

AIDS RESEARCH

Program Funding, Italian Style

A freeze in government funding is doing "serious damage" to AIDS research in Italy, according to scientists. Since last summer, when disputes erupted over the focus and management of the National Program for AIDS Research, the program has been suspended while Health Minister Rosy Bindi overhauls it. Italian AIDS officials have assured *Science*, however, that by the end of the month the program will be up and running and disbursing almost as much research money as in recent years.

The 10-year-old program is credited with improving the overall caliber of Italian AIDS research, as well as giving researchers much-needed funding security. Operated through the National Health Institute [Istituto Superiore di Sanità (ISS)], under the Ministry of Health, it doled out \$17 million last year to about 250 research groups in hospitals, universities, and research institutes. Says Antonio Siccardi, director of HIV/AIDS basic research at the San Raffaele Scientific Institute in Milan: "It has been excellent in terms of high-quality publications, training of new researchers, and fruitful interaction between bench and bedside."

Despite the program's good track record, there have been rumblings within the Italian AIDS community that it needed updating. As the AIDS virus has become better understood, research programs in other countries including the United States have increasingly directed their funds toward therapeutics and patient care. But the Italian program has remained focused on basic research. Some researchers and many AIDS activists also have maintained privately that the program's assessment panels, which review research proposals, are biased, and that the scientists who sit on them preferentially fund their own projects.

These simmering discontents burst into the open last summer when an AIDS activist who sits on the National AIDS Committee seized the stage during an AIDS telethon conducted by French AIDS pioneer Luc Montagnier and the National Association for the Fight Against AIDS. In a 20-minute tirade, Vittorio Agnoletto accused the national program of funding bias and abandoning its responsibilities to people with AIDS. The attack sparked a wide national debate and prompted Bindi to freeze funding pending an investigation.

By now, many research groups are running into difficulty as they exhaust their grants. The funding freeze is "causing a good deal of damage, in both clinical and molecular research, and basic laboratory research," says Mauro Giacca, who heads the Molecular and Cell Biology Group at Trieste's International Center for Genetic Engineering and Biotech-

nology. "Only groups with some degree of independent funding can continue." Officials say that a revised program will be unveiled in a matter of weeks, ending the freeze.

Although the details of the updated program have not been officially released, Stefano Vella, director of the ISS AIDS department, has told *Science* that Bindi is "overhauling the project assessment system, introducing new criteria for [assessment] panel membership, and also making the program more clinically oriented." Vella adds that the revised program will go well beyond basic research, focusing on four areas: epidemiology, including patient support; opportunistic infections, including the increasingly common tuberculosis; pathogenesis, covering immunity, vaccines, and basic virology; and therapy, including clinical trials and cost-benefit studies. According to Vella, the four areas are to



Reformer. Health Minister Rosy Bindi.

receive \$1.5 million, \$2.5 million, \$6 million, and \$4 million, respectively. Not everyone is pleased with the shift in focus. Giacca, for one, still believes that "a lot more effort should be put into basic research: There is still too little known [about] the basic biology of this virus to really be able to

improve patient treatment."

Also, new assessment panels have been set up for each of the research areas, and Bindi is considering requiring researchers to submit their proposals anonymously and excluding reviewers who have conflicts of interest from serving on the panels.

In the meantime, however, scientists say that good researchers are being left high and dry, and that worthy projects are being irreparably damaged. Vella, however, downplays the problem. He is hard at work, he says, on a new application form for grants, which should be mailed out to researchers by the end of the month.

—Susan Biggin

Susan Biggin is a science writer in Venice.

MILITARY ON CAMPUS

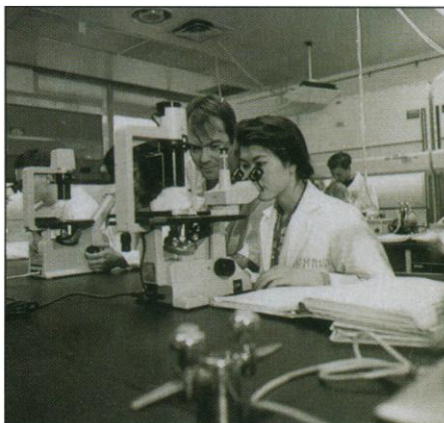
Budget Threats Force Policy Reversal

After being threatened with the potential loss of millions of dollars in research funding, two California universities have backed off from plans to phase out their Reserve Officers Training Corps (ROTC) programs. San Jose State University and California State University (CSU), Sacramento, both of which objected to Department of Defense policies on gays in the military, turned around after DOD officials told them that they stood to lose a big chunk of federal money under a new budget measure passed last fall.

