FASEB
FEDERATION OF AMERICAN SOCIETIES FOR EXPERIMENTAL BIOLOGY

REPRESENTING OVER 100,000 RESEARCHERS
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July 8, 2026

Submitted electronically via www.regulations.gov

The Honorable Russell T. Vought
Director, Office of Management and Budget
Executive Office of the President
725 17th Street NW
Washington, DC 20503

Re: Comments of the Federation of American Societies for Experimental Biology (FASEB) on the Proposed Rule, *Regulation for Federal Financial Assistance*
Docket No. OMB-2026-0034; RIN 0348-AB81 (lead)
91 Fed. Reg. 32198 (proposed May 29, 2026); Comment Deadline: July 13, 2026
Proposed Effective Date: October 1, 2026

Dear Director Vought:

I. Introduction and Statement of Interest

The Federation of American Societies for Experimental Biology (FASEB) submits these comments on the proposed rule, Regulation for Federal Financial Assistance, 91 Fed. Reg. 32198 (May 29, 2026) (the "Proposed Rule"). FASEB is a federation of 21 American scientific societies that, collectively, represent more than 100,000 researchers across the biological and biomedical sciences. FASEB and its member societies share a mission centered on advancing human health and well-being by promoting research and education in the life sciences, a mission directly aligned with that of the United States Government and its science agencies, including the National Institutes of Health, the National Science Foundation, and the Department of Veterans Affairs, each of which joins OMB as a signatory to the Proposed Rule.

FASEB writes both as a recipient and steward of federal financial assistance and as a representative of the institutions, investigators, and scholarly infrastructure on which the federal research enterprise depends. FASEB's members hold and administer multi-year federal awards; their researchers rely on the allowability of publication, conference, related dissemination costs and the freedom to reasonably and readily collaborate in full transparency with scientists worldwide for the betterment and highest rigor of American science; FASEB's societies operate the journals, meetings, and peer-review networks through which the value of federally funded research is realized. Because the Proposed Rule would govern every federal grant, cooperative agreement, and pass-through award across more than 40 agencies, and would do so as binding regulation effective October 1, 2026, FASEB and its members have a direct and substantial interest in the outcome of this rulemaking and concrete reliance interests at stake.

FASEB supports the Proposed Rule's stated objectives, improved transparency, accountability, and oversight of federal funds, and reduced recipient burden, and shares the Administration's commitment to rigorous, trustworthy, merit-based science as articulated in Executive Order 14303, "Restoring Gold Standard Science" (May 23, 2025). The federation has championed these same goals since its founding in the United States in 1912. FASEB's central concern is that several of the Proposed Rule's operative provisions would undermine those very objectives: they would decrease transparency, increase recipient burden, displace the unbiased peer review that Executive Order 14303 makes a tenet of Gold Standard Science, and inflict structural and economic harm on the American research ecosystem and the scholarly societies that sustain it. As explained below, those provisions are, in several respects, insufficiently supported by the record, in tension with the agencies' own stated rationale and the operative statutes, and inattentive to serious reliance interests the existing regime created. **FASEB urges OMB to withdraw the Proposed Rule.**

II. Summary of Specific Recommendations

FASEB respectfully recommends that OMB:

1. Retain the status of 2 CFR Subtitle A as guidance, rather than reclassifying it as a self-executing, government-wide "Uniform Grants Regulation," or, at minimum, fully justify its statutory authority to do so and analyze the consequences of removing agency-level notice-and-comment;
2. [200.340] Narrow the expanded discretionary-termination provision (proposed 2 CFR 200.340) by removing the open-ended "national interest . . . as [it] exist[s] at the time of the termination" standard and retaining termination only on grounds clearly specified in the award's terms and conditions, and require agencies to account for the sunk federal investment and reliance interests before terminating multi-year awards;
3. [200.205; 200.206] Preserve merit-based, unbiased peer review as the basis for award and continuation decisions, and reconcile the pre-issuance senior-appointee review (proposed 2 CFR 200.205) and expanded risk-assessment factors (proposed 2 CFR 200.206) with the "unbiased peer review" and "without conflicts of interest" tenets of Executive Order 14303;
4. [200.216; 200.220} Withdraw or substantially narrow the categorical restriction on international research collaboration, replacing it with the existing, tailored statutory provisions rather than a universal prohibition without guardrails;
5. [200.432; 200.454; 200.461] Preserve the allowability of reasonable publication, conference, and scientific society costs necessary to disseminate, validate, and build upon federally funded research;
6. [200.112; 200.113] Complete and disclose an adequate Regulatory Impact Analysis and a Regulatory Flexibility Act analysis that account for the Proposed Rule's effects on small entities, including smaller research institutions and nonprofit scholarly societies; and

