

1 MR. KOIZUMI: I will be speaking today mostly based on a  
2 handout that is at the back of the room. Yesterday we released  
3 this draft of a new effort to try to enumerate earmarked R&D  
4 funds in appropriations bills.

5 As you know, AAAS follows R&D throughout the  
6 appropriations process, and as part of that, we wanted to take a  
7 look at a subset of R&D in the federal budget; and of course  
8 those are the R&D earmarks. It is something that we have  
9 resisted doing in the past just because of the central problem of  
10 this panel, which is how do you define an earmark, and how do you  
11 make it really an operational definition?

12 Everyone has different definitions of what an earmark  
13 is, and you can take examples such as Senator John McCain's  
14 website, which has his own criteria for what is an earmark. And  
15 then also some of the definitions we have already heard.

16 And this is complicated by the fact that if AAAS were  
17 going to do this, we wanted to do this in a kind of a real-time  
18 process as the appropriations bill moves forward. Recognizing,  
19 of course, that if we want a retrospective look at what has  
20 happened in years past, then the Chronicle is the authority on  
21 it, as they have the earmarks detailed for the 2001 budget. But  
22 AAAS wanted to take a look at what is going on right now in  
23 Congress. And so we attempted to come up with some kind of a  
24 definition first in our analysis. And that is what we came up  
25 with.

26 We tried to keep it very simple so that it fits, in  
27 essence, in one sentence. We have defined R&D earmarks as  
28 congressionally designated, performer-specific, R&D projects not  
29 appearing in agency budget requests. Okay, that's not elegant,  
30 but it is simple in appearance.

31 Just a little bit more background behind that  
32 definition. Obviously it captures most of the things that we  
33 have already been talking about in terms of it being inserted  
34 into legislative language, or most often in the committee reports  
35 that accompany the appropriations bills. And so it comes as a  
36 designation of Congress.

37 And the performer specific part is, I guess, what  
38 distinguishes it as an earmark for us. For our analysis, since

1 we look at all of R&D that goes to the universities, as well as  
2 the federal labs and other performers, we are focusing on all  
3 categories of performers and not just the academic institutions.

4 Part of that is just for ease of use because committee  
5 report language has grown increasingly more vague, it is just too  
6 much trouble for me to try to determine whether the intended  
7 recipient sometimes is a university, or it is a non-profit, or a  
8 federal lab, or some combination of those.

9 Also, the AAAS definition, because it fully regards  
10 R&D, it includes basic research, applied research, development,  
11 and also R&D facilities. And so that distinguishes it somewhat  
12 from the OMB definition, which does not include R&D facilities.

13 But as we can see from the Chronicle study and from our  
14 study, R&D facilities support is an important part of R&D  
15 earmarking. And, of course, it is a big reason why universities,  
16 themselves, describe why they pursue earmarks, which is to help  
17 in meeting their infrastructure needs.

18 Because the definitions we used specify performance  
19 specific, it does not quite take in all of the research that the  
20 OMB definition takes in. It doesn't include, for example, the  
21 DOD congressionally designated projects in medical research.  
22 Those are not agency requests, they are inserted by Congress.  
23 But the selection of the performers of that research is through  
24 peer review, so I went back and forth on whether to include that  
25 in the definition. But I wanted to keep it simple. So it refers  
26 to cases where a specific performer or performers is identified  
27 in the committee report language.

28 And so those are the definitions that we are putting  
29 out there as kind of a first draft, or a first cut at an attempt  
30 to get to a working definition of what an R&D earmark is.

31 And as a result of that, we took a look at the  
32 appropriations bills for FY 2002 that have gone forward so far.  
33 And as you probably know, the appropriations bills that have gone  
34 forward so far in the House and Senate do not include the  
35 appropriations for DOD and NIH. And those, of course, are the  
36 two largest R&D funding agencies.

37 And although NIH, by most accounts, has been relatively  
38 free of earmarks, DOD, if you look at the Chronicle study and

1 other studies, has been a very large source of earmarks.

2 And so because Congress has not acted on the budgets of  
3 those agencies yet, they are not up there. And because none of  
4 the conference reports, the final reports of the appropriations  
5 have come forward yet, right now we are still looking at two  
6 separate pictures of what the House did in its appropriations  
7 bills, and what the Senate did in its bills.