The set-to has been triggered by Representative Gerald Solomon (R-NY), who

has been gradually tightening the screws on schools that are raising obstacles to on-campus military recruitment and those with ROTC programs that are considering abolishing them. In 1994 and 1995, Solomon engineered amendments to federal laws that would deprive such schools of DOD funds after some campuses of the State University of New York banned military recruiters. Then, last fall in the "omnibus" budget appropriation for fiscal year 1997, these provisions were expanded to cover funding from other federal agencies, including the departments of Education, Energy, Transportation, and Health and Human Services. The provisions do not apply to the many institutions that got rid of their ROTC programs during the 1970s when public sentiment against the Vietnam War ran high. Solomon's rationale, according to an aide, is simple: "If people are going to expect the federal government to supply them with grants and contracts, they shouldn't be inhibiting another important federal program, which is defense and recruitment of personnel."

San Jose State decided to phase out its ROTC program in 1993, after President Clinton retreated from an unqualified endorsement of gays in the military and settled on a policy of telling people to keep their sexual preferences to themselves ("don't ask, don't tell"). But the school—which runs



At risk. Students examine cells in San Jose State's tissue-culture facility.

Moss Landing Marine Laboratories—caved in on 17 March after getting a letter from the Defense Department saying it had been identified as “anti-ROTC” under the terms of the Solomon amendment. School officials don’t know just how much money they stood to lose, but estimate it would have been between \$9 million and \$23 million.

The San Jose decision came a month after CSU Sacramento also canceled a phase-out of its ROTC program. Spokesperson Ann Reed says university officials decided to restore the program after being notified that they could lose funding at the end of March.

Although, in principle, any school that wanted to restrict on-campus recruitment or ban its ROTC program could lose funds under the new amendment, in practice, only a handful of institutions have been targeted by

the military. According to a Pentagon official, San Jose and Sacramento are the only schools—among the 500 nationwide that have ROTC programs—that were phasing out programs the military wants to keep. DOD also says it has been considering invoking sanctions against 10 other schools, half of them law schools, that ban recruiters. One of them, CSU Sonoma, already has capitulated and now will allow recruiters on campus. Another, City College of San Francisco, hasn’t budged, but it doesn’t receive much federal research money.

San Jose State doesn’t intend to take lying down what it sees as coercion by the military. President Robert Caret, who calls the Solomon amendment “unconstitutional and antithetical to the values of the academy,” was in Washington, D.C., last weekend

meeting with legislators and Pentagon officials in the hope of finding a solution. And political scientist Kenneth Peter, chair of the San Jose State Academic Senate—who asserts that the school is not “anti-ROTC”—says “The policy really corrupts academic freedom. ... Every faculty member has to be careful about what students say” to avoid having gay ROTC students reveal their sexual orientation, say, in psychology class. Some faculty members are hoping to interest the American Civil Liberties Union in the case.

At most campuses with ROTC programs, however, the issue of gays in the military is proving to be no Vietnam. Says a spokesperson at the University of California, Davis: “The last ROTC protest we had was 8 years ago.”

—Constance Holden

NOBEL PRIZES

U.S. Laureates Stand Out in Paying Tax

If, like millions of other Americans, you are lamenting the large bite Uncle Sam has taken from your earnings as you send off your tax returns, spare a thought for the seven newly anointed U.S. Nobel Prize winners. Unlike Nobelists in any other country except South Africa, they must fork over to the government a considerable fraction of their share of the \$1 million prize.

