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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.

HOUSE HOMELAND SECURITY COMMITTEE ASSESSES US-VISIT VISA TRACKING PROGRAM

The House Homeland Security Committee held a hearing on March 20, 2007 on US-VISIT, the DHS program aimed at tracking foreigners at they enter and exit the United States. In his opening remarks, Chair Bennie Thompson (MS) noted his concern that the exit portion of the system appears “no closer to being implemented than when it was first authorized over ten years ago.”

The Committee heard from a number of witnesses, including: Mr. Robert A. Mocny, Acting Director, US-VISIT, Department of Homeland Security; and Mr. Richard Stana, Director, Homeland Security and Justice Issues, Government Accountability Office. Mr. Mocny detailed the program that DHS feels it has made in implementing an effective US-VISIT program. He also stressed that risk of infiltration by terrorist elements is interdependent and interconnected to the nation and the economy. For instance, he testified, closing a U.S. port because of a terrorist risk would have an impact on manufacturing plants thousands of miles away that depend on shipments from that port. To better manage risk assessment, DHS is attempting to improve its operations by integrating and streamlining the three primary offices within the agency working to reduce risk. He also outlined DHS’s efforts to move to a ten-point fingerprint identification system and electronic data information with other related agencies.

Mr. Stana testified that DHS’s US-VISIT program faces numerous operational, technological, and management challenges. For example, Mr. Stana stated: “DHS had not articulated how US-VISIT is to strategically fit with other land border security initiatives and mandates and could not ensure that these programs work in harmony to meet mission goals and operate cost effectively. DHS had drafted a strategic plan defining an overall immigration and border management strategy but, as of February 2007, the plan was under review by OMB. Further, critical acquisition management processes need to be established and followed to ensure that program capabilities and expected mission outcomes are delivered on time and within budget.” Mr.

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Stana said that until these issues are resolved, GAO has concluded that the risk that US-VISIT will “fall short of expectations is increased.”

For testimony of all the witnesses, visit the Committee’s website at:
<http://www.hsc.house.gov> .

HOUSE JUDICIARY’S IP SUBCOMMITTEE CONSIDERS COPYRIGHT REFORM

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, chaired by Rep. Howard Berman (North Hollywood) held a hearing on March 22, 2007 on “Reforming Section 115 of the Copyright Act for the Digital Age.” Section 115 provides a compulsory license for the making and distribution of physical phonorecords and digital phonorecord deliveries. It is widely agreed that Section 115 needs reform in order to work in the current digital age. In the last Congress, Rep. Lamar Smith (TX), then Chair of the Subcommittee, and Rep. Berman introduced H.R. 5553, the Section 115 Reform Act (“SIRA”), which was successfully reported out by the Subcommittee, but was not further considered in the 109th Congress.

The Subcommittee heard from MaryBeth Peters, The Register of Copyrights, who discussed several issues associated with Section 115 reform with Chairman Berman, and subcommittee members including California Reps. Zoe Lofgren (San Jose), Darrell Issa (Vista), and Adam Schiff (Burbank). Among the issues raised were:

- whether streaming should be considered a distribution of phonorecords or a public performance;
- the need to clarify the rights granted under Section 115 and address discrepancies among the rights granted to various types of copyrighted works; and
- how best to address rate setting and charging for cash copies in the context of subscription music services.

For further information, go to the Committee’s website at:
<http://judiciary.house.gov> .

BIPARTISAN CALIFORNIA ASSEMBLY DELEGATION PRESSES FUNDING EQUITY CONCERNS DURING WASHINGTON VISIT

A bipartisan cross-section of California State Assembly members visited from Monday, March 19th through Wednesday, March 21, 2007, to discuss concerns over California’s share of federal funding with Bush Administration officials, Congressional leaders, and other members of the Washington political establishment.

Throughout this week’s visit Assembly Speaker Fabian Núñez (Los Angeles) and Republican Leader Mike Villines (Clovis) sounded parallel tones, as did the other delegation members, as they made their DC rounds.

Before the visit, Speaker Núñez stated, “For years, California has been shortchanged in receiving its fair share of federal funding. We are setting aside our partisan differences to do a full court press to find creative ways to increase California’s take and want to explore how we can work with our representatives in Washington to develop such solutions.”

