JUN 29 1981

Dr. Oleg Jardetzky
Professor of Pharmacology and Director
Stanford Magnetic Resonance Laboratory
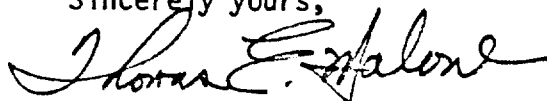Stanford University
Standford, California 94305

Dear Dr. Jardetzky:

Thank you for you June 9 letter to Dr. Fredrickson on behalf of the Steering
Committee of the Association for Advanced Technology in Biomedical Sciences.
Although my colleagues and I share your view about the importance of the
Biotechnology Resources Program (BRP) of the Division of Research Resources
(DRR), there is little we can do to improve the BRP funding situation in 1981
in the light of current budget constraints and the fact that we have completed
about three-quarters of the fiscal year.

As you are aware, the President proposed a rescission of $10,745,000 for the
Division of Research Resources and a total rescission of $125,995,000 for the
National Institutes of Health. On June 5 the President signed into
law the Continuing Resolution that rescinded $8,812,000 from DRR and a
total of $47,041,000 from NIH. The proposed rescission levels for each program
of DRR were established carefully under NIH administrative guidelines and with
program goals in mind. For DRR, each program was reduced significantly below
its commitment base level with the exception of BRP, which retained all of its
committed funds plus $1,134,000 of "new" money. This was done in recognition
of the needs and opportunities for this class of resources.

The lateness of Congressional action on the rescission proposal leaves little
operating flexibility for the DRR or the rest of the NIH. Two of the five
programs in the DRR have already awarded all of their funds, and a third has
an earmark which the Congress directed not be changed. Moreover, the only
program remaining with available funds has suffered a 5 percent reduction
below its commitments, making any further reductions seem inequitable. On
balance, it appears that the present distribution is the most equitable
method of distributing the rescission.

Sincerely yours,

Thomas E. Malone, Ph.D.
Deputy Director