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Pensions

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## AN ACT

To amend title IV of the Public Health Service Act to  
revise and extend the authorities of the National Insti-  
tutes of Health, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “National Institutes of Health Reform Act of 2006”.

4 (b) TABLE OF CONTENTS.—The table of contents for  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Organization of National Institutes of Health.
- Sec. 3. Authority of Director of NIH.
- Sec. 4. Authorization of appropriations.
- Sec. 5. Reports.
- Sec. 6. Certain demonstration projects.
- Sec. 7. Foundation for the National Institutes of Health.
- Sec. 8. Applicability.

6 **SEC. 2. ORGANIZATION OF NATIONAL INSTITUTES OF**  
7 **HEALTH.**

8 (a) IN GENERAL.—Section 401 of the Public Health  
9 Service Act (42 U.S.C. 281) is amended to read as follows:

10 **“SEC. 401. ORGANIZATION OF NATIONAL INSTITUTES OF**  
11 **HEALTH.**

12 “(a) RELATION TO PUBLIC HEALTH SERVICE.—The  
13 National Institutes of Health is an agency of the Service.

14 “(b) NATIONAL RESEARCH INSTITUTES AND NA-  
15 TIONAL CENTERS.—The following agencies of the Na-  
16 tional Institutes of Health are national research institutes  
17 or national centers:

18 “(1) The National Cancer Institute.

19 “(2) The National Heart, Lung, and Blood In-  
20 stitute.

21 “(3) The National Institute of Diabetes and Di-  
22 gestive and Kidney Diseases.

1           “(4) The National Institute of Arthritis and  
2           Musculoskeletal and Skin Diseases.

3           “(5) The National Institute on Aging.

4           “(6) The National Institute of Allergy and In-  
5           fectious Diseases.

6           “(7) The National Institute of Child Health  
7           and Human Development.

8           “(8) The National Institute of Dental and  
9           Craniofacial Research.

10          “(9) The National Eye Institute.

11          “(10) The National Institute of Neurological  
12          Disorders and Stroke.

13          “(11) The National Institute on Deafness and  
14          Other Communication Disorders.

15          “(12) The National Institute on Alcohol Abuse  
16          and Alcoholism.

17          “(13) The National Institute on Drug Abuse.

18          “(14) The National Institute of Mental Health.

19          “(15) The National Institute of General Med-  
20          ical Sciences.

21          “(16) The National Institute of Environmental  
22          Health Sciences.

23          “(17) The National Institute of Nursing Re-  
24          search.

1           “(18) The National Institute of Biomedical Im-  
2           aging and Bioengineering.

3           “(19) The National Human Genome Research  
4           Institute.

5           “(20) The National Library of Medicine.

6           “(21) The National Center for Research Re-  
7           sources.

8           “(22) The John E. Fogarty International Cen-  
9           ter for Advanced Study in the Health Sciences.

10          “(23) The National Center for Complementary  
11          and Alternative Medicine.

12          “(24) The National Center on Minority Health  
13          and Health Disparities.

14          “(25) Any other national center that, as an  
15          agency separate from any national research insti-  
16          tute, was established within the National Institutes  
17          of Health as of the day before the date of the enact-  
18          ment of the National Institutes of Health Reform  
19          Act of 2006.

20          “(c) DIVISION OF PROGRAM COORDINATION, PLAN-  
21          NING, AND STRATEGIC INITIATIVES.—

22                 “(1) IN GENERAL.—Within the Office of the  
23          Director of the National Institutes of Health, there  
24          shall be a Division of Program Coordination, Plan-

ning, and Strategic Initiatives (referred to in this subsection as the ‘Division’).

“(2) OFFICES WITHIN DIVISION.—

“(A) OFFICES.—The following offices are within the Division: The Office of AIDS Research, the Office of Research on Women’s Health, the Office of Behavioral and Social Sciences Research, the Office of Disease Prevention, the Office of Dietary Supplements, the Office of Rare Diseases, and any other office located within the Office of the Director of NIH as of the day before the date of the enactment of the National Institutes of Health Reform Act of 2006. In addition to such offices, the Director of NIH may establish within the Division such additional offices or other administrative units as the Director determines to be appropriate.

“(B) AUTHORITIES.—Each office in the Division—

“(i) shall continue to carry out the authorities that were in effect for the office before the date of enactment referred to in subparagraph (A); and

1                   “(ii) shall, as determined appropriate  
2                   by the Director of NIH, support the Divi-  
3                   sion with respect to the authorities de-  
4                   scribed in section 402(b)(7).

5           “(d) ORGANIZATION.—

6                   “(1) NUMBER OF INSTITUTES AND CENTERS.—

7           In the National Institutes of Health, the number of  
8           national research institutes and national centers  
9           may not exceed a total of 27, including any such in-  
10          stitutes or centers established under authority of  
11          paragraph (2) or under authority of this title as in  
12          effect on the day before the date of the enactment  
13          of the National Institutes of Health Reform Act of  
14          2006.

15                  “(2) REORGANIZATION OF INSTITUTES AND  
16          CENTERS.—

17                  “(A) IN GENERAL.—Notwithstanding sub-  
18                  section (b), and subject to paragraph (1), the  
19                  Director of NIH may, with the approval of the  
20                  Secretary, reorganize the national research in-  
21                  stitutes and the national centers, including the  
22                  addition, removal, or transfer of functions of  
23                  such institutes and centers, and the establish-  
24                  ment or termination of such institutes and cen-  
25                  ters, if the Director determines that the overall

mission of the National Institutes of Health, or the management and operation of programs and activities conducted or supported by the National Institutes of Health, would be more efficiently carried out under such a reorganization.

“(B) ADMINISTRATIVE UNIT.—For purposes of paragraph (1), an administrative unit within the National Institutes of Health that is established under authority of subparagraph (A) shall be considered a national research institute or a national center, without regard to whether the administrative unit is designated by the Director of NIH as such an institute or center.

“(C) PUBLIC PROCESS.—Any reorganization under subparagraph (A) shall be carried out by regulation in accordance with the procedures for substantive rules under section 553 of title 5, United States Code.

“(3) REORGANIZATION OF OFFICE OF DIRECTOR.—Notwithstanding subsection (c), the Director of NIH may, after a series of public hearings, and with the approval of the Secretary, reorganize the offices within the Office of the Director, including

1 the addition, removal, or transfer of functions of  
2 such offices, and the establishment or termination of  
3 such offices, if the Director determines that the  
4 overall management and operation of programs and  
5 activities conducted or supported by such offices  
6 would be more efficiently carried out under such a  
7 reorganization.

8 “(4) INTERNAL REORGANIZATION OF INSTI-  
9 TUTES AND CENTERS.—Notwithstanding any con-  
10 flicting provisions of this title, the director of a na-  
11 tional research institute or a national center may,  
12 after a series of public hearings and with the ap-  
13 proval of the Director of NIH, reorganize the divi-  
14 sions, centers, or other administrative units within  
15 such institute or center, including the addition, re-  
16 moval, or transfer of functions of such units, and  
17 the establishment or termination of such units, if the  
18 director of such institute or center determines that  
19 the overall management and operation of programs  
20 and activities conducted or supported by such divi-  
21 sions, centers, or other units would be more effi-  
22 ciently carried out under such a reorganization.

23 “(5) NOTICE TO CONGRESS; EFFECTIVE  
24 DATE.—A reorganization under paragraph (2), (3),  
25 or (4) may not take effect before the expiration of

1       90 days after the Secretary submits to the Com-  
2       mittee on Energy and Commerce of the House of  
3       Representatives and the Committee on Health, Edu-  
4       cation, Labor, and Pensions of the Senate written  
5       notice of the reorganization.

