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California Capitol Hill Bulletin

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To expand communications between Washington and California, the California Institute provides periodic news bulletins regarding current activity on Capitol Hill that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

SENATE COMMITTEE EXAMINES INTELLECTUAL PROPERTY ENFORCEMENT

On Wednesday, July 26, 2006, the Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management held a hearing on the Administration’s Strategy Targeting Organized Piracy (STOP!) initiative. The hearing was focused on the extent to which the STOP! Initiative has been effective in educating businesses, particularly small and medium sized businesses, about the issues related to conducting business in the global economy. It also examined the improvements that have occurred in the U.S. efforts to combat intellectual property theft since the STOP! Initiative was launched in 2004. Witnesses appearing before the Subcommittee were: Mr. Chris Israel, Coordinator for International Intellectual Property Enforcement, U.S. Department of Commerce; Mr. Stephen Pinkos, Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director, U.S. Patent and Trademark Office; Mr. Arif Alikhan, Vice Chairman and Executive Director, Taskforce on Intellectual Property, U.S. Department of Justice; Mr. Anthony LaPlaca, General Counsel, Bendix Commercial Vehicle Systems, LLC; and Loren Yager, Ph.D. , Director of International Affairs and Trade, United States General Accounting Office.

The Government witnesses briefed the Subcommittee on the progress being made to combat IP piracy with Mr. Israel explaining that under the leadership of the White House his office now coordinates the international IP enforcement efforts of the Office of the U.S. Trade Representative; the Department of Commerce – which includes the U.S. Patent and Trademark Office and the International Trade Administration; the Department of Homeland Security – which includes Customs and Border Protection and Immigration and Customs Enforcement; the Department of Justice – including the FBI (Federal Bureau of Investigation); and the State Department. He noted the office now has a hotline and website to provide information and guidance on protecting IP and respond to IP protection problems. In conjunction with Customs and Border Protection a

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new risk assessment model and technologies are being implemented to catch counterfeit and pirated goods at the borders. Additionally, Mr. Israel noted that DOJ has increased criminal prosecutions for IP offenses.

Despite these advances, however, Mr. Yager testified that GAO's study concluded that the STOP! Initiative still faces challenges and its long-term effectiveness is uncertain. He acknowledged that STOP has energized IP protection and enforcement efforts domestically and abroad, but argued that IP enforcement resources have declined as efforts have shifted to national security and that internal control weaknesses in the import system hamper efforts to stop counterfeit goods from entering the United States.

Testimony of all witnesses may be obtained through the Committee's website at: <http://www.hsgac.senate.gov>.

HOUSE EDUCATION & WORKFORCE COMMITTEE CONTINUES ITS EXAMINATION OF NO CHILD LEFT BEHIND ACT

On Thursday, July 27, 2006, the House Committee on Workforce and Education held a hearing on the use of growth models to measure performance in the No Child Left Behind (NCLB) Act. This was the fourth hearing held on NCLB in preparation for next year's reauthorization of the act.

Signed into law in 2002, NCLB requires states to meet two key goals by 2014: they must ensure that all students are proficient in math, reading, and science; and they must close the academic achievement gap between white and minority students and between poor students and their peers.

States must evaluate the progress they are making towards achieving NCLB's goals by testing students every year in grades three through eight and once during high school. For schools and school districts to make adequate progress under the law each year, a set percentage of students in each grade must be proficient in reading and math.

With growth models, schools generally measure progress by assessing how much their students have improved in one school year when compared with the previous school year. This contrasts with the current method states use (known as the "status model"), which assesses student performance at a single point in time to determine if schools have met their proficiency targets under the law.

Joe Klein, Chancellor of the New York City Department of Education, testified that any accountability system needs to be tough but also credible. He stated that he didn't believe the current system's credibility is sustainable. A key criticism is that the "status model" doesn't take into account performance increases for those students who are significantly above or below the proficiency standard. Therefore, the system creates an incentive to focus solely on those students just below the proficiency standard, while ignoring others.

