

February 9, 2025

Dorothy Fink, M.D. Acting Secretary U.S. Department of Health and Human Services 200 Independence Ave., SW Washington, DC 20201

Dear Dr. Fink and Dr. Memoli,

Matthew J. Memoli, M.D., M.S. Acting Director National Institutes of Health 9000 Rockville Pike Bethesda, Maryland 20892

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On behalf of Research! America, thank you for your service to our nation. We

the National Institutes of Health, respectively.

I am writing to express deep concern on behalf of the 300 organizations in our alliance regarding immediate changes to the domestic research funding system delineated in NOT-OD-25-068. While we agree with former National Cancer Institute Director Dr. Ned Sharpless that "...a discussion of what is the right balance of indirect costs for American research is a good discussion to be having," we fear that abrupt changes in the current indirect cost reimbursement process will leave American jobs, local economic activity, and near-term medical progress on the cutting room floor.

appreciate your leadership over the Department of Health and Human Services and

Sudden gaps in funding would have both immediate and longer-term effects, as labs are shuttered and jobs are lost. In Fiscal Year 2023, the \$37.81 billion in NIH-funded research across America generated an estimated \$92.89 in economic output. Behind this output are more than 410,000 American jobs – not just research jobs, but jobs in manufacturing and many other sectors.

Beyond the immediate loss of jobs and economic benefit, abrupt changes to reimbursement to help offset facilities and administrative costs would deteriorate US science and technology capacity, an easy win for China and other competitor nations.

Because indirect cost reimbursement demonstrably bears on our nation's strategic, economic, and health outcomes going forward, we believe a transparent process that reviews the pros and cons of various indirect cost reimbursement approaches is well justified.

We, therefore, respectfully request that the agency delay implementation of the change to indirect costs delineated in NOT-OD-25-068 and initiate a process and

timeline that permits research institutions and small businesses to provide input and incorporate resulting changes into their operational planning.

We agree that the status quo is not self-justifying, but we also believe that a transparent process and rigorous cost benefit analysis should underlie decisions that could compromise the stability and strength of our nation's world-leading domestic research ecosystem.

Again, Dr. Fink and Dr. Memoli, we appreciate your leadership and dedication to the health and wellbeing of the American people. Knowing there are many demands on your time, it would be a privilege to discuss this matter in person. My assistant, Lisa Montgomery, will follow up with your offices to determine whether such a meeting can be arranged. In the interim, thank you both for your consideration of this request.

Sincerely,

Mary Woolley

President and CEO

MaryWoolley

Research!America