6       “(e) SCIENTIFIC MANAGEMENT REVIEW BOARD FOR  
7       PERIODIC ORGANIZATIONAL REVIEWS.—

8               “(1) IN GENERAL.—Not later than 60 days  
9       after the date of the enactment of the National In-  
10       stitutes of Health Reform Act of 2006, the Sec-  
11       retary shall establish an advisory council within the  
12       National Institutes of Health to be known as the  
13       Scientific Management Review Board (referred to in  
14       this subsection as the ‘Board’).

15              “(2) DUTIES.—

16                      “(A) REPORTS ON ORGANIZATIONAL  
17       ISSUES.—The Board shall provide advice to the  
18       appropriate officials under subsection (d) re-  
19       garding the use of the authorities established in  
20       paragraphs (2), (3), and (4) of such subsection  
21       to reorganize the National Institutes of Health  
22       (referred to in this subsection as ‘organizational  
23       authorities’). Not less frequently than once each  
24       7 years, the Board shall—

1 “(i) determine whether and to what  
2 extent the organizational authorities should  
3 be used; and

4 “(ii) issue a report providing the rec-  
5 ommendations of the Board regarding the  
6 use of the authorities and the reasons un-  
7 derlying the recommendations.

8 “(B) CERTAIN RESPONSIBILITIES REGARD-  
9 ING REPORTS.—The activities of the Board with  
10 respect to a report under subparagraph (A)  
11 shall include the following:

12 “(i) Reviewing all programs of the  
13 National Institutes of Health (referred to  
14 in this subsection as ‘NIH’) in order to de-  
15 termine the progress and cost-effectiveness  
16 of such programs and the allocation among  
17 the programs of the resources of NIH.

18 “(ii) Determining pending scientific  
19 opportunities, and public health needs,  
20 with respect to research within the juris-  
21 diction of NIH.

22 “(iii) For any proposal for organiza-  
23 tional changes to which the Board gives  
24 significant consideration as a possible rec-  
25 ommendation in such report—

1 “(I) analyzing the budgetary and  
2 operational consequences of the pro-  
3 posed changes;

4 “(II) estimating the level of re-  
5 sources needed to implement the pro-  
6 posed changes; and

7 “(III) assuming the proposed  
8 changes will be made and making a  
9 recommendation for the allocation of  
10 the resources of NIH among the na-  
11 tional research institutes and national  
12 centers.

13 “(C) CONSULTATION.—In carrying out  
14 subparagraph (A), the Board shall consult  
15 with—

16 “(i) the heads of national research in-  
17 stitutes and national centers whose direc-  
18 tors are not members of the Board;

19 “(ii) other scientific leaders who are  
20 officers or employees of NIH and are not  
21 members of the Board;

22 “(iii) advisory councils of the national  
23 research institutes and national centers;

24 “(iv) organizations representing the  
25 scientific community; and

1                   “(v) organizations representing pa-  
2                   tients.

3                   “(3) COMPOSITION OF BOARD.—The member-  
4                   ship of the Board may not exceed 21 individuals, all  
5                   of whom shall be voting members. The Board shall  
6                   be composed of the following:

7                   “(A) The Director of NIH, who shall be a  
8                   permanent member on an ex officio basis.

9                   “(B) Not fewer than 9 officials who are di-  
10                  rectors of national research institutes or na-  
11                  tional centers. The Secretary shall designate  
12                  such officials for membership and shall ensure  
13                  that the group of officials so designated in-  
14                  cludes directors of—

15                  “(i) national research institutes whose  
16                  budgets are substantial relative to a major-  
17                  ity of the other institutes;

18                  “(ii) national research institutes  
19                  whose budgets are small relative to a ma-  
20                  jority of the other institutes;

21                  “(iii) national research institutes that  
22                  have been in existence for a substantial pe-  
23                  riod of time without significant organiza-  
24                  tional change under subsection (d);

1 “(iv) as applicable, national research  
2 institutes that have undergone significant  
3 organization changes under such sub-  
4 section, or that have been established  
5 under such subsection, other than national  
6 research institutes for which such changes  
7 have been in place for a substantial period  
8 of time; and

9 “(v) national centers.

10 “(C) Members appointed by the Secretary  
11 from among individuals who are not officers or  
12 employees of the United States. Such members  
13 shall include—

14 “(i) individuals representing the inter-  
15 ests of public or private institutions of  
16 higher education that have historically re-  
17 ceived funds from NIH to conduct re-  
18 search; and

19 “(ii) individuals representing the in-  
20 terests of private entities that have re-  
21 ceived funds from NIH to conduct research  
22 or that have broad expertise regarding how  
23 the National Institutes of Health func-  
24 tions, exclusive of private entities to which  
25 clause (i) applies.

1           “(4) CHAIR.—The Chair of the Board shall be  
2           selected by the Secretary from among the appointed  
3           members of the Board, except that the Secretary  
4           may select the Director of NIH as the Chair. The  
5           term of office of the Chair shall be 2 years.

6           “(5) MEETINGS.—

7                   “(A) IN GENERAL.—The Board shall meet  
8                   at the call of the Chair or upon the request of  
9                   the Director of NIH, but not fewer than 5  
10                  times with respect to issuing any particular re-  
11                  port under paragraph (2)(A). The location of  
12                  the meetings of the Board is subject to the ap-  
13                  proval of the Director of NIH.

14                  “(B) PARTICULAR FORUMS.—Of the meet-  
15                  ings held under subparagraph (A) with respect  
16                  to a report under paragraph (2)(A)—

17                          “(i) one or more shall be directed to-  
18                          ward the scientific community to address  
19                          scientific needs and opportunities related  
20                          to proposals for organizational changes  
21                          under subsection (d), or as the case may  
22                          be, related to a proposal that no such  
23                          changes be made; and

24                          “(ii) one or more shall be directed to-  
25                          ward consumer organizations to address

1 the needs and opportunities of patients  
2 and their families with respect to proposals  
3 referred to in clause (i).

4 “(C) AVAILABILITY OF INFORMATION  
5 FROM FORUMS.—For each meeting under sub-  
6 paragraph (B), the Director of NIH shall post  
7 on the Internet site of the National Institutes  
8 of Health a summary of the proceedings.

9 “(6) COMPENSATION; TERM OF OFFICE.—The  
10 provisions of subsections (b)(4) and (c) of section  
11 406 apply with respect to the Board to the same ex-  
12 tent and in the same manner as such provisions  
13 apply with respect to an advisory council referred to  
14 in such subsections, except that the reference in  
15 such subsection (c) to 4 years regarding the term of  
16 an appointed member is deemed to be a reference to  
17 5 years.

18 “(7) REPORTS.—

19 “(A) RECOMMENDATIONS FOR  
20 CHANGES.—Each report under paragraph  
21 (2)(A) shall be submitted to—

22 “(i) the Committee on Energy and  
23 Commerce within the House of Represent-  
24 atives;

1 “(ii) the Committee on Health, Edu-  
2 cation, Labor, and Pensions within the  
3 Senate;

4 “(iii) the Secretary; and

5 “(iv) officials with organizational au-  
6 thorities, other than any such official who  
7 served as a member of the Board with re-  
8 spect to the report involved.

9 “(B) AVAILABILITY TO PUBLIC.—The Di-  
10 rector of NIH shall post each report under  
11 paragraph (2) on the Internet site of the Na-  
12 tional Institutes of Health.

13 “(C) REPORT ON BOARD ACTIVITIES.—Not  
14 later than 18 months after the date of the en-  
15 actment of the National Institutes of Health  
16 Reform Act of 2006, the Board shall submit to  
17 the committees specified in subparagraph (A) a  
18 report describing the activities of the Board.