Kati Haycock, Director of the Education Trust, responded to the topic of the hearing by saying, "the simple answer is yes, incorporating growth models can improve accountability systems." She noted that these models help prioritize schools that need the most assistance, help set goals for higher achieving schools, and improves the perception that NCLB standards are arbitrary.

Marlene Shaul, Director of Education, Workforce, and Income Security Issues at the Government Accountability Office, testified on a report that Congress had requested on the potential effectiveness of using growth models. The new report is significant because it shows that using growth models for measuring adequate yearly progress may also help states reach the goals of the law.

Both Chairman Howard "Buck" McKeon (Santa Clarita) and ranking member Rep. George Miller (Martinez) expressed hope that these models may prove to be valuable additions to NCLB when the act is reauthorized next year. Chairman McKeon said that "next year's reauthorization will be the most important the law will ever see, and gathering this kind of information is essential to ensuring we approach it in a thorough and responsible way."

Rep. Miller noted that, "We still have to learn more, but it appears that growth models that are exceptionally well designed and rigorous in how they hold schools and states accountable could prove to be an important new option for making the law a success. Congress should examine how the federal government can help states design such models."

For the full testimony of witnesses, visit the House Committee on Education and the Workforce at <http://edworkforce.house.gov/>.

R&D TAX CREDIT EXTENSION HELD UP BY PENSION BILL DISAGREEMENT

Nearly seven months ago, Congress let expire the federal research and experimentation credit, which is popularly known as the "R&D tax credit" and is widely supported by California's technology, defense, biomedical, and other technology-intensive industries. In recent weeks, there had been hope that an extension of the credit would be enacted before Congress left town for its August recess, scheduled to begin at the end of this week.

But prospects for immediate passage looked very dim after -- on Thursday, July 27, 2006 -- House majority conferees on the pension overhaul bill boycotted a conference committee meeting. Senate Republicans wanted to include the R&D credit in the pension bill, whereas House Republicans wanted to wait and bundle the credit (along with such other popular tax credits as for college tuition and state taxes) with legislation to extend soon-to-expire estate tax/death tax relief measures. The Senate has to date rejected House efforts to extend the estate tax reductions, and House negotiators reportedly want to use the tax credit provisions as leverage for pushing through their legislation.

Earlier this year, after the tax credit provisions were left out of an initial tax package, Senator Charles Grassley (IA) had sought assurances that "extender" provisions would be considered quickly in a second package. He failed to receive such a guarantee.

HOUSE SCIENCE COMMITTEE CONSIDERS TECHNOLOGY ASSESSMENT CAPABILITY

The House Science Committee held a hearing on Tuesday, July 25, 2006, regarding the ability of Congress to understand technological issues and whether adequate processes exist to receive and use information about science and technology.

Witnesses testified in support of resurrecting or redefining the now-defunct "Office of Technology Assessment," which advised Congress on technology issues from 1972 until it was disbanded in 1995. They discussed the possibility of creating another freestanding entity (like OTA) or nesting the increased capability in the Congressional Research Service (CRS) or the Government Accountability Office (GAO).

Rep. Rush Holt (NJ), who for several years has authored legislation attempting to do so, testified in support of legislation to create such an agency. "We do not suffer from a lack of information here on Capitol Hill," he said, "but from a lack of ability to glean the knowledge and gauge the validity, credibility, and usefulness of the large amounts of information and advice received on a daily basis." Questioning the veracity of information supplied by lobbyists and other interested parties, Holt said, "Although we would like to believe that the scientific and technical advice and assessment provided from outside remains politically neutral, this is not necessarily the case."

Dr. John Peha with Carnegie-Mellon Institute charged that misleading simplifications are a significant danger without the capability to frame science and technology issues comprehensively. He focused on four qualities of the kind an assessment office should display: responsiveness, credibility, impartiality, and independence. It should be responsive to the needs of Congress, credible in the technical communities (even from stakeholders who do not like the latest report), impartial (and appear to be impartial), and sufficiently independent to be able to publish reports without fear of reprisal.