The United States has been virtually alone in taxing scientific prizes, including the Nobel, since 1986. That’s when Congress closed a loophole in the U.S. tax laws through which companies could enrich employees with a tax-free prize in lieu of a boost in salary. Scientific prizes were inadvertently swept up in that reform, and since then efforts to win an exemption have fallen flat. “Prizes are a source of income,” says a tax-policy analyst at the Treasury Department in explaining the roots of the 1986 Tax Reform Act. “Why should the Nobel Prize be carved out?”

Apart from the hole in their wallets—the top tax rate is 39%—what most bothers recent laureates is that paying taxes cheapens the award and diminishes its original purpose of furthering research. “It’s the principle,” says George Olah of the University of Southern California in Los Angeles and winner of the 1994 Nobel Prize in chemistry. “It makes a poor impression” that the United States treats the prize as simply another form of income. “[Alfred Nobel] didn’t intend [the prize money] to go into foreign governments’ treasuries,” adds Bob Richardson, a 1996 Nobel Prize winner

in physics at Cornell University.

Although a spokesperson for the Nobel Foundation stressed that the organization takes no stand on the tax policies of other countries, U.S. laureates say foundation officials have expressed their views privately. “They were obviously not pleased,” says F. Sherwood Rowland, a 1995 laureate in chemistry at the University of California,

Southern California.

In 1994, U.S. Nobel Prize winners tried to get the rule changed. At a White House reception in their honor, they handed a letter to John Gibbons, the president’s science adviser, in which they suggested that “tax-free status would show the world that the United States government and the American people do appreciate scientific achievement and do agree that it should receive proper recognition.” The Nobel Foundation

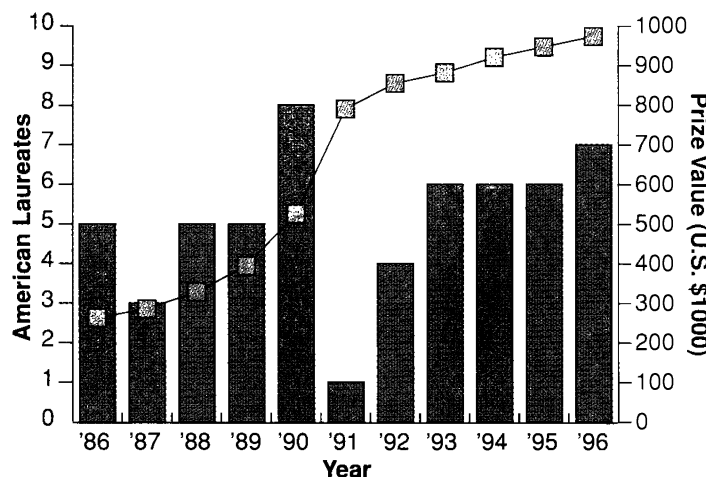
lent its support by allowing its U.S. lawyer to write letters asking Vice President Al Gore and the Department of the Treasury to reconsider the tax policy. But nothing happened.

Earlier this year, Richardson thought he had found a loophole in the Code of Federal Regulations that exempted scientific prizes and awards if the recipient didn’t apply for the award and didn’t have to perform substantial future services in return. Excited, Richardson e-mailed other Nobel Prize winners. “Everybody’s ears pricked up,” says Rowland, who thought about filing an amended tax declaration for his winning year.

But it turned out that Congress simply had forgotten to update the section to conform to the 1986 law. “When I found that out, I lost heart,” says Richardson.

Current laureates don’t hold much hope for a tax-free Nobel Prize, which would require an act of Congress. “It would have been nice,” sighs Rowland. “But you pay the taxes and go about [your] life.” Still, they wish that the U.S. government held the Nobel Prize in the same esteem that virtually every country does.

—Erik Stokstad



Costly achievement. U.S. tax assessors have nicked dozens of laureates.

Irvine, recalling a briefing by foundation members in Stockholm about taxation of the prize. Rowland says the tax restricts Nobel’s intent “to give utmost freedom to research.”

Other foundations are also unhappy that their prize money is going to tax collectors. “We think a prize ought to be a significant reward for the scientist. This objective is eroded by the current tax law,” says Jerome Walker, executive director of the Tyler Prize, a \$150,000 award for environmental science administered by the University of

SOURCE: NOBEL FOUNDATION