“We are traveling to Washington not as Republicans or Democrats, but as representatives of every Californian,” said Republican Leader Villines, “During

our trip, lawmakers from both parties will be working closely with our bipartisan Congressional delegation to demand once and for all that California receives the funding it is due from the federal government.”

In addition to meeting with White House officials, the Assembly delegation met with Senators Dianne Feinstein and Barbara Boxer, California members of the House Appropriations Committee, and various other California Congressional delegation members.

After the visit, Speaker Núñez expressed optimism regarding the prospects for legislative and budgetary action to protect and shore up California. He added that California’s political leaders, including Governor Schwarzenegger and State Senators who will travel to Washington DC next month, must continue to press Congress for California’s fair share. The Speaker also indicated that he is also encouraged by the discussions of comprehensive immigration reform that are ongoing in Congress. He commented that comprehensive immigration reform will benefit California more than any other state.

WAYS & MEANS ASSESSES U.S.-KOREA TRADE NEGOTIATIONS

The House Ways and Means Subcommittee on Trade held a hearing on March 20, 2007 to examine ongoing negotiations to conclude a free trade agreement between South Korea and the United States and to assess the state of the negotiations as they enter their final week. According to the subcommittee, since May 2006, when negotiations began, the two sides have reported progress in some areas such as some industrial tariffs, customs administration, some anti-corruption measures, and foreign investment; however, sharp differences remain over trade in autos, pharmaceuticals, and agricultural products and over Korean demands that the United States change its antidumping law. Both sides are still aiming to complete the negotiation before the end of March to comply with deadlines under the Trade Act of 2002.

Korea is the United States’ seventh-largest trading partner, accounting for over \$78 billion of bilateral trade in 2006. It is California’s fifth largest trading partner, after Mexico, Canada, Japan, and China. In 2006, the state’s total trade with South Korea was \$7.05 billion. California’s total worldwide trade in 2006 was \$127.75 billion.

The Subcommittee heard from a number of witnesses, including: Deputy U.S. Trade Representative Karan Bhatia; Tami Overby, President and Chief Executive Officer, American Chamber of Commerce in Korea, on behalf of the U.S. Chamber of Commerce, the U.S.-Korea Business Council, the American Chamber of Commerce in Korea, and the U.S.-Korea FTA Business Coalition; Bob Stallman, President, American Farm Bureau Federation; J. Patrick Boyle, President and Chief Executive Officer, American Meat Institute; Geralyn S. Ritter, Vice President of International Affairs, Pharmaceutical Researchers and Manufacturers of America; and Berton Steir, Executive Vice President, Paramount Farms, Los Angeles.

Bhatia testified that the U.S. and Korea had completed eight rounds of negotiations, and have successfully closed negotiations in the Competition, Government Procurement and Customs chapters, and made “important progress” in areas including Investment, Market Access, Telecom, overall Services, and Financial Services. Although acknowledging that significant issues remain unresolved, USTR Bhatia opined that both parties remain committed to successfully concluding the negotiations before the end of March.

Mr. Stallman testified that South Korea’s notoriously high tariff rates and its “strong tendencies toward protectionism” have contributed to the problems of market access for American agriculture products. He noted that Korea continues to impose tariffs above 40 percent on such products as shelled walnuts, table grapes, beef, and several fruits. Also, Stallman said Korea imposes several non-tariff barriers, including internal commodity supports and sanitary and phytosanitary barriers. He stressed that, although these issues need to be addressed in the FTA, the Farm Bureau remains committed and hopeful that the negotiations can be concluded successfully.

Mr. Steir testified on behalf of the U.S. pistachio industry. California is home to approximately 98 percent of U.S. pistachio production, with an average of 250 million pounds of pistachios produced annually and employing thousands of Californians. The industry has grown more than three times in value in the past ten years, Mr. Steir said, to over \$500 million in annual sales today, with estimates of continued growth to over \$1 billion in the future. South Korea, he testified, applies a 30 percent tariff on raw pistachios and 45 percent

tariff on packaged pistachios, compared to 8 percent for raw almonds and hazelnuts. In addition to this severe limit on U.S. exports, Iranian pistachios can also be found in South Korea, and Mr. Steir stated that “the Iranians have a history of not playing by the rules in order to avoid tariffs and saturate various markets with their product. The U.S. pistachio industry cannot – and will not – compete under such conditions.” He closed by urging U.S. negotiators not to settle for anything less than immediate duty free treatment of U.S. pistachios.