Dr. Al Teich of the American Association for the Advancement of Science (AAAS) commented that, outside of some of the members of the Science Committee, few members of Congress have the ability to adequately assess scientific and technical issues. For example, he noted that the average Congressional staff member, of which there are more than 10,000, receives more than 2,000 pieces of email in any given day. He also commented that scientists are sometimes reluctant to provide specific, persuasive information to elected officials -- whereas others are less shy -- so there may be a lack of reliable information despite a glut of information. Chairman Boehlert agreed, commenting that scientists are often not very good lobbyists.

Dr. Peter Blair of the NAS National Research Council commented that science and technology issues are so complex that it is difficult for a government - or anyone - to be reliably informed, and he echoed the sentiment that a flood of available information does not necessarily improve its accuracy and may actually reduce it. He noted that the NRC system is very strong in its scientific and technical expertise, but that it is not as well equipped to address their practical policy implications. He indicated that the gap between science and policy is wide and growing.

Speaking on behalf of the American Chemical Society, Dr. Catherine Hunt urged that any science policy issue should be subject to rigorous scrutiny by various observers. She noted that, since the 1995 elimination of OTA, Congress has had to rely on their own personal staff and the few experts with knowledge in the areas. ACS urged Congress to create an in-house science and technology assessment unit that should be able to craft policy proposals.

During questioning, Chairman Boehlert commented that in some areas (such as in energy conservation) there is no shortage of solid technical information, but there is a reluctance in Congress to accept that information. Dr. Blair commented that the NRC is studying methods of making the power grid in California and the West more reliable, but we are not looking at the way that pressures competition or other social or economic considerations. He noted that NRC is charged now with coming up with consensus recommendations, which would be nearly impossible in policy areas.

Committee ranking member Bart Gordon (TN) noted that OTA is still authorized but not funded. Dr. Teich commented that OTA never established the kind of reputation and connection within Congress that made it indispensable.

Rep. Dana Rohrabacher (Huntington Beach) was skeptical that putting another layer of government between policymakers and scientists would not be helpful; he argued that competing sources of information would be more effective. He recounted the consensus opinion that cyclamates (saccharin) was banned, only to be exonerated 15 years later, and that the nation's obesity problem developed in the interim. Dr. Blair likened the function of OTA to a home inspector whom the buyers trust. Dr. Hunt commented, "You don't outsource your mission-critical work."

Rep. Doris Matsui (Sacramento) commented that the glut of information available conflicts with the busy schedules of Members of Congress, and she feels there is a need for a system of the caliber being discussed. Rep. Matsui asked panel members if there is a way to reconfigure the functions of OTA to provide narrowed, tailored information in a way that distills options and choices and does not simply expand the breadth of information.

Rep. Roscoe Bartlett asked whether an OTA would be able to answer some key questions, such as: What is the amount of fissionable uranium left in the world, what is the energy-profit ratio of ethanol and is there an economic basis for ethanol, what is the true potential of biomass, and how many years does it take to get back the energy from a nuclear plant that it took to build the plant in the first place.

For more information, visit <http://www.house.gov/science> .

SEVERAL HOUSE COMMITTEES HOLD IMMIGRATION HEARINGS

The House continued its detailed examination of the Senate immigration bill, S. 2611, with six committees holding hearings on the subject the week of July 24, 2006.

The Government Affairs Committee started the week off with a hearing by its Regulatory Affairs Subcommittee on Tuesday, July 25, 2006, entitled *"Is the Federal Government Doing All It Can To Stem The Flow Of Illegal Immigration?"* The hearing focused on the current regulatory structure in place at the different Federal Agencies that play a role in documenting, detecting, and penalizing the employment of illegal aliens. The Subcommittee heard from representatives from the Department of Homeland Security (DHS), Social Security Administration (SSA), the Internal Revenue Service (IRS) and the Department of Labor (DOL) to explore how these agencies use the information available to them via wage reports and I-9 workplace inspections to enforce immigration law. The Committee's analysis found that within DHS, SSA, DOL, and IRS the Federal Government has all the necessary information to perform successful enforcement activities against employers who constantly flout the law. However, "the holders of the information are either not authorized to enforce immigration law or choose not to. It is clear that the information available to SSA and IRS is not being used effectively and as a result, the promise of employment continues to lure illegal immigrants across the border."