19 “(f) ORGANIZATIONAL CHANGES PER RECOMMENDA-  
20 TION OF SCIENTIFIC MANAGEMENT REVIEW BOARD.—

21 “(1) IN GENERAL.—With respect to an official  
22 who has organizational authorities within the mean-  
23 ing of subsection (e)(2)(A), if a recommendation to  
24 the official for an organizational change is made in  
25 a report under such subsection, the official shall, ex-

cept as provided in paragraph (2) of this subsection,  
make the change in accordance with the following:

“(A) Not later than 100 days after the report is submitted under subsection (e)(7)(A), the official shall initiate the applicable public process required in subsection (d) toward making the change.

“(B) The change shall be fully implemented not later than the expiration of the 3-year period beginning on the date on which such process is initiated.

“(2) OBJECTION BY DIRECTOR OF NIH.—

“(A) IN GENERAL.—Paragraph (1) does not apply to a recommendation for an organizational change made in a report under subsection (e)(2)(A) if, not later than 90 days after the report is submitted under subsection (e)(7)(A), the Director of NIH submits to the committees specified in such subsection a report providing that the Director objects to the change, which report includes the reasons underlying the objection.

“(B) SCOPE OF OBJECTION.—For purposes of subparagraph (A), an objection by the Director of NIH may be made to the entirety

1 of a recommended organizational change or to  
2 1 or more aspects of the change. Any aspect of  
3 a change not objected to by the Director in a  
4 report under subparagraph (A) shall be imple-  
5 mented in accordance with paragraph (1).

6 “(g) DEFINITIONS.—For purposes of this title:

7 “(1) The term ‘Director of NIH’ means the Di-  
8 rector of the National Institutes of Health.

9 “(2) The terms ‘national research institute’ and  
10 ‘national center’ mean an agency of the National In-  
11 stitutes of Health that is—

12 “(A) listed in subsection (b) and not termi-  
13 nated under subsection (d)(2)(A); or

14 “(B) established by the Director of NIH  
15 under such subsection.

16 “(h) REFERENCES TO NIH.—For purposes of this  
17 title, a reference to the National Institutes of Health in-  
18 cludes its agencies.”.

19 (b) CONFORMING AMENDMENTS.—Title IV of the  
20 Public Health Service Act (42 U.S.C. 281 et seq.) is  
21 amended—

22 (1) by redesignating subpart 3 of part E as  
23 subpart 19;

24 (2) by transferring subpart 19, as so redesign-  
25 nated, to part C of such title IV;

1 (3) by inserting subpart 19, as so redesignated,  
2 after subpart 18 of such part C; and

3 (4) in subpart 19, as so redesignated—

4 (A) by redesignating section 485B as sec-  
5 tion 464z-1;

6 (B) by striking “National Center for  
7 Human Genome Research” each place such  
8 term appears and inserting “National Human  
9 Genome Research Institute”; and

10 (C) by striking “Center” each place such  
11 term appears and inserting “Institute”.

12 **SEC. 3. AUTHORITY OF DIRECTOR OF NIH.**

13 (a) IN GENERAL.—Section 402(b) of the Public  
14 Health Service Act (42 U.S.C. 282(b)) is amended—

15 (1) by redesignating paragraph (14) as para-  
16 graph (22);

17 (2) by striking paragraphs (12) and (13);

18 (3) by redesignating paragraphs (4) through  
19 (11) as paragraphs (14) through (21);

20 (4) in paragraph (21) (as so redesignated), by  
21 inserting “and” after the semicolon at the end;

22 (5) in the matter after and below paragraph  
23 (22) (as so redesignated), by striking “paragraph  
24 (6)” and inserting “paragraph (16)”; and

1           (6) by striking paragraphs (1) through (3) and  
2           inserting the following paragraphs:

3           “(1) shall be responsible for the overall direc-  
4           tion of the National Institutes of Health and for the  
5           establishment and implementation of general policies  
6           respecting the management and operation of pro-  
7           grams and activities within the National Institutes  
8           of Health;

9           “(2) shall coordinate and oversee the operation  
10          of the national research institutes, national centers,  
11          and administrative entities within the National Insti-  
12          tutes of Health;

13          “(3) shall, in consultation with the heads of the  
14          national research institutes and national centers, be  
15          responsible for program coordination across the na-  
16          tional research institutes and national centers, in-  
17          cluding conducting priority-setting reviews, to ensure  
18          that the research portfolio of the National Institutes  
19          of Health is balanced and free of unnecessary, dupli-  
20          cative research, and takes advantage of collaborative,  
21          cross-cutting research;

22          “(4) shall assemble accurate data to be used to  
23          assess research priorities, including information to  
24          better evaluate scientific opportunity, public health  
25          burdens, and progress in reducing health disparities;

1           “(5) shall ensure that scientifically based stra-  
2       tegic planning is implemented in support of research  
3       priorities as determined by the agencies of the Na-  
4       tional Institutes of Health;

5           “(6) shall ensure that the resources of the Na-  
6       tional Institutes of Health are sufficiently allocated  
7       for research projects identified in strategic plans;

8           “(7)(A) shall, through the Division of Program  
9       Coordination, Planning, and Strategic Initiatives—

10           “(i) identify research that represents im-  
11       portant areas of emerging scientific opportuni-  
12       ties, rising public health challenges, or knowl-  
13       edge gaps that deserve special emphasis and  
14       would benefit from conducting or supporting  
15       additional research that involves collaboration  
16       between 2 or more national research institutes  
17       or national centers, or would otherwise benefit  
18       from strategic coordination and planning;

19           “(ii) include information on such research  
20       in reports under section 403; and

21           “(iii) in the case of such research sup-  
22       ported with funds referred to in subparagraph  
23       (B)—

1 “(I) require as appropriate that pro-  
2 posals include milestones and goals for the  
3 research;

4 “(II) require that the proposals in-  
5 clude timeframes for funding of the re-  
6 search; and

7 “(III) ensure appropriate consider-  
8 ation of proposals for which the principal  
9 investigator is an individual who has not  
10 previously served as the principal investi-  
11 gator of research conducted or supported  
12 by the National Institutes of Health;

13 “(B) may, with respect to funds reserved under  
14 section 402A(e)(1) for the Common Fund, allocate  
15 such funds to the national research institutes and  
16 national centers for conducting and supporting re-  
17 search that is identified under subparagraph (A);  
18 and

19 “(C) may assign additional functions to the Di-  
20 vision in support of responsibilities identified in sub-  
21 paragraph (A), as determined appropriate by the Di-  
22 rector;

23 “(8) shall, in coordination with the heads of the  
24 national research institutes and national centers, en-  
25 sure that such institutes and centers—

1           “(A) preserve an emphasis on investigator-  
2           initiated research project grants, including with  
3           respect to research involving collaboration be-  
4           tween 2 or more such institutes or centers; and

5           “(B) when appropriate, maximize investi-  
6           gator-initiated research project grants in their  
7           annual research portfolios;

8           “(9) shall ensure that research conducted or  
9           supported by the National Institutes of Health is  
10          subject to review in accordance with section 492 and  
11          that, after such review, the research is reviewed in  
12          accordance with section 492A(a)(2) by the appro-  
13          priate advisory council under section 406 before the  
14          research proposals are approved for funding;

15          “(10) shall approve the establishment of all  
16          centers of excellence recommended by the national  
17          research institutes, other than centers recognized  
18          under section 414;

19          “(11) shall oversee research training for all of  
20          the national research institutes and National Re-  
21          search Service Awards in accordance with section  
22          487;

23          “(12) may, from funds appropriated under sec-  
24          tion 402A(b), reserve funds to provide for research  
25          on matters that have not received significant funding

1 relative to other matters, to respond to new issues  
2 and scientific emergencies, and to act on research  
3 opportunities of high priority;

4 “(13) may, subject to appropriations Acts, col-  
5 lect and retain registration fees obtained from third  
6 parties to defray expenses for scientific, educational,  
7 and research-related conferences;”.