7. [200.200; 200.305] Eliminate the provisions prohibiting race, sex, gender, and disability specific studies. From a health disparities point of view, this would prohibit the funding of research on a wide-array of population or zip-code based health studies. Such studies are focused on helping Americans be healthy, impactful for many reasons, including the health of the American military.
8. [200.202] Withdraw or substantially narrow the restrictions on the eligibility of certain nonprofit organizations.
9. [200.206-b] Withdraw or substantially narrow the expansion of what qualifies an organization as a "risk".
10. Extend the comment period to a length commensurate with the scope of a >400-page, government-wide rule, as FASEB requests separately, and define the undefined standards on which the rule relies before finalizing.

III. Reclassifying the Uniform Guidance as Binding Regulation Exceeds the Authority OMB Has Demonstrated and Is Inadequately Justified

The single most consequential change in the Proposed Rule is structural: it would reclassify 2 CFR Subtitle A from guidance into a binding OMB regulation, the "Uniform Grants Regulation", by deleting the longstanding statement that publication in the Code of Federal Regulations "does not change its nature: it is guidance, not regulation" (current 2 CFR Part 1), and would provide that future OMB amendments take effect government-wide on a single date without separate notice-and-comment rulemaking by each affected agency. FASEB recognizes that OMB asserts authority for this change under 31 U.S.C. 503. That single provision is, as the Proposed Rule's own commentary acknowledges, transformative.

This change warrants the most careful justification, for two reasons. First, as a matter of statutory authority, converting government-wide financial-management guidance into a self-executing regulation that binds more than 40 agencies, and that strips each agency of the ability to tailor implementation through its own rulemaking is a materially greater assertion of power than issuing guidance for agencies to adopt. After Loper Bright Enterprises v. Raimondo (2024), a reviewing court will independently determine whether the best reading of 31 U.S.C. 503 and related provisions authorizes OMB to bind sister agencies in this manner, without deference to OMB's own interpretation. Because the reclassification centralizes control over the policies governing well over $1 trillion in annual federal financial assistance, it also implicates the major-questions doctrine (West Virginia v. EPA (2022)), which requires clear congressional authorization for actions of vast economic and political significance. FASEB raises this issue now to preserve it and respectfully submits that OMB should set out its authority with precision.

Second, the reclassification changes the risk calculus that organizations, particularly smaller institutions and nonprofit societies without significant infrastructure, endowments, or reserves, must perform in deciding whether to apply for federal funding at all. Converting guidance into binding regulations, layered with new prohibitions, prior-approval requirements, and expanded termination authority,

increases the compliance and forfeiture risk of accepting an award. That effect runs directly counter to OMB's stated objective of reducing recipient burden and works against the broader goal of expanding the base of organizations that participate in federal programs. An agency rule whose operative effect contradicts its stated purpose is vulnerable under Motor Vehicle Manufacturers Association v. State Farm (1983).

Recommendation. Retain the guidance status of 2 CFR Subtitle A. In the alternative, OMB should (a) state and defend its statutory authority to issue Subtitle A as binding, government-wide regulation that displaces agency-level rulemaking; (b) analyze and respond to the reliance and participation consequences described above and in Section VIII; and (c) preserve a mechanism for agency-specific tailoring and recipient input before government-wide amendments take effect.

IV. The Expanded Discretionary-Termination Authority Is Arbitrary and Disregards Reliance Interests

The Proposed Rule revises the termination provision (proposed 2 CFR 200.340) to permit an agency or pass-through entity to terminate an award, in whole or in part, where it determines that termination is in the interest of the agency, including where the award "does not effectuate program goals, Federal agency priorities, or the national interest as they exist at the time of the termination." This expands the 2020/2024 text by adding the open-ended "national interest" criterion and by measuring alignment at the moment of termination, and OMB frames the authority as analogous to "termination for convenience" in federal contracting, implementing Executive Order 14332 (Aug. 7, 2025).