Testimony of the witnesses can be obtained through the Committee's website at: <http://www.reform.house.gov> .

On July 26, the Education and the Workforce Committee held a second hearing on immigration issues, this one on English as the official language, while the Ways and Means Committee and the International Relations Committee considered immigration issues within their respective jurisdictions. The Education Reform Subcommittee heard from several witnesses, including: Raul Gonzalez, Legislative Director, National Council of La Raza (NCLR); Mauro Mujica, Chairman of the Board and CFO, U.S. English, Inc.; and John Trasviña; Interim President and General Counsel, Mexican American Legal Defense and Educational Fund. Mr. Mujica, an immigrant, supported making English the official language of the United States, and eliminating laws requiring public agencies to provide documents and services in languages other than English. He posited that immigrants now can remain in their communities speaking another language and, therefore, never have to learn English and become fully assimilated in the U.S. Mr. Gonzalez and Mr. Trasviña, on the other hand, opposed legislation formally designating English as the official language. They argued that immigrants want to learn English and what is needed is the commitment of more financial resources and personnel to teach English to immigrants.

Testimony of the witnesses can be obtained through the Committee's website at: <http://www.edworkforce.gov> .

The Ways and Means Committee hearing focused on the Senate's immigration proposals on the costs and administration of certain entitlement programs, including Social Security, Supplemental Security Income, Medicare, Temporary Assistance for Needy Families, and the effect on tax revenues and compliance. The Committee heard from witnesses representing the Department of Health and Human Services, U.S. Immigration and Customs Enforcement, Internal Revenue Service, Social Security Administration, and Centers for Medicare and Medicaid Services (CMS).

Wade F. Horn, Assistant Secretary for Children and Families, U.S. Department of Health and Human Services, explained the restrictions prohibiting the vast majority of immigrants from receiving TANF benefits. The Department's most recent data, for FY 2004, show that eligible "qualified" immigrants make up about 2.1 percent (100,800) of the total recipient population of approximately 4.8 million individuals.

Dr. Thomas A. Gustafson, Deputy Director of CMS, testified about the \$1 billion in funding appropriated under the Medicare Prescription Drug Act to help reimburse hospitals for the cost of providing emergency medical treatment to undocumented immigrants. He stated that for FY 2005 of the \$250 million available CMS made payments of only about \$58 million to providers that made claims. The leftover \$192 million was rolled over to be used in FY 2006. To help hospitals and other providers more fully utilize the funding available under the program, Dr. Gustafson testified, CMS contracted with TrailBlazer Health

Enterprises in July 2005 to administer the program. In addition, TrailBlazer also conducts outreach and training sessions.

IRS Commissioner Mark Everson followed up on testimony he had given the Committee in February 2006 on IRS enforcement activities against companies with high Social Security number mismatch rates. Since then, IRS has begun investigations against 48 of those companies and has found that the companies tend to be from three industries: Agriculture, janitorial and temporary workers. The employees are low wage earners, and the IRS has “found no other employment tax violations in 90 percent of the companies we have examined. From a tax administration standpoint, these companies do not constitute a target rich environment.”

Testimony of all the witnesses can be viewed on the Committee’s website at:

<http://www.waysandmeans.gov> .

The International Relations Subcommittee on the Western Hemisphere also held a hearing on Wednesday, July 26. The hearing, entitled *Immigration: Responding To A Regional Crisis*, focused on efforts the United States is taking to encourage other countries, especially Mexico, to help stem the flow of illegal immigrants over the border. The Subcommittee heard from witnesses representing the U.S. Department of Homeland Security, the Department of State, and the U.S. Agency for International Development who discussed various activities and efforts they have undertaken to address the issue. Their testimony is available on the Committee’s website at: http://www.house.gov/international_relations .