8 (b) CERTAIN AUTHORITIES.—Section 402 of the  
9 Public Health Service Act (42 U.S.C. 282) is amended—

10 (1) by striking subsections (i) and (l); and

11 (2) by redesignating subsections (j) and (k) as  
12 subsections (i) and (j), respectively.

13 (c) ADVISORY COUNCIL FOR DIRECTOR OF NIH.—  
14 Section 402 of the Public Health Service Act, as amended  
15 by subsection (b) of this section, is amended by adding  
16 after subsection (j) the following subsection:

17 “(k) COUNCIL OF COUNCILS.—

18 “(1) ESTABLISHMENT.—The Director of NIH  
19 shall establish within the Office of the Director an  
20 advisory council to be known as the ‘Council of  
21 Councils’ (referred to in this subsection as the  
22 ‘Council’) for the purpose of advising the Director  
23 on matters related to the policies and activities of  
24 the Division of Program Coordination, Planning,  
25 and Strategic Initiatives, including making rec-

ommendations with respect to the conduct and support of research described in subsection (b)(7).

“(2) MEMBERSHIP.—

“(A) IN GENERAL.—The Council shall be composed of 27 members selected by the Director of NIH with approval from the Secretary from among the list of nominees under subparagraph (C).

“(B) CERTAIN REQUIREMENTS.—In selecting the members of the Council, the Director of NIH shall ensure—

“(i) the representation of a broad range of disciplines and perspectives; and

“(ii) the ongoing inclusion of at least 1 representative from each national research institute whose budget is substantial relative to a majority of the other institutes.

“(C) NOMINATION.—The Director of NIH shall maintain an updated list of individuals who have been nominated to serve on the Council, which list shall consist of the following:

“(i) For each national research institute and national center, 3 individuals nominated by the head of such institute or

1 center from among the members of the ad-  
2 visory council of the institute or center, of  
3 which—

4 “(I) two shall be scientists; and

5 “(II) one shall be from the gen-  
6 eral public or shall be a leader in the  
7 field of public policy, law, health pol-  
8 icy, economics, or management.

9 “(ii) For each office within the Divi-  
10 sion of Program Coordination, Planning,  
11 and Strategic Initiatives, 1 individual nom-  
12 inated by the head of such office.

13 “(3) TERMS.—

14 “(A) IN GENERAL.—The term of service  
15 for a member of the Council shall be 6 years,  
16 except as provided in subparagraphs (B) and  
17 (C).

18 “(B) TERMS OF INITIAL APPOINTEES.—Of  
19 the initial members selected for the Council, the  
20 Director of NIH shall designate—

21 “(i) nine for a term of 6 years;

22 “(ii) nine for a term of 4 years; and

23 “(iii) nine for a term of 2 years.

24 “(C) VACANCIES.—Any member appointed  
25 to fill a vacancy occurring before the expiration

1 of the term for which the member's predecessor  
2 was appointed shall be appointed only for the  
3 remainder of that term. A member may serve  
4 after the expiration of that member's term until  
5 a successor has taken office.”.

6 (d) REVIEW BY ADVISORY COUNCILS OF RESEARCH  
7 PROPOSALS.—Section 492A(a)(2) of the Public Health  
8 Service Act (42 U.S.C. 289a–1(a)(2)) is amended by in-  
9 serting before the period the following: “, and unless a  
10 majority of the voting members of the appropriate advi-  
11 sory council under section 406, or as applicable, of the  
12 advisory council under section 402(k), has recommended  
13 the proposal for approval”.

14 (e) CONFORMING AMENDMENT.—Section 402(a) of  
15 the Public Health Service Act (42 U.S.C. 282(a)) is  
16 amended by striking “Director of the National Institutes  
17 of Health” and all that follows through “who shall” and  
18 inserting “Director of NIH who shall”.

19 (f) RULE OF CONSTRUCTION REGARDING AUTHORI-  
20 TIES OF NATIONAL RESEARCH INSTITUTES AND NA-  
21 TIONAL CENTERS.—This Act and the amendments made  
22 by this Act may not be construed as affecting the authori-  
23 ties of the national research institutes and national centers  
24 that were in effect under the Public Health Service Act  
25 on the day before the date of the enactment of this Act,

1 subject to the authorities of the Director of NIH under  
 2 section 401 of the Public Health Service Act (as amended  
 3 by section 2(a) of this Act). For purposes of the preceding  
 4 sentence, the terms “national research institute”, “na-  
 5 tional center”, and “Director of NIH” have the meanings  
 6 given such terms in such section 401.

7 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) FUNDING.—Title IV of the Public Health Service  
 9 Act (42 U.S.C. 281 et seq.) is amended by inserting after  
 10 section 402 the following:

11 **“SEC. 402A. AUTHORIZATION OF APPROPRIATIONS.**

12 “(a) IN GENERAL.—For the purpose of carrying out  
 13 this title, there are authorized to be appropriated—

14 “(1) \$29,747,874,000 for fiscal year 2007;

15 “(2) \$31,235,268,000 for fiscal year 2008; and

16 “(3) \$32,797,032,000 for fiscal year 2009.

17 “(b) OFFICE OF THE DIRECTOR.—Of the amount au-  
 18 thorized to be appropriated under subsection (a) for a fis-  
 19 cal year, there are authorized to be appropriated for pro-  
 20 grams and activities under this title carried out through  
 21 the Office of the Director of NIH the following amount,  
 22 as applicable to the fiscal year:

23 “(1) \$1,000,000,000 for fiscal year 2007.

24 “(2) \$1,050,000,000 for fiscal year 2008.

25 “(3) \$1,102,500,000 for fiscal year 2009.

1 “(c) TRANS-NIH RESEARCH.—

2 “(1) COMMON FUND.—

3 “(A) ANNUAL RESERVATION OF  
4 AMOUNTS.—Of the total amount appropriated  
5 under subsection (a) for fiscal year 2007 or any  
6 subsequent fiscal year, the Director of NIH  
7 shall reserve the applicable amount under sub-  
8 paragraph (B) for allocations under section  
9 402(b)(7)(B) (relating to research identified by  
10 the Division of Program Coordination, Plan-  
11 ning, and Strategic Initiatives), which reserva-  
12 tions shall constitute an account to be known as  
13 the Common Fund.

14 “(B) AMOUNT OF RESERVATION.—Subject  
15 to subparagraph (C), the amount reserved by  
16 the Director of NIH under subparagraph (A)  
17 for a fiscal year shall be the sum of—

18 “(i) the base amount determined  
19 under subparagraph (D); and

20 “(ii) any additional amount deter-  
21 mined under subparagraph (E).

22 Amounts reserved under the preceding sentence  
23 shall remain available until expended.

24 “(C) MAXIMUM RESERVATION.—

1           “(i) IN GENERAL.—The amount re-  
2           served by the Director of NIH under sub-  
3           paragraph (A) for a fiscal year shall not  
4           exceed 5 percent of the total amount ap-  
5           propriated under subsection (a) for such  
6           fiscal year, subject to clause (ii).

7           “(ii) APPLICABILITY.—Clause (i) may  
8           not apply with respect to any fiscal year  
9           beginning after the submission of rec-  
10          ommendations under subparagraph (F).

11          “(iii) PRESERVATION OF RESERVA-  
12          TION.—For any fiscal year following the  
13          first fiscal year for which the percentage  
14          that applies for purposes of clause (i) is 5  
15          percent, the reservation under subpara-  
16          graph (A) for the fiscal year involved may  
17          not be less than 5 percent of the total  
18          amount appropriated under subsection (a)  
19          for such fiscal year. For fiscal year 2008  
20          and each subsequent fiscal year, the per-  
21          centage constituted by the reservation  
22          under subparagraph (A) relative to the  
23          total amount appropriated under sub-  
24          section (a) for the fiscal year involved may  
25          not be less than the percentage constituted

1 by the reservation under such subpara-  
2 graph for the preceding fiscal year relative  
3 to the total amount appropriated under  
4 subsection (a) for such preceding fiscal  
5 year.