Grants are not procurement contracts. A research award is an instrument around which an institution hires staff, makes commitments to human subjects and trainees, and designs multi-year projects on the premise that a funded, meritorious project will run its course.

Science advances as ideas that are explored; these ideas are not random or unfounded; they are built on existing knowledge and well-considered approaches. However, the outcomes of scientific experiments are not known at the time they are proposed; the goal of the grant is to explore and understand the potential outcomes. Additionally, new, unexpected findings can arise through scientific experimentation conducted under grants. Examples of science research projects that were built on prior existing knowledge, without outcomes known, and/or the result of unexpected findings include the human genome project, recombinant DNA technology, GLP-1s, clot buster medications, statins, Lyme disease research, and veterans traumatic brain injury findings. In 2025, grant terminations stalled and hindered science advancing. This impact hits not only the investment made by American taxpayers, but stalled advances that would improve Americans health, as reported in the AAMC summary of NIH Grant Terminations.

Three defects follow:

- **Reliance.** An agency changing a settled policy must display awareness that it is changing position and must consider the serious reliance interests the prior policy engendered (FCC v. Fox Television Stations (2009); DHS v. Regents of the University of California (2020)). Investigators and institutions have built multi-year research programs in reliance on the existing presumption

that awards continue absent a specified, award-based ground for termination. The Proposed Rule does not grapple with those reliance interests.

- **Counter to the agencies' own rationale.** Terminating a meritorious, partially completed multi-year project for shifting, unspecified "priorities" forfeits the federal investment already made and produces no final research outcome, lacks appreciation of the need for stable funding for full realization of innovation that is not disruptive and counterproductive to the continuity of basic science; all of this is the opposite of the efficiency, accountability, and stewardship the Proposed Rule invokes as its purpose. A regular, non-scientific halt to hypothesis-driven research would indefinitely disrupt scientific progress and would fail to appreciate the iterative and generative nature of science. An explanation that runs counter to the evidence and the rule's own objectives is a classic State Farm defect.
- **Transparency.** An undefined "national interest" standard, applied at the discretion of the terminating official and (as proposed) insulated from appeal, decreases rather than increases the transparency and predictability the rule is said to advance, and clouds recipients' understanding of what is required of them. A lack of scrutiny and transparency in this standard subjects science to the inherent and perhaps personal politics of "one terminating official" who may or may not represent the priorities of the current or future administrations; and subjects scientific progress to new leadership depending on the administration in power at the time.

[200.340] **Recommendation.** Remove the open-ended "national interest . . . as [it] exist[s] at the time of the termination" language and retain termination for misalignment only where the ground is clearly and unambiguously specified in the award's terms and conditions at the time of award. Require agencies, before terminating a multi-year award for convenience, to document consideration of the sunk federal investment, the reliance interests at stake, and the availability of less disruptive alternatives (e.g., modification or no-cost suspension), and to preserve a right of appeal.

V. Substituting Political Pre-Issuance Review for Merit-Based Peer Review Contradicts the Agencies' Own Gold Standard Science Executive Order and Would Stall the Progress of Science

The Proposed Rule would require approval by a senior (politically accountable) appointee before an agency may issue a notice of award (proposed 2 CFR 200.205), and would expand the factors agencies may weigh in pre-award risk assessment (proposed 2 CFR 200.206), implementing Executive Order 14332's direction that peer-review recommendations are advisory only. FASEB does not question agencies' legitimate stewardship role. But superimposing a political checkpoint that can override expert merit review and adding risk factors keyed to an applicant's affiliations and "history of questionable practices" sits in direct tension with the Administration's own science-integrity policy.

Executive Order 14303, "Restoring Gold Standard Science" (May 23, 2025), defines Gold Standard Science as science that is, among nine tenets, "subject to unbiased peer review" and conducted "without conflicts of interest." Replacing or overriding unbiased expert review with review by political appointees for consistency with shifting "Administration priorities" or "the national interest" is difficult to reconcile with either tenet. The American scientific enterprise built since the Second World War rests on the

principle that federal dollars fund the best science as judged by independent experts; the Proposed Rule's review architecture moves away from that principle even as the Administration's own Executive Order reaffirms it. Where a rule contradicts the policy the same Executive Branch has declared, the agency must at least confront and explain the inconsistency; an unexplained departure is arbitrary and capricious (State Farm (1983)), and a failure to respond to this significant comment would itself be reviewable (Ohio v. EPA (2024)). Moreover, Congress has designed the Federal Department and Agencies with specific statutory authorities and missions designed to serve the American public, and the political leadership of those Agencies is accountable to those statutory missions. By usurping the ability of Agencies to consider their own mission in favor of Administration priorities or policies runs counter to their legislative mandates.