On Thursday, July 27, 2006, the House Judiciary Committee held another hearing on the provisions contained in the Senate immigration reform bill, this one entitled *“Whether Attempted Implementation of the Senate Immigration Bill Will Result in an Administrative and National Security Nightmare.”* The Committee heard from a number of witnesses, including Peter Gadiel

President, 9/11 Families For a Secure America; Michael Maxwell, Former Director, Office of Security and Investigations, United States Citizenship and Immigration Services; Michael Cutler, Former Examiner, Inspector, and Special Agent, Immigration and Naturalization Service; and, His Excellency Nicholas DiMarzio, Bishop of Brooklyn. Messrs. Gadiel, Maxwell, and Cutler all strongly opposed the Senate bill, arguing that it would only exacerbate the difficulties with preventing terrorists from illegally entering and remaining in the U.S. Mr. Gadiel argued that there is an “open borders lobby” that has worked to prevent the U.S. from enforcing its immigration laws because of the desire to open the borders to cheap labor.

Bishop DeMarzio supported improving and strengthening immigration enforcement, but urged the Committee to work with the Senate to develop legislation that would deal with the millions of undocumented workers in the United States. He argued that the immigration problem is largely an economic issue and that lack of an effective and comprehensive immigration policy contributes to the United States’ vulnerability to terrorists entering the country.

For testimony of the witnesses, go to the Committee’s website at: <http://www.judiciary.house.gov> .

Several House Committees are expected to use the upcoming August recess to continue field hearings on the Senate immigration bill.

In the meantime, U.S. Immigration and Customs Enforcement announced a plan to encourage employers to hire only legal immigrants and to report undocumented workers on their payrolls to ICE. The agency’s initiative, which is voluntary, is aimed at allaying the fears of employers because of the recent growth in raids on companies that hire illegals. Under the program, the employer would enlist in the Basic Pilot Employment Verification Program, and allow an audit of its employee records. After complying with other requirements imposed by ICE, such as naming a compliance officer and training staff in document verification, the company would be certified by ICE as adhering to the law and, therefore, not subject to investigations.

SENATE ENERGY & NATURAL RESOURCES CONSIDERS WATER BILLS

The Senate Energy & Natural Resources Subcommittee on Water and Power held a hearing on Thursday, July 27, 2006 on three California water bills, S. 3639 and S. 3638. S. 3639, Reclaiming the

Nation's Water Act, amends Title XVI to provide standards and procedures for the review of water reclamation and reuse projects. It was introduced by Sens. Dianne Feinstein and Lisa Murkowski (AK). Rep. Grace Napolitano (Norwalk) has introduced a companion bill in the House, H.R. 5768. S. 3638, The Water Recycling and Riverside-Corona Feeder Act of 2006, was also introduced by Sen. Feinstein. It too amends the Reclamation Wastewater and Groundwater Study and Facilities Act (Title XVI) to encourage projects to treat impaired surface water, reclaim and reuse impaired groundwater, and provide brine disposal in the State of California. H.R. 177, authored by Rep. Gary Miller (Diamond Bar) would authorize Prado Basin Natural Treatment System Project, and the Lower Chino Dairy Area desalination demonstration and reclamation project.

The Subcommittee heard from several witnesses, including Larry Todd, Deputy Commissioner for Policy, Administration, and Budget at the U.S. Bureau of Reclamation; Joe Grindstaff, Director of the California Bay-Delta Authority; and Richard Atwater with the WaterReuse Association.

In addition, Rep. David Dreier (San Dimas) appeared before the panel in support of the California recycling bills and his commitment to Title XVI reform. The Inland Empire Water Recycling Initiative has met with success, authorizing \$30 million for water recycling projects that have resulted in 100,000 acre feet annually in new water supply.

In her opening remarks, Sen. Feinstein detailed how the bills will provide an efficient procedure for evaluation and selection of water projects under the bill, establishing specific deadlines and criteria for project reviews. She noted that the two California bills before the Subcommittee would provide 300,000 acre feet of new water annually for California, which would help substantially to offset the reduction in Colorado River water allocated to the state.