6 “(D) BASE AMOUNT.—The base amount  
7 referred to in subparagraph (B)(i) for a fiscal  
8 year is—

9 “(i) for fiscal year 2007, the amount  
10 reserved by the Director of NIH for fiscal  
11 year 2006 for research described in section  
12 402(b)(7)(A)(i); and

13 “(ii) for fiscal year 2008 and each  
14 subsequent fiscal year, the amount re-  
15 served under subparagraph (A) for the  
16 preceding fiscal year.

17 “(E) ADDITIONAL AMOUNT COR-  
18 RESPONDING TO INCREASES IN APPROPRIA-  
19 TIONS.—The additional amount referred to in  
20 subparagraph (B)(ii) is 50 percent of the  
21 amount by which the total amount appropriated  
22 under subsection (a) for the fiscal year involved  
23 exceeds the total amount appropriated under  
24 such subsection for the preceding fiscal year,  
25 except that for any fiscal year beginning after

1 the submission of recommendations under sub-  
2 paragraph (F), such percentage may be ad-  
3 justed by the Director of NIH, and such per-  
4 centage shall be adjusted by the Director to the  
5 extent necessary for compliance with subpara-  
6 graph (C)(iii).

7 “(F) EVALUATION.—During the 6-month  
8 period following the end of the first fiscal year  
9 for which the amount reserved by the Director  
10 of NIH under subparagraph (A) is equal to 5  
11 percent of the total amount appropriated under  
12 subsection (a) for such fiscal year, the Sec-  
13 retary, acting through the Director of NIH, in  
14 consultation with the advisory council estab-  
15 lished under section 402(k), shall submit rec-  
16 ommendations to the Congress for changes to  
17 the amount of the reservation under subpara-  
18 graph (A).

19 “(2) TRANS-NIH RESEARCH REPORTING.—

20 “(A) LIMITATION.—With respect to the  
21 total amount appropriated under subsection (a)  
22 for fiscal year 2008 or any subsequent fiscal  
23 year, if the head of a national research institute  
24 or national center fails to submit the report re-  
25 quired by subparagraph (B) for the preceding

1           fiscal year, the amount made available for the  
2           institute or center for the fiscal year involved  
3           may not exceed the amount made available for  
4           the institute or center for fiscal year 2006.

5           “(B) REPORTING.—Not later than Janu-  
6           ary 1, 2008, and each January 1st thereafter—

7                   “(i) the head of each national re-  
8                   search institute or national center shall  
9                   submit to the Director of NIH a report on  
10                  the amount made available by the institute  
11                  or center for conducting or supporting re-  
12                  search that involves collaboration between  
13                  the institute or center and 1 or more other  
14                  national research institutes or national  
15                  centers; and

16                  “(ii) the Secretary shall submit a re-  
17                  port to the Congress identifying the per-  
18                  centage of funds made available by each  
19                  national research institute and national  
20                  center with respect to such fiscal year for  
21                  conducting or supporting research de-  
22                  scribed in clause (i).

23           “(C) DETERMINATION.—For purposes of  
24           determining the amount or percentage of funds  
25           to be reported under subparagraph (B), any

1 amounts made available to an institute or cen-  
2 ter under section 402(b)(7)(B) shall be in-  
3 cluded.

4 “(D) VERIFICATION OF AMOUNTS.—Upon  
5 receipt of each report submitted under subpara-  
6 graph (B)(i), the Director of NIH shall review  
7 and verify the accuracy of the amounts speci-  
8 fied in the report.

9 “(E) WAIVER.—At the request of any na-  
10 tional research institute or national center, the  
11 Director of NIH may waive the application of  
12 this paragraph to such institute or center if the  
13 Director finds that the conduct or support of  
14 research described in subparagraph (B)(i) is in-  
15 consistent with the mission of such institute or  
16 center.

17 “(d) TRANSFER AUTHORITY.—Of the total amount  
18 appropriated under subsection (a) for a fiscal year, the  
19 Director of NIH may (in addition to the reservation under  
20 (c)(1) for such year) transfer not more than 1 percent for  
21 programs or activities that are authorized in this title and  
22 identified by the Director to receive funds pursuant to this  
23 subsection. In making such transfers, the Director may  
24 not decrease any appropriation account under subsection  
25 (a) by more than 1 percent.

1       “(e) RULE OF CONSTRUCTION.—This section may  
2 not be construed as affecting the authorities of the Direc-  
3 tor of NIH under section 401.”.

4       (b) ELIMINATION OF OTHER AUTHORIZATIONS OF  
5 APPROPRIATIONS.—Title IV of the Public Health Service  
6 Act (42 U.S.C. 281 et seq.) is amended—

7           (1) by striking the first sentence of paragraph  
8       (5) of section 402(i) (as redesignated by section  
9       3(b));

10          (2) by striking subsection (e) of section 403A;

11          (3) by striking subsection (c) of section 404B;

12          (4) by striking subsection (h) of section 404E;

13          (5) by striking subsection (d) of section 404F;

14          (6) by striking subsection (e) of section 404G;

15          (7) by striking subsection (d) of section 409A;

16          (8) in section 409B—

17           (A) in subsection (a), by striking “under  
18 subsection (e)” and inserting “to carry out this  
19 section”; and

20          (B) by striking subsection (e);

21          (9) by striking subsection (e) of section 409C;

22          (10) in section 409D—

23           (A) by striking subsection (d); and

24           (B) by redesignating subsection (e) as sub-  
25 section (d);

- 1 (11) by striking subsection (e) of section 409E;
- 2 (12) by striking subsection (c) of section 409F;
- 3 (13) in section 409H, by striking—
  - 4 (A) paragraph (3) of subsection (a);
  - 5 (B) paragraph (3) of subsection (b);
  - 6 (C) paragraph (5) of subsection (c); and
  - 7 (D) paragraph (4) of subsection (d);
- 8 (14) by striking subsection (d) of section 409I;
- 9 (15) by striking section 417B;
- 10 (16) by striking subsection (g) of section 417C;
- 11 (17) in section 417D, by striking—
  - 12 (A) paragraph (3) of subsection (a); and
  - 13 (B) paragraph (3) of subsection (b);
- 14 (18) by striking subsection (d) of section 424A;
- 15 (19) by striking subsection (c) of section 424B;
- 16 (20) by striking section 425;
- 17 (21) by striking subsection (d) of section 434A;
- 18 (22) by striking subsection (d) of section 441A;
- 19 (23) by striking subsection (c) of section 442A;
- 20 (24) in section 445H—
  - 21 (A) by striking subsection (b); and
  - 22 (B) in subsection (a), by striking “(a)”;
- 23 (25) by striking subsection (d) of section 445I;
- 24 (26) by striking section 445J;
- 25 (27) in section 447A—