8 And here is the picture of the R&D earmarks. I guess in  
9 finding earmarks, it is like a kind of "you know it when you see  
10 it" or the "eye-of-the-beholder" kind of project. And so I make  
11 no claims to precision on this. It means going through each  
12 appropriations bill language and saying, "That looks like an  
13 earmark."

14 Some of earmarks are easy to track because if it says  
15 \$X million to X-university, that is easy. Some earmarks are a  
16 little bit grayer than that.

17 But after inventorying all of those, this is what we  
18 came up with. And I guess what I wanted to highlight is which  
19 agency's budgets seem to be most affected so far in the  
20 appropriations process.

21 And as you can see, the big earmark targets are NASA in  
22 the yellow, DOE in the green, and the USDA in the olive. And  
23 then that red is NSF. So those are the four largest recipients -  
24 - not recipients, I guess; targets, I will say -- of the  
25 earmarked funds.

26 And you will notice the House, we counted \$448 million  
27 so far for the R&D earmarks. And then the Senate, \$682 million  
28 so far. And these, it may be somewhat surprising that the Senate  
29 is so much larger than the House. One factor that may be  
30 responsible is that so far in the budget process, the Senate has  
31 been more generous than the House toward total R&D funding for  
32 most of these agencies. There is more money given to them, so  
33 maybe they have more money that they can allocate to earmarks.

34 And we have already heard about the impact of some of  
35 these earmarks on NASA in past years. And you can see that the  
36 trend continues. Each House has allocated more than \$100 million  
37 for earmarks in the NASA budgets.

38 DOE, relatively free of earmarks in the House version

1 of the bill. They had a very tight allocation. But on the  
2 Senate side, there are some earmarks scattered throughout the  
3 science programs, the energy programs, as well as the defense  
4 programs.

5 And in USDA, that's traditionally been a target for  
6 earmarks. And in fact, as mentioned before, there is actually a  
7 specific account called special research grants, where a lot of  
8 those earmarks tend to get placed. And that account is basically  
9 nothing but earmarks. Over 100 earmarks are in each chamber's  
10 version of the special research grants.

11 It also includes earmarks to intramural research and  
12 facilities, so there are some earmarks for R&D facilities  
13 construction at USDA labs, as well, included.

14 And the NSF, on the House side, where there are \$50  
15 million in R&D earmarks. Those are for facilities projects, so  
16 they would not be covered, for example, in the OMB definition.  
17 But there are two projects in the House version of the bill which  
18 are not included in the agency request, but are included in the  
19 House version of the NSF appropriation bill.

20 Now moving forward, as the appropriations bill winds  
21 down, let me show the next slide. And that's just the table, the  
22 condensed version of the table, which appears in the analysis,  
23 just to give you the dollar figures for some of these agencies.  
24 You can see that they are spread out throughout the agencies.  
25 And once again, HHS and DOD are not yet on that list. So it  
26 could conceivably exceed a billion dollars in each chamber's  
27 version of these appropriations bills.

28 Now the question is what is going to happen in the  
29 final conference reports when the appropriations bill is  
30 finished? Since it is the first year we have done this; we don't  
31 have a way to really predict what is going to happen to these  
32 earmarks in the conference. I mean, it could be that the House  
33 and the Senate will both get their earmarks, in which case you  
34 could expect the total to be far greater than the House or Senate  
35 totals.

36 It could be that money will be tight so they are going  
37 to have to compromise and they are going to have to take some  
38 House earmarks and some Senate earmarks and try to come up with

1 some kind of middle ground. But we don't know. Since none of  
2 the conference reports are out, it is too early to even try to  
3 determine a pattern for what is going to happen to these  
4 individual chamber earmarks.

5 But we intend to try to follow them as the conference  
6 reports appear, and report back using the definitions we have  
7 developed so far. And of course, I hope this forum will be a  
8 useful way to discuss, what is it exactly that we are trying to  
9 define and talk about? What is it that we are trying to measure?

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11 And so I would just like to present this to you as our  
12 take on what it is that we are trying to measure, and our set of  
13 definitions that have so far proved fairly workable in being able  
14 to follow these appropriations bills as they come out of each  
15 house of Congress.

16 Thank you.

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