March 1, or to extend the current FY13 continuing resolution (CR) beyond its March 27 expiration date. A memorandum sent to federal agency heads by Acting OMB Director Jeff Zients on January 14 noted that unless Congress acts, the sequestration order will require spending cuts in FY13 alone of \$85 billion.

Among other guiding principles, the memorandum directed agencies to:

“...review grants and contracts to determine where cost savings may be achieved in a manner that is consistent with the applicable terms and conditions, remaining mindful of the manner in which individual contracts or grants advance the core mission of the agency...”

The White House and Congress have yet to begin serious negotiations on either the sequester or the FY13 CR. The fiscal cliff compromise enacted on January 2 delayed the sequester by two months and reduced the FY13 sequester level from \$109 billion to \$85 billion. The \$24 billion cost of the postponement was “paid for” with \$12 billion in spending cuts, divided evenly between defense and nondefense spending, and \$12 billion in new revenue from allowing taxpayers to convert to Roth retirement plans.

An analysis by the American Association for the Advancement of Science showed that the still-unresolved FY13 budget would absorb \$4 billion of the spending cuts, while the FY14 budget would absorb the remaining \$8 billion. Thus, the actual reduction in the FY13 sequester amount would not be \$24 billion, but \$20 billion: \$8 billion from spending cuts moved to FY14 and \$12 billion from new revenues resulting from changes in the Roth retirement plan.

The FY13 CR has been funding agencies and programs at largely their FY12 levels because Congress has been unable to approve any of the FY13 appropriations bills. Clearly, final funding levels will be affected by action on the sequester. Allowing the CR to expire on March 27 would trigger a government shutdown.

Multiple sources have indicated that it is very unlikely that Congress will delay or eliminate sequestration by March 1st when it is set to take effect. There is an added hurdle because it's not clear if there is a legislative vehicle that could be used to postpone or eliminate sequestration by the deadline.

UC Davis Federal Government Relations Director Gina Banks is working with AAU and APLU to make the case that sequestration should be postponed and considered as part of a bigger "Grand Bargain." To that end, we are submitting a video for "Science Works for Us" using a graduate student to tell the story of how sequestration would impact his research. Assistant Vice Chancellor Marj Dickinson and Director Banks will be in Washington, DC the first week in February and will talk about this issue in our meetings on Capitol Hill.

Debt Ceiling

On January 23, the House voted to extend the debt limit for an additional three months, without including dollar-for-dollar spending cuts that Republicans once insisted would have to be part of any debt limit deal. The measure, however, did include a provision that docks the pay of lawmakers if one of the chambers of Congress fails to pass a budget by April 15. The Senate is expected to pass the debt ceiling shortly.

Immigration Reform

On Monday, a bipartisan group of influential Senators—dubbed the "Gang of Eight"—released a set of principles for comprehensive immigration reform, which they said they hoped would be able to pass as legislation later this year. The following day, President Obama announced his own set of principles for immigration reform, noting that he had his own bill prepared in case the House and Senate appeared to be delaying action.

Senator Charles Schumer (D-NY) said that Senator John McCain (R-AZ) was taking the lead in drafting a bill that he hoped could be marked up in the Senate Judiciary Committee and passed by the full Senate in late spring, *CQ.com* reports. Senator Schumer added that once the bill hits the Senate floor, it could require three to four weeks of debate.

Both the Gang of Eight's and the President's sets of principles offer a separate path to citizenship for young people brought to this country illegally as children (that is, the DREAM Act) and would give green cards to international students earning advanced degrees in science, technology, engineering, and mathematics (STEM) fields so they could remain and work in the

United States. Neither plan explicitly calls for expanding the number of non-immigrant, H-1B visas for high-skilled workers, which are used by companies to hire highly educated foreign professionals short-term for specialty positions and by universities for international researchers and scholars.

The high-skilled visa issue was addressed on January 29, however, by a bipartisan group of four Senators who introduced the Immigration Innovation Act of 2013. Reflecting ideas strongly supported by the high-technology industry, the bill would make a number of changes in visa policy, including raising the annual number of H-1B visas for high-skilled workers from the current 65,000 to 115,000, with a “market-based” escalator clause to adjust the numbers to reflect needs of the economy. As with the President’s proposal, the bill would use fees paid by employers to support U.S. science education.

Among the visa changes that would benefit universities, the measure would exempt from the H-1B visa cap outstanding professors and researchers, persons with extraordinary ability, and those with U.S. STEM advance degrees, among others. It also would allow employment for dependent spouses of H-1B visa holders. Senator Chris Coons (D-DE) said of the bill, “It is my hope that this legislation finds a home in the balanced immigration reform package ultimately considered by the Senate this year.”