PhRMA’s Ritter also emphasized the need to address impediments to market access for pharmaceuticals before the negotiations are concluded, especially the shifting standards of review for having new innovative products listed on the national reimbursement list and lax enforcement of intellectual property rights. More importantly, the Korean Government in 2006 proposed an entirely new reimbursement system for pharmaceuticals which further discriminates against U.S. research-based pharmaceutical companies and increases market access barriers. Perhaps most significantly, Ritter argued, innovative drugs will no longer be available under Korea’s national healthcare system unless they can meet a number of complicated new requirements.

PhRMA has focused on three key priorities in regard to the pharmaceutical negotiations: (1) that Korea adopt an appropriate approach to reimbursement procedures so that U.S. research-based pharmaceutical manufacturers have fair and timely access to the market and Korean patients have timely access to life saving medicines; (2) that an independent appeals mechanism be put in place to resolve any disputes on reimbursement decisions; and (3) that the FTA address longstanding concerns regarding fair business practices in the Korean market.

For the testimony of all the witnesses, go to <http://waysandmeans.house.gov> .

SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY HOLDS HEARING ON TRADE AND FOOD AID PROGRAMS FOR THE 2007 FARM BILL

On March 21, 2007, the Senate Committee on Agriculture, Nutrition, and Forestry held a full committee hearing entitled “Examining the Performance of U.S. Trade and Food Aid Programs for the 2007 Farm Bill.” U.S. food and agriculture industries are the only U.S. production companies currently boasting a trade surplus, though the size of that surplus is shrinking every year. Current estimates for Fiscal Year 2008 value U.S. Agricultural trade at \$78 billion. U.S. agriculture trade has increased an average of 18% each year since the creation of NAFTA.

The Committee heard testimony from two panels. The first included representatives of the U.S. Department of Agriculture, U.S. Agency for International Development, U.S. Government Accountability Office, who discussed the successes and challenges of the current food aid programs and possibilities to increase efficiency and benefits from Food Aid. The second panel included representatives from exporters, growers, and providers of food aid, including Mr. Joel Nelson, president of California Citrus Mutual.

Some of the main points discussed at the hearing included:

- Increasing the funding for Market-Access Programs improving the partnership between small growers, governments, and non-profits to allow American specialty crops access to international markets

- Increasing funding for Technical Assistance for Specialty Crops (TASC) in order to meet international standards of organic growing, pest control, phytosanitary barriers, and pesticides to open up international markets to American specialty crops

- Phytosanitary trade barriers that block access to international markets for U.S. specialty crop growers

- The Uruguay Round table agreements failed to open specialty crop markets overseas for American growers: WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) has not been honored by other countries

- The Federal government has failed at preventing foreign invasive species from entering U.S. borders: Animal and Plant Health Inspection Service (APHIS) functions are now performed by Homeland Security which has not been successful; whether invasive species and disease detection responsibilities should be returned to APHIS from Homeland Security

For more information, please visit: <http://agriculture.senate.gov>

HOUSE COMMITTEE ON EDUCATION AND LABOR REVIEWS HIGHER EDUCATION ACT

On March 22, 2007, the House Committee on Education and Labor Subcommittee on Higher Education, Lifelong Learning, and Competitiveness held a hearing entitled "The Higher Education Act: Approaches to College Preparation." The discussion was held to address strategies and programs of The Higher Education Act (GEAR UP, Talent Search, Upward Bound, Trio, College Summit) that have been effective in preparing students and minorities for post-secondary education. The hearing featured testimony from witnesses representing GEAR UP, outreach program staff, higher education researchers, and college prep organizations. The witnesses discussed study results, successful programs, and challenges to those programs.

The following are a few key points from the hearing:

- 99% of the parents of children in one GEARUP program want their children to attain a college diploma, yet only 34% accurately reported the cost of college and methods of financial assistance
- State flexibility in P-16 and P-20 councils and longitudinal data systems are crucial to successful college preparation programs
- 200,000 low-income students a year graduate from high school college-ready but do not pursue a college education, resulting in a \$80 billion of loss of potential income taxes.

For more information, please visit: www.edworkforce.house.gov .

