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October 6, 2003

Dr. Michael Holland
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Ref: NSTC Research Business Models Comment

Dear Dr. Holland:

The University of Rochester commends that OSTP has taken a leadership role in undertaking a review of policies, procedures, and plans relating to the business relationship between federal agencies and research performers with the goal of improving the performance and management of federally-supported research programs. We remain optimistic that this Administration is committed to finding efficiencies and improvements, yet at the same time strengthening the partnership between the university research community and federal agencies that is vital to the nation's improvements and discoveries in science and technology.

As an AAU and COGR member institution, we heartily endorse the message that COGR's correspondence conveyed – in summary, 1) advocating an increased flexibility of the award mechanisms supporting R&D, 2) a reexamination of the reimbursement of costs associated with University research inclusive of facility requirements that support federally funded research and 3) an assessment of the divergent and contradictory interpretations of the regulatory and administrative requirements imposed by funding agencies. While COGR's message is not new or surprising, as supported by the many documents and previous reports cited in the letter's Appendix, it is one that has to be clearly restated if we are to be successful in our goal of improving performance and management of federally-supported research programs.

We would like to add some additional observations with respect to several of the questions posed by your Request for Information:

> **C. Inconsistencies of policies and practices among universities**: University policies and practices dealing with research issues are often reactive to agency interpretations of federal requirements. As an example, our misconduct policy was revised several years ago at the request of PHS to ensure that PHS was specifically identified as a stakeholder and that the policy aligned to its own research misconduct policy. The university community welcomed OSTP's federal-wide misconduct policy, yet PHS has not yet implemented the federal standards. It does beg the question of what is expected of the university community? This is only one small example. As noted by COGR, the inconsistency of agency implementations of the administrative requirements of OMB Circular A-110 leave faculty and department administrators baffled at best.

Universities must and should uphold regulatory and administrative requirements, but they must be applied by the federal agencies in a consistent manner and allow for sufficient flexibility to incorporate these into the University's management and administrative structure. Overall compliance is key within an environment that promotes research productivity. The current business relationship does not allow for this nor promote this, leaving investigators and administrators spending far too much time trying to understand the nuances of the implementations.

F. Research Support and G. Multidisciplinary/Collaborative Research: Our faculty have expressed concern with current funding models if our goal is to promote innovative and interdisciplinary research. With respect to the former, current federal review mechanisms do not promote high-risk research. The review process winnows out anything with a chance of failure, and thus becomes largely derivative. More predictable research is what is typically funded. This type of review almost guarantees that (and especially with clinical studies), the resulting research will be noninnovative by virtue of the review process. In addition, an acceleration of the review process is warranted for the rapid funding of truly innovative research. With respect to collaborative research, limitation of funding of current award mechanisms (such as the NIH R01) limits overall scope and discourages extensive, and often expensive, multi-disciplinary collaborations. A larger funding ceiling, such as in the NIH SCOR or Center grants (which may require clinical or population-based components) would encourage multidisciplinary research. We do note that NIH has made some recent progress with the development of "the NIH Roadmap", however, there are foundation programs (e.g., Huntington's Disease Foundation, Doris Duke Foundation, Reynolds Foundation) that may provide models for stimulating federally-supported multidisciplinary research through targeted programs.

Current requirements and administrative regulations have diverted the current business relationship away from the outcome of the research, but rather to the minutia of rigid and inflexible rules. As noted as a guiding principle in the NSTC Presidential Review Directive – 4, we need to return to the fact that "accountability and accounting are not the same". We are not advocating a lessening of responsibility on behalf of the University partner, but a return to outcomes-based performance metrics in conjunction with a tolerable flexibility for administrative and regulatory oversight.

Thank you for the opportunity to comment and we look forward to working with OSTP further on this important endeavor.

Sincerely,

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