Comment on Proposed Revisions to 2 CFR Subtitle A (OMB Guidance for Federal Financial Assistance)

Docket: OMB-2026-0034 **Federal Register Citation:** 91 FR 32198 (May 29, 2026) **Submitted by:** American Institute for Medical and Biological Engineering (AIMBE) Council of Societies, on behalf of American Association of Physicists in Medicine, American Institute for Medical and Biological Engineering, American Society of Biomechanics, American Society for Bone and Mineral Research, Biomedical Engineering Society, Histochemical Society, International Microphysiological Systems Society, International Society for Advancement of Cytometry, Orthopaedic Research Society, and Society for Biomaterials **Date:** July 13, 2026

Introduction

The American Institute for Medical and Biological Engineering (AIMBE) Council of Societies submits this comment on behalf of 10 of its member organizations, the scientific, engineering, and medical societies whose members educate, train, mentor, employ, and comprise the talent that drives the full American medical and biological engineering innovation ecosystem, spanning undergraduate education and graduate training, academic research, translational science, industry-led commercialization, and clinical practice, advancing discoveries from the laboratory to commercial products and patient care. Our comment focuses on seven provisions in this proposed rule that would, if finalized as drafted, slow the pace at which federally funded discoveries reach patients, disrupt the pipeline that trains the next generation of American scientists and engineers, weaken the stability and openness that has made the United States the global leader in biomedical innovation, and diminish the skilled workforce that fuels America's biotechnology, pharmaceutical, medical device, and broader life sciences industries.

The first three provisions concern the channels through which research output and scientific expertise reach the people who need them: new restrictions on conference attendance costs (200.432(b)), new restrictions on publication and open-access publishing costs (200.461), and a new prohibition on reimbursing membership costs in organizations whose "primary purpose" is deemed "issue advocacy" (200.454(d)). The remaining four concern the stability of the federal research funding system that patients, students, and the broader innovation economy all depend on: new discretionary termination and suspension authority (200.340), a new political-alignment layer added to scientific merit review (200.205 and 200.300), elimination of the fixed-amount award mechanism (200.201 and 200.333), and a new preference for lower indirect cost rates in award competitions (200.205(c)(3)). We address each below.

1. [200.432(b)] Conference Attendance Restrictions

The proposed rule revises 200.432 to add a new paragraph (b)**: "The costs for attending conferences are allowable only if participation in the conference is expressly approved by the Federal agency and included in the terms and conditions of the Federal award."**

Why this is harmful:

- **Slows the pace at which discoveries reach patients.** Conferences are often the fastest venue for sharing new methods, negative results, and preliminary findings; faster than journal publication and more collaborative. That speed matters most in medical device development, computational biology, and diagnostics, where an idea shared at a conference can prevent a competing lab from duplicating a failed approach or spark the collaboration that gets a new device to clinical testing sooner. A rule that makes attendance contingent on approval baked into an award's original terms, set years before the relevant results even exist, will predictably reduce attendance and slow that exchange.
- **Disrupts the training pipeline for the next generation of researchers and medical professionals.** Conference presentation is one of the primary ways graduate students, postdoctoral researchers, and healthcare professionals establish the professional record and visibility that lead to their next position, whether in academia, industry, government, or clinical practice. Restricting travel to only what an agency happened to pre-approve years in advance falls hardest on trainees, who have the least ability to renegotiate award terms and the most to lose professionally from being unable to present their work.
- **Weakens America's competitive position.** International conferences are where standards are set and collaborations are formed; researchers and companies from other countries will not wait for U.S. participants whose travel is tied up in agency pre-approval. Reduced American attendance at these venues cedes ground in technical standard-setting and global partnership-building to researchers from countries actively competing with the U.S. for biomedical and engineering leadership.
- **Decreases the economic value conferences bring to host cities.** Scientific and engineering conferences generate substantial direct economic activity via patronage of the convention centers, hotels, restaurants, and local transportation in the U.S. cities that host them. A rule that suppresses attendance through unpredictable, case-by-case approval requirements reduces that activity in exactly the American cities that depend on it.

2. [200.461] Restrictions on Publication and Open-Access Publishing Costs

The proposed rule revises 200.461 to make publication costs, including page charges, article processing charges, and open-access fees for peer-reviewed publications, presumptively unallowable under federal awards. The only exceptions are publication costs "specifically required by Federal statute or approved in advance by the Federal agency on a case-by-case basis," and the proposed text specifically clarifies that "a general requirement to make results publicly available must not be construed as authorizing publication costs."