1 (A) by striking subsection (b); and  
 2 (B) in subsection (a), by striking “(a)”;  
 3 (28) by striking subsection (d) of section 447B;  
 4 (29) by striking subsection (g) in section 452A;  
 5 (30) by striking paragraph (7) in section  
 6 452E(b);  
 7 (31) in section 452G—  
 8 (A) by striking subsection (b); and  
 9 (B) in subsection (a), by striking “(a) EN-  
 10 HANCED SUPPORT.—”;  
 11 (32) by striking subsection (d) of section 464H;  
 12 (33) by striking subsection (d) of section 464L;  
 13 (34) by striking paragraph (4) of section  
 14 464N(c);  
 15 (35) by striking subsection (e) of section 464P;  
 16 (36) by striking subsection (f) of section 464R;  
 17 (37) by striking subsection (d) of section 464z;  
 18 (38) in section 467—  
 19 (A) by striking the first sentence;  
 20 (B) by striking “for such buildings and fa-  
 21 cilities” and inserting “for suitable and ade-  
 22 quate buildings and facilities for use of the Li-  
 23 brary”; and  
 24 (C) by striking “The amounts authorized  
 25 to be appropriated by this section include” and

1 inserting “Amounts appropriated to carry out  
2 this section may be used for”;  
3 (39) by striking section 468;  
4 (40) in section 481A—  
5 (A) in the matter preceding subparagraph  
6 (A) of subsection (c)(2)—  
7 (i) by striking the term “under sub-  
8 section (i)(1)” and inserting “to carry out  
9 this section”; and  
10 (ii) by striking “under such sub-  
11 section” and inserting “to carry out this  
12 section”; and  
13 (B) by striking subsection (i);  
14 (41) in subsection (a) of section 481B, by strik-  
15 ing “under section 481A(h)” and inserting “to carry  
16 out section 481A”;  
17 (42) by striking subsection (c) in the section  
18 481C that relates to general clinical research cen-  
19 ters;  
20 (43) by striking subsection (e) in section 485C;  
21 (44) by striking subsection (l) in section 485E;  
22 (45) by striking subsection (h) in section 485F;  
23 (46) by striking subsection (e) in section 485G;  
24 (47) by striking subsection (d) of section 487;

1 (48) by striking subsection (c) of section 487A;  
 2 and

3 (49) by striking subsection (c) in the section  
 4 487F that relates to a loan repayment program re-  
 5 garding clinical researchers.

6 (c) RULE OF CONSTRUCTION REGARDING CONTINU-  
 7 ATION OF PROGRAMS.—The amendment of a program by  
 8 a provision of subsection (b) may not be construed as ter-  
 9 minating the authority of the Federal agency involved to  
 10 carry out the program.

11 **SEC. 5. REPORTS.**

12 (a) REPORT OF DIRECTOR OF NIH.—The Public  
 13 Health Service Act (42 U.S.C. 201 et seq.), as amended  
 14 by section 4(a) of this Act, is amended—

15 (1) by redesignating section 403A as section  
 16 403C;

17 (2) in section 1710(a), by striking “section  
 18 403A” and inserting “section 403C”; and

19 (3) by striking section 403 and inserting the  
 20 following sections:

21 **“SEC. 402B. ELECTRONIC CODING OF GRANTS AND ACTIVI-**  
 22 **TIES.**

23 “The Secretary, acting through the Director of NIH,  
 24 shall establish an electronic system to uniformly code re-  
 25 search grants and activities of the Office of the Director

1 and of all the national research institutes and national  
2 centers. The electronic system shall be searchable by a va-  
3 riety of codes, such as the type of research grant, the re-  
4 search entity managing the grant, and the public health  
5 area of interest. When permissible, the Secretary, acting  
6 through the Director of NIH, shall provide information  
7 on relevant literature and patents that are associated with  
8 research activities of the National Institutes of Health.

9 **“SEC. 403. BIENNIAL REPORTS OF DIRECTOR OF NIH.**

10 “(a) IN GENERAL.—The Director of NIH shall sub-  
11 mit directly to the Congress on a biennial basis a report  
12 in accordance with this section. The first report shall be  
13 submitted not later than 1 year after the date of the enact-  
14 ment of the National Institutes of Health Reform Act of  
15 2006. Each such report shall include the following infor-  
16 mation:

17 “(1) An assessment of the state of biomedical  
18 and behavioral research.

19 “(2) A description of the activities conducted or  
20 supported by the agencies of the National Institutes  
21 of Health and policies respecting the programs of  
22 such agencies.

23 “(3) Classification and justification for the pri-  
24 orities established by the agencies, including a stra-  
25 tegic plan and recommendations for future research

1 initiatives to be carried out under section 402(b)(7)  
2 through the Division of Program Coordination,  
3 Planning, and Strategic Initiatives.

4 “(4) A catalog of all the research activities of  
5 the agencies, prepared in accordance with the fol-  
6 lowing:

7 “(A) The catalog shall, for each such activ-  
8 ity—

9 “(i) identify the agency or agencies in-  
10 volved;

11 “(ii) state whether the activity was  
12 carried out directly by the agencies or was  
13 supported by the agencies and describe to  
14 what extent the agency was involved; and

15 “(iii) identify whether the activity was  
16 carried out through a center of excellence.

17 “(B) In the case of clinical research, the  
18 catalog shall, as appropriate, identify study  
19 populations by demographic variables and other  
20 variables that contribute to research on health  
21 disparities.

22 “(C) Research activities listed in the cata-  
23 log shall include the following:

24 “(i) Epidemiological studies and longi-  
25 tudinal studies.

1                   “(ii) Disease registries, information  
2 clearinghouses, and other data systems.

3                   “(iii) Public education and informa-  
4 tion campaigns.

5                   “(iv) Training activities, including  
6 National Research Service Awards and a  
7 breakdown by demographic variables and  
8 other appropriate categories.

9                   “(v) Clinical trials, including a break-  
10 down of participation by study populations  
11 and demographic variables and such other  
12 information as may be necessary to dem-  
13 onstrate compliance with section 492B (re-  
14 garding inclusion of women and minorities  
15 in clinical research).

16                   “(vi) Translational research activities  
17 with other agencies of the Public Health  
18 Service.

19                   “(5) A summary of the research activities  
20 throughout the agencies, which summary shall be or-  
21 ganized by the following categories:

22                   “(A) Cancer.

23                   “(B) Neurosciences.

24                   “(C) Life stages, human development, and  
25 rehabilitation.

1 “(D) Organ systems.

2 “(E) Autoimmune diseases.

3 “(F) Genomics.

4 “(G) Molecular biology and basic science.

5 “(H) Technology development.

6 “(I) Chronic diseases, including pain and  
7 palliative care.

8 “(J) Infectious diseases and bioterrorism.

9 “(K) Health disparities.

10 “(L) Such additional categories as the Di-  
11 rector determines to be appropriate.

12 “(b) REQUIREMENT REGARDING DISEASE-SPECIFIC  
13 RESEARCH ACTIVITIES.—In a report under subsection  
14 (a), the Director of NIH, when reporting on research ac-  
15 tivities relating to a specific disease, disorder, or other ad-  
16 verse health condition, shall—

17 “(1) present information in a standardized for-  
18 mat;

19 “(2) identify the actual dollar amounts obli-  
20 gated for such activities; and

21 “(3) include a plan for research on the specific  
22 disease, disorder, or other adverse health condition,  
23 including a statement of objectives regarding the re-  
24 search, the means for achieving the objectives, a

1       date by which the objectives are expected to be  
2       achieved, and justifications for revisions to the plan.

3       “(c) **ADDITIONAL REPORTS.**—In addition to reports  
4       required by subsections (a) and (b), the Director of NIH  
5       may submit to the Congress such additional reports as the  
6       Director determines to be appropriate.

7       **“SEC. 403A. ANNUAL REPORTING TO INCREASE INTER-**  
8                   **AGENCY COLLABORATION AND COORDINA-**  
9                   **TION.**

10       “(a) **COLLABORATION WITH OTHER HHS AGEN-**  
11       **CIES.**—On an annual basis, the Director of NIH shall sub-  
12       mit to the Secretary a report on the activities of the Na-  
13       tional Institutes of Health involving collaboration with  
14       other agencies of the Department of Health and Human  
15       Services.