Mr. Todd testified that the Administration did not support S. 3639 at this time, but expressed the desire to work with the subcommittee to work out differences. He noted several areas of concern, focusing on the need for clear standards to evaluate the merits of projects and to prioritize projects especially in light of the federal funding that would be needed. He stated that BOR, at this point, felt that S. 3639 would weaken the level of review that Title XVI projects would go through prior to the Secretary making a recommendation to Congress. With regard to S. 3638, Commissioner Todd testified that S. 3638 had not yet met three of the nine necessary feasibility requirements and until such time as they were met, BOR could not support the project authorized by the bill.

During questioning, Sen. Feinstein offered to sit down with BOR to go over S. 3638 and H.R. 177 to make sure that all the parties understood what the problems were and how to resolve them. Commissioner Todd said he would be happy to do that. Also in response to Sen. Feinstein's suggestion, Todd agreed to work with staff over the upcoming August recess to resolve problems with S. 3639.

Mr. Grindstaff explained how the bills would fit in with the California Water Plan Update 2005. He supported the California bills, as well as S. 3639, the national approach, and noted that they fit well with the goals of the California Water Plan and the policy of multi-level governmental partnerships. Mr. Atwater testified in support of S. 3639 and committed to continue to work with the subcommittee staff and the Administration to resolve differences over the bill. Regarding the specific water projects authorized by the other bills, he did note that a lot of time and effort had been spent reviewing and evaluating those projects and he hoped there would not be a lot of redundancy in order to obtain BOR approval.

For the complete testimony, visit the Committee's website at: <http://www.energy.senate.gov>.

DAIRY FARMERS SEEK AID FOR CURRENT AND FEARED HEAT-RELATED STOCK LOSSES

On Wednesday, July 26, 2006, a California-centered dairy group wrote to Governor Arnold Schwarzenegger to request federal aid for heat-related dairy losses. Western United Dairywomen sent a letter to the Governor requesting his administration take steps to obtain federal financial aid for California's dairy producers, who have suffered major losses from the state's extraordinary 11-day heat wave.

"The economic repercussions of the heat experienced in the past few weeks are widespread and will be felt by California's dairy farm families for many months to come," wrote CEO Michael Marsh. Members of

WUDs Legislative Committee were in Washington DC meeting with elected representative and USDA officials about the severity of the situation.

Producers are reporting heat-related production drops of 10 to 40 percent. The loss stems not just from a drop in milk production but also from the high number of heat-related deaths in many herds. There will also be long-term impacts from the heat wave, noted Marsh, as cows that experienced stress early in their lactation will not fully recover until the next lactation. Additionally, there will be untold numbers of cows that will not be bred in time to calve again in 9-12 months, further extending the time until production returns to normal.

Adding to the economic woes is the limited capacity of the states rendering plants. Marsh noted that Modesto Tallow plant was shut down last year by authorities, and that recent problems forced an interruption of operations at the Baker Commodities plant in Kerman. This reduction in rendering plant capacity resulted in emergency declarations allowing dairies to use other methods to dispose of deadstock. However, the cost of disposal of large numbers of cattle is being borne by dairy producers. Typically, there is a \$75 to \$100 fee for trucks sent to the dairy, with an additional fee ranging from \$20 to \$55 for each carcass removed. Additionally, it is expected that each dairy may be charged an additional fee for each animal buried in a landfill.

The letter is available at <http://rd.bcentral.com/?ID=4309776&s=80168936> .

PERCHLORATE CLEANUP AUTHORITY INCLUDED IN SENATE HERITAGE BILL

The Senate included an authorization for \$25 million in groundwater remediation grants in S. 203, the National Heritage Areas Act, which it passed July 24, 2006. The funding -- championed by Reps. Richard Pombo (Tracy) and Joe Baca (Rialto) and Senator Dianne Feinstein -- would help to clean up groundwater contaminated by perchlorate. Commonly used as a rocket fuel additive, perchlorate has been found to be harmful to humans and has contaminated drinking water in several California areas.