Why this is harmful:

- **Directly conflicts with the federal government's commitment to public access to publicly funded research.** Federal agencies, including NIH, NSF, and others, require that research they fund be made public and immediately accessible. However, the funding mechanism researchers use to meet this requirement would disappear. Journals commonly satisfy immediate open-access requirements through an article processing charge (APC), and this provision makes that charge unallowable by default while expressly stating that the public-access requirement itself "must not be construed as authorizing" the cost of complying with it. The rule never specifies what the alternative funding mechanism is supposed to be. Left with an obligation but no allowable way to pay for it, researchers are pushed toward options the rule doesn't actually endorse, self-funding APCs out of pocket, routing through slower open-access repositories that may not satisfy "immediate" access requirements, or simply falling out of compliance. The practical effect is confusion and delay in exactly the public access this rulemaking claims to prioritize, falling hardest on the early-career researchers and smaller institutions least able to absorb an APC as a personal or discretionary cost.
- **Slows the pace of discovery and clinical translation.** APCs can run from several hundred to several thousand dollars per article. Early-career investigators and researchers at smaller institutions are the least able to absorb this cost personally or find another allowable source for it. Facing a public-access obligation with no funded way to meet it, the more realistic outcome is not that researchers ignore the requirement, but that they publish fewer papers, submit to fewer venues, or delay submission until they can piece together funding some other way. That has real consequences: fewer results shared means slower course-correction across the field, fewer opportunities for other labs to build on or challenge a finding, and a thinner publication record for exactly the early-career researchers whose hiring, tenure, and grant-renewal decisions depend on that record. The mandate stays on the books; the volume and pace of science reported under it is what shrinks.
- **Administratively unworkable at the scale research actually happens.** A single award can generate many manuscripts over its life, submitted on timelines set by peer review

rather than the grant calendar. Requiring individualized, case-by-case federal approval for each publication's costs is not realistic to administer in a timely way, and the delay itself will further slow how quickly new findings reach the public.

3. [200.454(d)] Prohibition on Membership Costs for Organizations Engaged in "Issue Advocacy"

The proposed rule revises 200.454 to make membership costs allowable only with prior written agency approval, and separately adds new paragraph (d): "Costs of membership in organizations whose primary purpose is lobbying or issue advocacy are unallowable." A companion revision to 200.450(c)(1)(iv) defines prohibited "issue advocacy" broadly as "public messaging that promotes or opposes a particular social, political, or public policy position unrelated to the statutory objectives or performance requirements of the Federal award."

Why this is harmful:

Removes independent scientific and technical expertise from decisions that affect patient safety. Scientific and engineering societies are frequently the source of independent expert input into industry and safety standards, clinical trial design, and research-integrity practices; input that federal regulators and grantmaking agencies rely on to make sound decisions. An undefined "primary purpose" test, applied without regard to whether a given policy position reflects any particular political alignment, risks discouraging exactly the kind of independent, expertise-driven public engagement that protects patients and improves government decision-making, regardless of which administration is in office.

Raises the actual cost of disseminating federally funded science. Membership in a scientific society is often in the same line item as conference participation, and it is usually the cheaper path to it. Most societies charge substantially lower conference registration fees to members than to non-members, often enough to offset the cost of dues within a single meeting. If membership dues become unallowable while conference attendance remains a permitted (if now more restricted) cost elsewhere in the rule, the federal government ends up paying non-member registration rates instead of the lower member rate, representing a net increase in the cost of the same dissemination activity this rulemaking is supposed to be making more efficient, not less.

Assumes a certainty about future dissemination venues that may not exist at the time an award is made. A researcher applying for a multi-year federal award may not know, three to five years in advance, which society, conference, or journal will turn out to be the best venue for

sharing the results that their research will eventually produce. This often depends on where the science lands, which sub-field it speaks to, and which community is actively working on the same problem by the time results are ready. Treating membership as a cost that must be justified or pre-approved removes the flexibility to make that call when it actually matters. Research findings, especially in fast-moving areas like medical devices, diagnostics, and computational biology, including AI-based drug discovery, need to reach the community best positioned to use them as quickly as possible; a rule that locks in dissemination choices years before the relevant results exist works against the speed and flexibility that gets innovations to patients fastest.