16       “(b) **CLINICAL TRIALS.**—Each calendar year, the Di-  
17       rector of NIH shall submit to the Commissioner of Food  
18       and Drugs a report that identifies each clinical trial that  
19       is registered during such calendar year in the databank  
20       of information established under section 402(j).

21       “(c) **HUMAN TISSUE SAMPLES.**—On an annual basis,  
22       the Director of NIH shall submit to the Congress a report  
23       that describes how the National Institutes of Health and  
24       its agencies store and track human tissue samples.

1       “(d) FIRST REPORT.—The first report under sub-  
2 sections (a), (b), and (c) shall be submitted not later than  
3 1 year after the date of the enactment of the National  
4 Institutes of Health Reform Act of 2006.

5       **“SEC. 403B. ANNUAL REPORTING TO PREVENT FRAUD AND**  
6                   **ABUSE.**

7       “(a) WHISTLEBLOWER COMPLAINTS.—

8               “(1) IN GENERAL.—On an annual basis, the  
9 Director of NIH shall submit to the Inspector Gen-  
10 eral of the Department of Health and Human Serv-  
11 ices, the Secretary, the Committee on Energy and  
12 Commerce of the House of Representatives, and the  
13 Committee on Health, Education, Labor, and Pen-  
14 sions of the Senate a report summarizing the activi-  
15 ties of the National Institutes of Health relating to  
16 whistleblower complaints.

17              “(2) CONTENTS.—For each whistleblower com-  
18 plaint pending during the year for which a report is  
19 submitted under this subsection, the report shall  
20 identify the following:

21                   “(A) Each agency of the National Insti-  
22 tutes of Health involved.

23                   “(B) The status of the complaint.

24                   “(C) The resolution of the complaint to  
25 date.

1       “(b) EXPERTS AND CONSULTANTS.—On an annual  
2 basis, the Director of NIH shall submit to the Inspector  
3 General of the Department of Health and Human Serv-  
4 ices, the Secretary, the Committee on Energy and Com-  
5 merce of the House of Representatives, and the Committee  
6 on Health, Education, Labor, and Pensions of the Senate  
7 a report that—

8               “(1) identifies the number of experts and con-  
9 sultants, including any special consultants, whose  
10 services are obtained by the National Institutes of  
11 Health or its agencies;

12              “(2) specifies whether such services were ob-  
13 tained under section 207(f), section 402(d), or other  
14 authority;

15              “(3) describes the qualifications of such experts  
16 and consultants;

17              “(4) describes the need for hiring such experts  
18 and consultants; and

19              “(5) if such experts and consultants make fi-  
20 nancial disclosures to the National Institutes of  
21 Health or any of its agencies, specifies the income,  
22 gifts, assets, and liabilities so disclosed.

23       “(c) FIRST REPORT.—The first report under sub-  
24 sections (a) and (b) shall be submitted not later than 1

1 year after the date of the enactment of the National Insti-  
 2 tutes of Health Reform Act of 2006.”.

3 (b) STRIKING OF OTHER REPORTING REQUIRE-  
 4 MENTS FOR NIH.—

5 (1) PUBLIC HEALTH SERVICE ACT; TITLE IV.—

6 Title IV of the Public Health Service Act, as amend-  
 7 ed by section 4(b) of this Act, is amended—

8 (A) in section 404E(b)—

9 (i) by amending paragraph (3) to read  
 10 as follows:

11 “(3) COORDINATION OF CENTERS.—The Direc-  
 12 tor of NIH shall, as appropriate, provide for the co-  
 13 ordination of information among centers under para-  
 14 graph (1) and ensure regular communication be-  
 15 tween such centers.”; and

16 (ii) by striking subsection (f) and re-  
 17 designating subsection (g) as subsection  
 18 (f);

19 (B) in section 404F(b)(1), by striking sub-  
 20 paragraphs (F) and (G);

21 (C) by striking section 407;

22 (D) in section 409C(b), by striking para-  
 23 graph (4) and redesignating paragraphs (5) and  
 24 (6) as paragraphs (4) and (5), respectively;

1 (E) in section 409E, by striking subsection  
2 (d);  
3 (F) in section 417C, by striking subsection  
4 (f);  
5 (G) in section 424B(a)—  
6 (i) in paragraph (1), by adding “and”  
7 after the semicolon at the end;  
8 (ii) in paragraph (2), by striking “;  
9 and” and inserting a period; and  
10 (iii) by striking paragraph (3);  
11 (H) in section 429, by striking subsections  
12 (c) and (d);  
13 (I) in section 442, by striking subsection  
14 (j) and redesignating subsection (k) as sub-  
15 section (j);  
16 (J) in section 464D, by striking subsection  
17 (j);  
18 (K) in section 464E, by striking subsection  
19 (e);  
20 (L) in section 464T, by striking subsection  
21 (e);  
22 (M) in section 481A, by striking subsection  
23 (h);  
24 (N) in section 485E, by striking subsection  
25 (k);

1 (O) in section 485H—

2 (i) by striking “(a)” and all that fol-  
3 lows through “The Secretary,” and insert-  
4 ing “The Secretary,”; and

5 (ii) by striking subsection (b); and

6 (P) in section 494—

7 (i) by striking “(a) If the Secretary”  
8 and inserting “If the Secretary”; and

9 (ii) by striking subsection (b).

10 (2) PUBLIC HEALTH SERVICE ACT; OTHER PRO-  
11 VISIONS.—The Public Health Service Act (42 U.S.C.  
12 201 et seq.) is amended—

13 (A) in section 399E, by striking subsection  
14 (e);

15 (B) in section 1122—

16 (i) by striking “(a) From the sums”  
17 and inserting “From the sums”; and

18 (ii) by striking subsections (b) and  
19 (c);

20 (C) by striking section 2301;

21 (D) in section 2354, by striking subsection  
22 (b) and redesignating subsection (c) as sub-  
23 section (b);

1 (E) in section 2356, by striking subsection  
2 (e) and redesignating subsections (f) and (g) as  
3 subsections (e) and (f), respectively; and

4 (F) in section 2359(b)—

5 (i) by striking paragraph (2);

6 (ii) by striking “(b) EVALUATION AND  
7 REPORT” and all that follows through  
8 “Not later than 5 years” and inserting  
9 “(b) EVALUATION.—Not later than 5  
10 years”;

11 (iii) by redesignating subparagraphs  
12 (A) through (C) as paragraphs (1) through  
13 (3), respectively; and

14 (iv) by moving each of paragraphs (1)  
15 through (3) (as so redesignated) 2 ems to  
16 the left.

17 (3) OTHER ACTS.—Provisions of Federal law  
18 are amended as follows:

19 (A) Section 7 of Public Law 97–414 is  
20 amended—

21 (i) in subsection (a)—

22 (I) in paragraph (2), by inserting  
23 “and” at the end;

24 (II) in paragraph (3), by striking  
25 “; and” and inserting a period; and

1 (III) by striking paragraph (4);

2 and

3 (ii) in subsection (b), by striking the  
4 last sentence of paragraph (3).

5 (B) Title III of Public Law 101–557 (42  
6 U.S.C. 242q et seq.) is amended by striking  
7 section 304 and redesignating section 305 and  
8 306 as sections 304 and 305, respectively.

9 (C) Section 4923 of Public Law 105–33 is  
10 amended by striking subsection (b).

11 (D) Public Law 106–310 is amended by  
12 striking section 105.

13 (E) Section 1004 of Public Law 106–310  
14 is amended by striking subsection (d).

15 (F) Section 3633 of Public Law 106–310  
16 (as amended by section 2502 of Public Law  
17 107–273) is repealed.

18 (G) Public Law 106–525 is amended by  
19 striking section 105.

20 (H) Public Law 107–84 is amended by  
21 striking section 6.