Recommendation. Preserve unbiased, merit-based peer review and the mission and statutory authority of federal Departments and Agencies as the basis for award and continuation decisions. To the extent senior-appointee review is retained, limit it to confirming statutory eligibility and documented integrity concerns, expressly subordinate it to merit review, and add rule text reconciling proposed 2 CFR 200.205 and 200.206 with the "unbiased peer review" and "without conflicts of interest" tenets of Executive Order 14303.

VI. The Categorical Restriction on International Research Collaboration Is Overbroad and Unsupported

The Proposed Rule would impose broad restrictions on international research collaboration. Modern science does not work in isolation and has no borders; international collaboration is a cornerstone of how discoveries are made and how the United States has led global science for three generations. A categorical restriction reflects a mistaken premise about how scientific advances occur and would disenfranchise American researchers from the global enterprise in which they have long been the leading participants, again in tension with Executive Order 14303's tenet that Gold Standard Science is "collaborative and interdisciplinary."

The approach is also a poor regulatory fit. Where Congress and agencies have identified specific foreign risks, they have addressed them through tailored provisions limited to defined actors. Extending such a narrowly tailored model universally and globally, without guardrails, is not a logical outgrowth of the targeted authorities on which it builds, and the record does not show that OMB considered the substantial costs to legitimate collaboration or any less-restrictive alternative, both required under State Farm (1983).

Recommendation. Withdraw the categorical restriction. In its place, rely on the existing, tailored statutory and regulatory authorities addressing specific foreign-risk actors and activities, supplemented if necessary by targeted, risk-based requirements that do not foreclose the routine international collaboration on which American science depends.

VII. Curtailing Publication, Conference, and Society Costs Harms Researchers, the Workforce Pipeline, and the Infrastructure That Realizes the Value of Federal Research

The Proposed Rule would make conference attendance allowable only where participation is expressly approved by the agency and written into the award's terms and conditions, displacing the longstanding presumption that dissemination-related costs reasonably necessary to the funded work are allowable. Denying or conditioning researchers' ability to use award funds for publication, conferences, and scientific-society participation would: prevent investigators from competing globally; stop the dissemination and independent validation of their findings; cut them off from the venues where new results are vetted and ideas exchanged; and produce an insular, slower-moving system. Collaboration and a free exchange of ideas internationally have been the bedrock of American scientific progress for close to a century; and American scientists and medicine have been the undisputed beneficiaries of this exchange. To restrict collaboration in this regard is shortsighted and immediately harmful to progress of American science and industry. A strong and well-poised scientific community and infrastructure in the US have been uniquely positioned to evaluate and to develop new ideas that are freely exchanged across the worldwide scientific community. The harm falls hardest on early-career researchers and on investigators at smaller institutions who lack discretionary resources, precisely the segment of the workforce pipeline the Nation can least afford to constrain.

These provisions also work against the very integrity goals the Administration espouses. Researchers cannot practice transparent, peer-reviewed, openly disseminated "Gold Standard Science" if they cannot use award funds to publish, present, and engage with the peer community; and pressure to minimize publication costs can, perversely, drive work toward lower-quality outlets and create new research-integrity risks. Gold standard and the most rigorous science require exposure to the harshest scrutiny by the best minds who often began as foreign scientists and were drawn to the US for this reason (e.g., Einstein, Fermi). This requires attendance at international meetings and publication in international journals of the highest caliber where these scientists share their work. FASEB addressed the allowability and integrity dimensions of publication costs in detail in its response to the NIH Request for Information on allowable publication costs (Sept. 12, 2025), which FASEB incorporates by reference and attaches (Attachment A).

Recommendation. Preserve the allowability of reasonable, necessary publication, conference, and scientific-society costs as standard allowable costs, subject to existing reasonableness and allocability principles, rather than requiring case-by-case pre-approval written into each award.