4. [200.340] Discretionary Termination and Suspension Authority

The proposed rule requires that essentially all discretionary Federal awards include a provision allowing the awarding agency (or pass-through entity) to terminate the award, in whole or in part, whenever it determines termination is "in the interest of the Federal agency," when an award "no longer effectuates program goals, Federal agency priorities, or the national interest as they exist at the time of the termination." A new companion suspension authority allows an immediate stop-work order at any time.

Why this is harmful:

- **Risks patient safety and wastes years of public investment.** As one example of many, large-scale collaborative research structures, including NSF Engineering Research Centers, NIH-funded centers of excellence for Alzheimer's disease, cancer, and other conditions, and multi-site clinical trials, typically involve dozens of participating institutions working toward a single scientific goal over several years. A discretionary termination decision would cascade instantly through every layer of that structure. If it reaches an active clinical trial, patients already enrolled may be left with an incomplete treatment protocol, and years of data collection and public investment can be lost outright since incomplete trial data is frequently unusable for regulatory approval or future publication. The damage would extend beyond the terminated study itself: patient registries built for these conditions take years to recruit and cannot simply be reconstituted once broken, other manufacturers and academic groups who built follow-on research plans around the terminated center's expected results would be left stranded, and the population of patients waiting on a diagnosis or treatment for Alzheimer's, cancer, or other serious conditions would absorb the delay in the form of therapies that reach them later, if they reach them at all.
- **Disrupts the STEM training pipeline and puts America's skilled workforce pipeline at risk.** Graduate students and postdoctoral researchers are the most exposed to sudden

funding disruption, since their salaries and research plans are directly tied to award continuity and they typically have no independent funding cushion. Unpredictable termination risk falls disproportionately on the very researchers the country needs to retain in the field. Biomedical and engineering competitiveness is ultimately a workforce problem as much as a funding problem: the devices, diagnostics, and therapies that keep American medicine and industry ahead depend on a steady supply of highly trained engineers and scientists reaching the workforce each year. A funding system where mid-career training can be cut off without warning discourages talented students from committing to research careers in the first place, and pushes those already trained to look for more stable opportunities abroad, shrinking the skilled talent pool the country needs to stay competitive in biomedical engineering, medical technology, and advanced manufacturing. As fewer trainees complete their research and remain in the U.S. research enterprise, biotechnology, pharmaceutical, and medical technology companies among others, face a smaller domestic pool of experienced scientific talent, making it more difficult to sustain innovation, commercialize new discoveries, and compete with nations that are expanding investments in scientific workforce development.

- **Undermines America's competitive position for long-horizon research.** Long-term, high-risk, high-reward biomedical and engineering research, the kind most likely to produce breakthrough rather than incremental advances, depends on funding stability over multi-year horizons. Introducing broad, discretionary termination risk without a fault-based or performance-based standard makes the U.S. a less attractive place to pursue this kind of research, at a time when other countries are offering long-term, stable funding commitments to attract top scientific talent.
- **Slows the pace of discovery.** Multi-institution research networks generate results faster than any single lab working alone. Introducing systemic instability into these networks, where one termination decision can halt work across many collaborating sites, slows the cumulative pace of discovery across the whole collaboration, not just the single award that was terminated.

5. [200.205 and 200.300] Political Alignment Review Layered onto Scientific Merit Review

The proposed rule requires senior political appointees at each agency to confirm, as part of a new "pre-issuance review," that discretionary awards "advance the President's policy priorities" before funding is issued, while directing agencies to withhold funding from projects touching "DEI," "disparate-impact" analysis, or a broadly defined "gender ideology."

Why this is harmful:

- **Undermines the peer-review system that has driven American scientific leadership for decades.** NIH study sections and NSF merit-review panels evaluate proposals on scientific rigor and likely impact, weighing methodology, feasibility, and track record through the judgment of scientists who understand the technical details, a system widely credited with the United States' global leadership in biomedical innovation. Subordinating that process to a political-alignment check, applied by appointees rather than scientific experts, introduces a subjective filter that has nothing to do with whether the proposed research is likely to produce a working diagnostic, device, or treatment for patients. The practical implications compound quickly: proposals with the strongest scientific merit can lose out to weaker ones simply because the weaker proposal is easier to frame as "aligned," meaning taxpayer research dollars increasingly fund the safest-sounding project rather than the most promising one; the volunteer scientists who staff peer-review panels have less reason to keep volunteering their time once their technical judgment is treated as less important, thinning the expert reviewer pool over time; and once it becomes known that award decisions can be overridden on political grounds, applicants will start shaping their proposals around anticipated political messaging rather than the strongest science, distorting the pipeline of ideas the system was built to surface in the first place. The cumulative effect is fewer of the most scientifically promising diagnostics, devices, and treatments reaching patients, and a slower overall pace of discovery across the entire federally funded research portfolio.
- **Conflicts with existing law requiring inclusion in clinical research.** The NIH Revitalization Act of 1993 requires NIH to ensure adequate representation of women and racial/ethnic minorities in clinical research, and the FDA requires demographic diversity in trial populations to ensure results are generalizable and safe across the patient population. Sex- and demographic-based analysis is often an essential point of biomedical and specifically biomedical engineering research; devices calibrated for anatomical differences, sex-specific drug-eluting stent performance, maternal health monitoring technology, etc. A broadly worded "Gender Ideology Provision" and "Disparate-Impact Provision" create uncertainty about whether research legally required to include diverse patient populations is now also prohibited, a contradiction that risks producing devices and treatments validated on a narrower, less representative population, to the detriment of patients outside that population.

6. [200.201 and 200.333] Elimination of Fixed-Amount Awards and Subawards

The proposed rule eliminates fixed-amount awards and fixed-amount subawards from Part 200 entirely, unless a specific statute independently requires them.

Why this is harmful:

- **Raises the barrier to entry for the next generation of researchers.** Small, milestone-based awards like conference travel grants, student fellowships, and early-career seed funding, commonly use the fixed-amount mechanism because it lets a modest award be disbursed against a simple, verifiable milestone rather than full actual-cost accounting. These small awards are often the first federal-adjacent funding a student or early-career researcher ever receives, and are frequently what makes attending a first professional conference or completing a first independent project financially possible.
- **Diverts scarce research dollars from science to administrative costs.** Full cost-accounting requirements are proportionate for large, multi-year research awards, but wildly disproportionate for small, well-defined awards. Applying the same accounting burden across all award sizes means more of every research dollar goes to administrative compliance rather than to the actual science, which is directly at odds with OMB's stated goal of reducing recipient burden. Institutions and organizations without a large grants compliance office either have to build that administrative capacity from scratch or stop offering small awards altogether, which narrows the number and variety of funding opportunities available at exactly the entry-level scale where new researchers and new ideas first get tested. Over time, institutions facing this burden will predictably consolidate toward fewer, larger awards to already-established labs, since the fixed compliance cost is easier to justify against a bigger award, leaving less federal funding available for the small, exploratory, high-risk projects that often produce the ideas behind the next major discovery.

7. [200.205(c)(3)] Indirect Cost Rate Preference in Award Competitions

The proposed rule directs agencies that, "all else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates."

Why this is harmful:

Indirect costs fund the infrastructure that makes biomedical engineering research possible and safe. Facilities & Administration (F&A) reimbursement pays for human and animal research compliance offices, laboratory biosafety programs, core imaging and fabrication facilities shared across dozens of projects, research-security offices, and the cybersecurity infrastructure required to protect sensitive patient data used in federally funded research. A negotiated F&A rate is generally higher at institutions that have invested more heavily in this kind of compliance and safety infrastructure, not at institutions that are more "wasteful." Making "lower indirect cost rate" an explicit tiebreaker in awarding discretionary grants therefore does not identify efficient recipients; it systematically disadvantages the academic medical centers and research-

intensive universities that run the largest and most robust clinical trials, biosafety-level laboratories, and shared instrumentation cores that biomedical research depends on.

Creates a race-to-the-bottom incentive on compliance infrastructure. If a lower negotiated F&A rate becomes a competitive advantage in winning awards, institutions face direct pressure to under-invest in compliance staffing, biosafety oversight, and research-security functions in order to shrink their rate, directly undermining the "transparency, accountability, and oversight" objectives the rule states elsewhere as its central purpose.

The standard is vague and unquantified. The rule does not specify what counts as a "lower" rate, what benchmark it is measured against, or how much weight it receives relative to scientific merit in an "all else being equal" comparison. This proposed change represents the kind of undefined, subjective standard the rule itself criticizes elsewhere as inconsistent with "uniform, transparent" requirements (see §200.204 preamble discussion).