22 (I) Public Law 108–427 is amended by  
23 striking section 3 and redesignating sections 4  
24 and 5 as sections 3 and 4, respectively.

1 **SEC. 6. CERTAIN DEMONSTRATION PROJECTS.**

2 (a) BRIDGING THE SCIENCES.—

3 (1) IN GENERAL.—From amounts to be appro-  
4 priated under section 402A(b) of the Public Health  
5 Service Act, the Secretary of Health and Human  
6 Services, acting through the Director of NIH, (in  
7 this subsection referred to as the “Secretary”) in  
8 consultation with the Director of the National  
9 Science Foundation, the Secretary of Energy, and  
10 other agency heads when necessary, may allocate  
11 funds for the national research institutes and na-  
12 tional centers to make grants for the purpose of im-  
13 proving the public health through demonstration  
14 projects for biomedical research at the interface be-  
15 tween the biological, behavioral, and social sciences  
16 and the physical, chemical, mathematical, and com-  
17 putational sciences.

18 (2) GOALS, PRIORITIES, AND METHODS; INTER-  
19 AGENCY COLLABORATION.—The Secretary shall es-  
20 tablish goals, priorities, and methods of evaluation  
21 for research under paragraph (1), and shall provide  
22 for interagency collaboration with respect to such re-  
23 search. In developing such goals, priorities, and  
24 methods, the Secretary shall ensure that—

1 (A) the research reflects the vision of inno-  
2 vation and higher risk with long-term payoffs;  
3 and

4 (B) the research includes a wide spectrum  
5 of projects, funded at various levels, with vary-  
6 ing timeframes.

7 (3) PEER REVIEW.—A grant may be made  
8 under paragraph (1) only if the application for the  
9 grant has undergone technical and scientific peer re-  
10 view under section 492 of the Public Health Service  
11 Act (42 U.S.C. 289a) and has been reviewed by the  
12 advisory council under section 402(k) of such Act  
13 (as added by section 3(c) of this Act) or has been  
14 reviewed by an advisory council composed of rep-  
15 resentatives from appropriate scientific disciplines  
16 who can fully evaluate the applicant.

17 (b) HIGH-RISK, HIGH-REWARD RESEARCH.—

18 (1) IN GENERAL.—From amounts to be appro-  
19 priated under section 402A(b) of the Public Health  
20 Service Act, the Director of NIH may allocate funds  
21 for the national research institutes and national cen-  
22 ters to make awards of grants or contracts or to en-  
23 gage in other transactions for demonstration  
24 projects for high-impact, cutting-edge research that  
25 fosters scientific creativity and increases funda-

1        mental biological understanding leading to the pre-  
2        vention, diagnosis, and treatment of diseases and  
3        disorders. The head of a national research institute  
4        or national center may conduct or support such  
5        high-impact, cutting-edge research (with funds allo-  
6        cated under the preceding sentence or otherwise  
7        available for such purpose) if the institute or center  
8        gives notice to the Director of NIH beforehand and  
9        submits a report to the Director of NIH on an an-  
10       nual basis on the activities of the institute or center  
11       relating to such research.

12            (2) SPECIAL CONSIDERATION.—In carrying out  
13       the program under paragraph (1), the Director of  
14       NIH shall give special consideration to coordinating  
15       activities with national research institutes whose  
16       budgets are substantial relative to a majority of the  
17       other institutes.

18            (3) ADMINISTRATION OF PROGRAM.—Activities  
19       relating to research described in paragraph (1) shall  
20       be designed by the Director of NIH or the head of  
21       a national research institute or national center, as  
22       applicable, to enable such research to be carried out  
23       with maximum flexibility and speed.

24            (4) PUBLIC-PRIVATE PARTNERSHIPS.—In pro-  
25       viding for research described in paragraph (1), the

1 Director of NIH or the head of a national research  
2 institute or national center, as applicable, shall seek  
3 to facilitate partnerships between public and private  
4 entities and shall coordinate with the Foundation for  
5 the National Institutes of Health.

6 (5) PEER REVIEW.—A grant for research de-  
7 scribed in paragraph (1) may be made only if the  
8 application for the grant has undergone technical  
9 and scientific peer review under section 492 of the  
10 Public Health Service Act (42 U.S.C. 289a) and has  
11 been reviewed by the advisory council under section  
12 402(k) of such Act (as added by section 3(c) of this  
13 Act).

14 (c) REPORT TO CONGRESS.—Not later than the end  
15 of fiscal year 2009, the Director of NIH shall conduct an  
16 evaluation of the activities under this section and submit  
17 a report to the Congress on the results of such evaluation.

18 (d) DEFINITIONS.—For purposes of this section, the  
19 terms “Director of NIH”, “national research institute”,  
20 and “national center” have the meanings given such term  
21 in section 401 of the Public Health Service Act.

22 **SEC. 7. FOUNDATION FOR THE NATIONAL INSTITUTES OF**  
23 **HEALTH.**

24 Section 499 of the Public Health Service Act (42  
25 U.S.C. 290b) is amended—

1 (1) in subsection (d)—

2 (A) in paragraph (1)—

3 (i) by amending subparagraph (D)(ii)

4 to read as follows:

5 “(ii) Upon the appointment of the ap-  
6 pointed members of the Board under  
7 clause (i)(II), the terms of service as mem-  
8 bers of the Board of the ex officio mem-  
9 bers of the Board described in clauses (i)  
10 and (ii) of subparagraph (B) shall termi-  
11 nate. The ex officio members of the Board  
12 described in clauses (iii) and (iv) of sub-  
13 paragraph (B) shall continue to serve as ex  
14 officio members of the Board.”; and

15 (iii) in subparagraph (G), by inserting  
16 “appointed” after “that the number of”;

17 (B) by amending paragraph (3)(B) to read  
18 as follows:

19 “(B) Any vacancy in the membership of  
20 the appointed members of the Board shall be  
21 filled in accordance with the bylaws of the  
22 Foundation established in accordance with  
23 paragraph (6), and shall not affect the power of  
24 the remaining appointed members to execute  
25 the duties of the Board.”; and

1 (C) in paragraph (5), by inserting “ap-  
2 pointed” after “majority of the”;

3 (2) in subsection (j)—

4 (A) in paragraph (2), by striking  
5 “(d)(2)(B)(i)(II)” and inserting “(d)(6)”;

6 (B) in paragraph (4)—

7 (i) in subparagraph (A), by inserting  
8 “, including an accounting of the use of  
9 amounts transferred under subsection (l)”  
10 before the period at the end; and

11 (ii) by striking subparagraph (C) and  
12 inserting the following:

13 “(C) The Foundation shall make copies of  
14 each report submitted under subparagraph (A)  
15 available—

16 “(i) for public inspection, and shall  
17 upon request provide a copy of the report  
18 to any individual for a charge that shall  
19 not exceed the cost of providing the copy;  
20 and

21 “(ii) to the appropriate committees of  
22 Congress.”; and

23 (C) in paragraph (10), by striking “of  
24 Health.” and inserting “of Health and the Na-

1           tional Institutes of Health may accept transfers  
2           of funds from the Foundation.”; and

3           (3) by striking subsection (l) and inserting the  
4           following:

5           “(l) FUNDING.—From amounts appropriated to the  
6           National Institutes of Health, for each fiscal year, the Di-  
7           rector of NIH shall transfer not less than \$500,000 and  
8           not more than \$1,250,000 to the Foundation.”.

9           **SEC. 8. APPLICABILITY.**

10          This Act and the amendments made by this Act apply  
11          only with respect to amounts appropriated for fiscal year  
12          2007 or subsequent fiscal years.

            Passed the House of Representatives September 26,  
2006.

Attest:

KAREN L. HAAS,  
*Clerk.*