Gun Control Research

As part of a larger set of proposals aimed at reducing gun violence, President Obama on January 16 issued a presidential memorandum directing the Secretary of Health and Human Services (HHS), through CDC and other scientific agencies within the Department, to conduct research into the causes and prevention of gun violence. The affected agencies include NIH.

The presidential memorandum says, in part: “The Secretary shall begin by identifying the most pressing research questions with the greatest potential public health impact, and by assessing existing public health interventions being implemented across the Nation to prevent gun violence.”

A White House fact sheet released earlier in the day provides additional information:

“...END THE FREEZE ON GUN VIOLENCE RESEARCH, INVESTIGATE THE CAUSES AND PREVENTION OF VIOLENCE, AND EXPLORE THE IMPACT OF VIOLENT MEDIA IMAGES AND VIDEO GAMES: For years, Congress has subjected the Centers for Disease Control (CDC) to restrictions ensuring it does not “advocate or promote gun control,” and some members of Congress have claimed this restriction prohibits the CDC from conducting any research on the causes of gun violence. However, public health research on gun violence is not advocacy. The

President is directing the CDC and other research agencies to conduct research into the causes and prevention of gun violence and the CDC is announcing that they will begin this research. The Administration is calling on Congress to provide \$10 million for the CDC to conduct further research, including investigating the relationship between video games, media images, and violence.”

NIH Working Group Recommends Reduction in Use of Chimpanzees

The NIH Council of Councils Working Group on the Use of Chimpanzees in NIH-Supported Research (WG) released a report yesterday that generally recommends a reduction in the number of chimpanzees used in NIH-funded biomedical research studies. NIH followed up on the report today by issuing a notice requesting public comments on the report’s recommendations. Dr. K.C. Kent Lloyd of UC Davis was co-chairman of the group.

The WG was formed to implement the findings of an Institute of Medicine report on the Use of Chimpanzees in Biomedical and Behavioral Research, which was issued in December 2011. The 84-page report presented to the Council of Councils yesterday contains 28 recommendations in three general categories: ethnologically appropriate physical and social environments; research colony size and placement; and a review process for future proposals to use chimpanzees in NIH-supported research. Collectively, the recommendations called for a major reduction in the number of studies involving chimpanzees, including shutting down nearly half of the 30 projects currently funded by NIH and downsizing the number of chimpanzees NIH owns or supports to a single colony of about 50 chimps. The WG suggested that future projects involving chimpanzees might be better conducted in nontraditional research settings, such as zoos or animal sanctuaries. The report also recommended very specific requirements for housing chimpanzees, as well as training of personnel working with chimpanzees in research settings.

NIH is accepting comments on the report and its recommendations until March 23rd.

Amicus Brief in *Bowman v. Monsanto*

The Regents of the University of California, Association of American Universities (AAU), Association of Public Land-Grant Universities (APLU), the Association of University Technology Managers (AUTM), and a number of universities and research foundations signed on to an amici curiae brief relating to a case before the Supreme Court, *Bowman v. Monsanto*. The brief was prepared on a pro bono basis by a team at McAndrews, Held, and Malloy.

The brief supports the principles raised in the case, affirming an earlier Federal Circuit decision in favor of Monsanto, and advocating for protection of intellectual property involving self-replicating technology. The case concerns “Roundup Ready” soybean seeds, sold by Monsanto, that contain a self-replicating genetic modification that makes the seeds and their progeny resistant to the herbicide Roundup. This case will set precedent for other self-replicating

technologies and patent law principles, and the higher education associations felt it was important to weigh in on the protection of intellectual property of this type.

Changes in the Obama Administration

President Obama has announced a number of changes to his Administration. All of the following nominees will have to be approved by the Senate:

- *Secretary of State*: Senator John Kerry was confirmed to replace Hillary Clinton.
- *Secretary of the Treasury*: White House Chief of Staff Jack Lew is nominated to replace Timothy Geithner
- *Secretary of Defense*: Former Senator Chuck Hagel is nominated to replace Leon Panetta
- *Secretary of Energy*: Secretary Chu has announced his intent to step down and return to teaching at the Berkeley campus upon confirmation of his replacement

Visitors to UC Davis

Congresswoman Doris Matsui toured West Village on January 10th.

Congressman John Garamendi held an open house at his new Davis office on January 24th.

Questions or need assistance

If you have questions, need additional information about any of the above items, or would like assistance in connecting with senior federal officials, please let me know. I can be reached at gabanks@ucdavis.edu or at 530-752-9795.