Compounded by broader rate uncertainty. This new competitive factor sits on top of, and interacts unpredictably with, the separate signal in the preamble that indirect cost recovery generally may be revised further. Institutions are left facing short-term pressure to shrink negotiated rates to remain competitive for individual awards, while simultaneously facing long-term uncertainty about the entire indirect-cost-recovery system. This combination makes multi-year capital planning for core research infrastructure (e.g., new imaging suites, biosafety laboratories, high-performance computing resources, and translational research cores) effectively impossible. The resulting uncertainty discourages long-term investments, delays modernization of research facilities, weakens institutional research capacity, and makes it more difficult to recruit and retain top scientific talent. Ultimately, it reduces the nation's ability to conduct cutting-edge research, translate discoveries into new technologies and treatments, respond rapidly to emerging public health threats, and maintain U.S. leadership in biomedical innovation and economic competitiveness.

Cumulative Impact

Taken together, these seven provisions would compound one another in ways that go beyond their individual effects:

- **Pace of discovery:** Restricting conference attendance and open-access publishing slows the two primary channels through which new biomedical research methods and results reach the broader research and clinical community, while politicized merit review, discretionary termination, and indirect-cost-based selection introduce funding volatility and distortion that discourage long-horizon, collaborative research. Together, these

provisions would slow the rate at which federally funded discoveries become clinically available diagnostics, devices, and treatments for patients.

- **Patients:** Restrictions on open-access publishing would limit clinicians' and patients' ability to access publicly funded research; discretionary termination risks disrupting active clinical trials mid-course; and politically aligned review would create uncertainty around research that is often legally required to ensure treatments and devices are validated across diverse patient populations. Each of these outcomes would work against the interests of the patients this research is ultimately meant to serve.
- **The next generation of researchers:** Conference attendance restrictions, publication cost restrictions, membership restrictions, and the elimination of fixed-amount awards would each place new cost or administrative burdens precisely on the mechanisms (travel, publishing, mentorship, small milestone-based awards) that students and early-career researchers rely on most and are least equipped to absorb, narrowing the pipeline that supplies the country's future scientific workforce. Over time, this reduced pipeline extends beyond academia, leaving biotechnology, pharmaceutical, medical device, and other innovation-driven industries with a smaller pool of highly trained scientists and engineers needed to translate federally funded discoveries into commercial products, manufacturing capacity, and patient care.
- **America's competitive edge:** Funding instability, politicized review, and restrictions on the international exchange of scientific ideas each make the United States a less predictable and less attractive place to conduct ambitious, long-term biomedical and engineering research. As scientific talent increasingly pursues opportunities in countries offering greater stability and investment, the United States risks ceding its long-standing leadership in biomedical discovery, biotechnology innovation, and pharmaceutical development to global competitors.
- **Economic impact:** Conferences generate substantial direct economic activity in the U.S. cities that host them, and predictable federal research investment supports the broader translational and commercialization pipeline, from federally funded discovery, to venture-backed development, to FDA-approved product, that all drive regional and national economic growth in the medical innovation sector. Weakening the research enterprise also weakens the industries built upon it, reducing the domestic workforce available to biotechnology, pharmaceutical, diagnostics, medical device, and advanced manufacturing companies, slowing commercialization of new technologies, discouraging private investment, and diminishing one of America's strongest engines of innovation-driven economic growth.

Conclusion

We share OMB's stated interest in ensuring that federal grant dollars are spent responsibly. However, the provisions addressed in this comment do not target waste or misuse, they threaten to slow the pace at which publicly funded discoveries reach patients, disrupt the pipeline that trains the next generation of American researchers, and weaken the funding stability and openness that have made the United States the global leader in biomedical and engineering innovation. We urge OMB to revise 200.432(b), 200.454(d), 200.461, 200.340, 200.205, 200.300, 200.201, and 200.333, taking into account the harms outlined above before issuing a final rule, and we welcome the opportunity to discuss these concerns further with OMB staff.

Respectfully submitted,

American Association of Physicists in Medicine

American Institute for Medical and Biological Engineering

American Society of Biomechanics

American Society for Bone and Mineral Research

Biomedical Engineering Society

Histochemical Society

International Microphysiological Systems Society

International Society for Advancement of Cytometry

Orthopaedic Research Society

Society for Biomaterials