Sen. Feinstein worked with Reps. Baca and Richard Pombo (Tracy) to include the language of a prior perchlorate-focused measure in S. 203. The bill will make local water authorities in the Inland Empire and in Santa Clara County eligible for groundwater remediation grants. S.203 authorizes \$25 million in federal funding equaling 65 percent of total funding for clean-up projects, thus requiring a 35 percent match from state and local agencies or private sector sources.

In 2005, the House had passed a perchlorate bill (the Southern California Groundwater Remediation Act, H.R. 18) sponsored by Rep. Baca and several Southern California Colleagues: Reps. Ken Calvert (Corona), Gary Miller (Diamond Bar), Grace Napolitano (Norwalk), and Dana Rohrabacher (Huntington Beach). An additional \$2.5 million was included in the Fiscal Year 2007 Defense Appropriations bill for perchlorate clean-up.

JUDICIARY SUBCOMMITTEE APPROVES PATENT BILL

On July 27, 2006, the House Judiciary's Subcommittee on the Internet, Courts, and Intellectual Property unanimously approved H.R. 5418, a bill to create a pilot program to improve the expertise of district court judges hearing patent cases. The bill, co-authored by Reps. Darrell Issa (Vista) and Adam Schiff (Burbank) establishes a pilot project in at least five district courts where judges will have the choice of opting-in to the new program to hear patent cases while maintaining random assignment. Each of the test courts will be assigned a clerk with expertise in patent law or with the technical issues arising in patent cases. The bill will also allocate funding to provide educational opportunities for judges who opt-in to the program.

F-22A FIGHTER PROCUREMENT REVIEWED

On Tuesday, July 25, 2006, the Senate Armed Services Subcommittee on Airland held a hearing to receive testimony on the F-22A multi-year procurement proposal in review of the Defense Authorization Request for Fiscal Year 2007.

There were two panels of witnesses; the first included the Honorable Michael Wynne, Secretary of the Air Force, the Honorable David Walker, Comptroller General of the United States, and Mr. James Finley, Deputy Under Secretary of Defense for Acquisition and Technology.

The second panel of witnesses included Mr. David Newman, Principal Analyst in Defense at the Congressional Budget Office, Dr. J. Richard Nelson, Research Staff Member at the Institute for Defense Analyses, Mr. Christopher Bolkcom, Specialist on National Defense at the Congressional Research Service, and Ms. Daniella Brian, Executive Director of Project on Government Oversight.

The question at hand was whether the Department of Defense should be allowed to enter into a multi-year procurement (MYP) contract for 60 of the Air Force's next generation fighters, the F-22A Raptor. Proponents of a MYP contract argue that the deal would save an estimated \$225 million. However, in order to enter a MYP contract six legal conditions must be met. These are: (1) the contract will result in substantial savings, (2) the requirements will remain stable, (3) there is stable funding, (4) there is a stable design and technical risks are low, (5) there are realistic cost estimates, and (6) the use of this contract will promote national security.

Witnesses from the Congressional Research Service, the Government Accountability Office, the Congressional Budget Office, and the Project on Government Oversight expressed concern that many of these conditions are not being met in this deal.

Furthermore, the nonpartisan Project on Government Oversight released findings on Tuesday outlining a possible conflict of interest involving the head of the Institute for Defense Analysis, the think tank that conducted the review of the savings resulting from this purchase. In response, Senate Armed Services Chairman John Warner (VA) has expressed his intent to block this deal.

For full witness testimony, please visit <http://armed-services.senate.gov>.

KEEPING THE LIGHTS ON: A BRIEFING ON ELECTRICITY ISSUES IN THE WEST

On Monday, July 24, 2006, the Electric Power Supply Association held a briefing for congressional staffers on electricity issues in the West. The briefing came at a timely moment, as Monday marked a record high of 50,270 megawatts used in California.

The convened panel consisted of Terri Moreland, California ISO, Robert Kahn, NW Independent Power Producers Coalition, Jeff Dummermuth, Big Lots Stores Inc., Thomas Brill, Sempra Global, and Richard Glick, PPM Energy Inc. The briefers informed the audience on the basic structure and evolution of electricity markets and regulations in the West.