VIII. The Proposed Rule's Structural Harm to Scholarly Societies and the Innovation Ecosystem Is Unexamined in the Regulatory Impact Analysis

Scholarly societies are not incidental to the federal research enterprise; they are the connective tissue through which the value of federally invested research funds is realized. Societies operate the journals that publish federally funded findings, convene the meetings where findings are vetted and ideas exchanged, maintain the peer-review networks that assess merit, and provide the career development and education that produce the scientific workforce. Operationally, they perform technical functions that no federal agency replicates. Taken together, the Proposed Rule's provisions, restricting publication,

conference, and membership costs; expanding termination; and reclassifying the framework as binding regulation would jeopardize every principal revenue source on which societies depend (publication fees, subscriptions, conference registration, and membership), amounting to a transformational structural defunding of this infrastructure.

The scale is concrete. FASEB brings in approximately $12 million in annual revenue, derived primarily from conferences, publications, and membership, all of which is placed at risk by this proposal. FASEB employs approximately 23 people, serves 22 scholarly societies, and represents more than 100,000 researchers. Its published journal content receives more than 3.5 million views annually, serving more than 5,000 scientist-authors, and is co-published with John Wiley & Sons, an American publisher founded in New York in 1807. FASEB's conferences host more than 4,000 scientists annually, principally in the United States, generating local economic activity. FASEB's member societies span basic biological discovery through pre-clinical research with transformative outcomes for trauma medicine, reproductive health, immunology, and other fields. FASEB's scientific conferences are a gold-standard of scientific excellence and networking.

The downstream economic stakes are larger still. Federally funded basic research, sustained by the structural supports that societies provide, fills the pipeline for private-sector innovation in biotechnology, pharmaceuticals, defense, and technology 10 to 15 years downstream. Eliminating or destabilizing that infrastructure would create a gap not only for the scientific community but for the broader economy and innovation ecosystem.

OMB's Regulatory Impact Analysis does not appear to account for these effects, and the Proposed Rule does not reflect the analysis of small-entity impacts required by the Regulatory Flexibility Act, under which nonprofit scholarly societies and smaller research institutions qualify as small entities. The omission of these costs and of the analysis of smaller institutions' disenfranchisement is both a substantive flaw, an agency may not ignore an important aspect of the problem (State Farm (1983)) and, as to the small-entity analysis, a discrete procedural defect.

Recommendation. Before finalizing, OMB should (a) analyze the Proposed Rule's economic impact on scholarly societies and the research-dissemination infrastructure, including the revenue effects identified above; (b) complete and disclose a Regulatory Flexibility Act analysis of small-entity impacts; and (c) revise the RIA to reflect the foregone federal investment from mid-award terminations and the participation costs imposed on smaller institutions.

IX. Procedural and Analytic Defects the Agency Should Cure Before Finalizing

- **The 45-day comment period is inadequate.** A >400-page rule that rewrites the government-wide framework for more than $1 trillion in annual financial assistance, joined by more than 40 agencies, cannot be meaningfully analyzed by affected recipients in 45 days. FASEB, along with many other organizations, filed a separate request to extend the comment period and incorporates that request here. The compressed window itself impairs the public's ability to comment and should be cured.

- **Undefined standards impair meaningful comment.** The Proposed Rule relies on terms it does not concretely define, including "national interest," the benchmarks for "Gold Standard Science" compliance, and the new subaward "reputational harm" standard (proposed 2 CFR 200.332(i)). The public cannot meaningfully comment on and agencies cannot consistently apply standards left undefined; OMB should define them and re-expose them for comment.
- **Logical outgrowth.** If OMB finalizes provisions materially different from those proposed, a further opportunity to comment is required (Long Island Care at Home v. Coke (2007)).
- **Regulatory analysis.** OMB should ensure the RIA is completed against the operative version of OMB Circular A-4 and that any analyses required under the Regulatory Flexibility Act, the Paperwork Reduction Act, and the Unfunded Mandates Reform Act are completed and disclosed; a missing mandatory analysis is an independent ground for remand.

X. Conclusion

FASEB shares OMB's goals of transparency, accountability, oversight, and reduced burden, and the Administration's stated commitment to rigorous, unbiased, merit-based science. The Proposed Rule, as drafted, would in important respects undercut those goals, diminishing transparency, increasing burden, displacing unbiased peer review, and structurally defunding the scholarly-society infrastructure on which the federal research enterprise and downstream American innovation depend. FASEB urges OMB to adopt the recommendations above. FASEB and its member societies would welcome the opportunity to provide additional data and to work with OMB to achieve the rule's stated objectives without these consequences.

Respectfully submitted,

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