To obtain more information, please visit <http://www.epsa.org>.

WTO AGRICULTURE NEGOTIATIONS COME TO A STANDSTILL

After failing again to break the impasse in trade negotiations over agricultural trade, the World Trade Organization declared a suspension in the Doha round of trade negotiations. The move came after a meeting at WTO headquarters in Geneva on July 24, 2006 with trade representatives from the United States, the European Union, Brazil, India, Japan and Australia.

The United States blamed the EU, India and Japan for the stalemate, claiming they refused to offer any substantive proposals to lower trade barriers to American agriculture products. They in turn blamed the U.S. for refusing to cut farm subsidies more deeply.

The Doha round, started five years ago, has been deeply mired in disputes almost since its inception, but this is the first formal suspension of negotiations. Although the participants expressed hope that negotiations would resume, no one could point with any confidence to when that might happen.

PPIC RELEASES REPORT ON IMMIGRANT/ETHNIC CIVIC ORGANIZATIONS

On July 26, 2006, the Public Policy Institute of California released a new report entitled *Civic Inequalities: Immigrant Volunteerism and Community Organizations in California*.

The study explores the leverage on local affairs of immigrant or ethnic-specific groups. It concludes that most elected officials and community leaders agree that mainstream groups, such as the Kiwanis Club and Rotary, have much more clout than the ethnic groups. The report posits that this fact has serious implications for civic equality because mainstream groups rarely make serious efforts to recruit immigrants, and immigrants rarely rise to leadership roles in these groups.

The PPIC study, available at <http://www.ppic.org>, co-authored by Karthick Ramakrishnan and Celia Viramontes, concluded that not only do mainstream groups fail to reflect the diversity of their communities, but also, by default, may contribute to the isolation of this growing segment of the population. On the other hand, religious and multiservice organizations are among the few civic institutions that try to reach out to different racial and ethnic groups, the report found.

WHITE HOUSE DIRECTOR OF INTERGOVERNMENTAL AFFAIRS ADDRESSES CALIFORNIANS AT CAPITOL HILL GSR LUNCHEON

Ruben Barrales, Deputy Assistant to the President and Director of Intergovernmental Affairs, was the guest speaker at a Golden State Roundtable luncheon on Tuesday, July 25, 2006. These Golden State Roundtable lunches, sponsored by the California State Society, provide an opportunity to hear about issues and policies affecting California from prominent business leaders, policymakers, journalists, and scholars.

Mr Barrales spoke on issues from the perspective of coordinating action from the Federal, State, and Municipal levels. He touched on the hot topic of immigration and reiterated that the President is committed to comprehensive immigration reform, including a temporary guestworker program. He also noted how pleased he was that by working with the Governor and other state and local officials, his office was able to help expedite the repair process for critical levies in California.

He spoke of the satisfaction he has gotten over the five years he has been the President's intergovernmental representative and invited everyone to take advantage of his open door policy to ensure continued collaboration between the federal government and state and local entities.

PPIC RELEASES SURVEY ON CALIFORNIANS AND THE ENVIRONMENT

On July 26, 2006, the Public Policy Institute of California released a survey that shows Californians are becoming so alarmed by the state of global warming "that a vast majority want the state to act on its own to fight the trend". The survey, made possible by funding from the William and Flora Hewlett Foundation, found that support for unilateral action was up 11 points (64% v. 54%) from last year at this time. Sixty three percent of respondents believe that the effects of global warming are already underway, while 79 percent believe the threat to California's future economy and quality of life is very or somewhat serious.

The increasing pain being felt at the pump is also reflected in this survey. A large majority of Californians (67%) now say that gasoline prices are causing them financial hardship – seven points higher than adults nationwide (60% according to an ABC News poll).

The survey goes on to include responses to a wide variety of questions concerning environmental policy, including data on how environmental issues will affect the upcoming elections and ballots. To view the full survey, visit PPIC's website at <http://www.ppic.org>.

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