HOUSE HOMELAND SECURITY COMMITTEE APPROVES TRANSIT SECURITY MEASURE

On March 13, 2007, the House Homeland Security Committee approved federal requirements for rail and mass transit security. The measure was approved with a substitute amendment by Chairman Bennie Thompson (MS) that requires a threat assessment of school bus transportation systems; the amendment was adopted by voice vote 30 - 0. The measure, H.R. 1401 the "Rail and Public Transportation Security Act of 2007" authorizes \$6.1 billion for the next four years for rail, mass transit and bus security and requires the Homeland Security Secretary to establish regulations for all rail and mass transit sectors.

A bill recently approved by the House Transportation and Infrastructure Committee, H.R. 1269, takes a different approach from H.R. 1401 by giving the Homeland Security Department responsibility for assessing security risks for transportation systems and grant guidelines. H.R. 1269 also gives the Transportation Department responsibility for distributing grant awards.

The federal government spends approximately 1 cent for security for each public transportation or rail passenger compared to \$9 per passenger for air travel. However, historically more terrorist attacks have occurred on buses, trains, or subway lines. The following are a few common themes which were mentioned during the discussions of the 'Rail and Public Transportation Security Act of 2007':

- Hazardous materials routes should be planned or moved through unpopulated areas, and hazardous materials should not be left standing without security
- The majority of employees in the rail and transit systems have not received terrorism response training or terrorism preparedness training
- Threat and vulnerability assessments identify gaps in security and propose methods to close those gaps
- The increased reporting requirements may impose extra strain and resources on local organizations and the reporting requirements may not benefit local organizations
- Concerns were raised regarding the amendment which calls for background checks, standards of enforcement of background checks and a process of redress for employees who feel they have been wrongfully let go due to a background check
- Safety funding versus security funding was a key issue and different methods were discussed to create synergy between the two goals

For more information, please visit: <http://hsc.house.gov> or <http://transportation.house.gov>

SENATE JUDICIARY SUBCOMMITTEE HEARS FROM CALIFORNIANS ON IDENTITY THEFT

The Senate Judiciary Subcommittee on Terrorism, Technology and Homeland Security, chaired by Sen. Dianne Feinstein, held a hearing on March 21, 2007 on "Identity Theft: Innovative Solutions for an Evolving

Problem.” The Subcommittee heard from the following witnesses: Ronald Tenpas, Associate Deputy Attorney General, United States Department of Justice; Lydia Parnes, Director, Bureau of Consumer Protection, Federal Trade Commission; James Davis, Chief Information Officer and Vice Chancellor for Information Technology, University of California, Los Angeles; Joanne McNabb, Chief, California Office of Privacy Protection, Sacramento; and Chris Jay Hoofnagle, Senior Staff Attorney, Samuelson Law, Technology & Public Policy Clinic, School of Law (Boalt Hall), University of California, Berkeley.

In her opening statement, Senator Feinstein discussed her recently introduced bill, which would require federal agencies and businesses to provide notice to individuals if there has been a data breach, unless there was no significant risk of harm. She also praised California for being a leader in the fight against identity fraud as one of the few states to establish a state office devoted to privacy protection.

Professor Davis outlined the lessons that UCLA learned as a result of being the victim of a large database security breach, potentially involving the Social Security numbers of over 800,000 individuals. He detailed the fundamental tension faced between speed and accuracy in determining whom to notify as the University confronted the breach and sought to ascertain the extent of the breach. He testified that UCLA used a set of criteria articulated by the University of California in 2003 – “based on the California Office of Privacy Protection’s recommended practices – to help think through exactly such ambiguous situations. Among other things, we considered the duration of the exposure and indications that the attack specifically sought personal information, whether we had any definitive evidence that the information was not acquired, as well as the potential harm to individuals if the wrong decisions were made.” He then detailed the logistics of notifying 800,000 individuals, once that decision had been made. In conclusion, Professor Davis offered six actions to consider in being prepared for and in responding to a breach. Among them are: Convene an independent and objective panel for deliberations about whom to notify; Make provisions for confidentiality; and Offer access to solid information through different channels and keep track of how they are used.

Testimony of the witnesses can be obtained through the Committee’s website at:
<http://judiciary.senate.gov> .

EXCELENCIA IN EDUCATION HOSTS LUNCH BRIEFING

On March 20, 2007, Excelencia in Education and their supporter Sallie Mae held a luncheon briefing to inform Congressional staff and business representatives about their findings showing accelerating Latino student success in higher education. The event highlighted new data about Latinos in undergraduate, graduate, and Science, Technology, Engineering and Mathematics (STEM) programs. Also, Excelencia in Education presented the 2006 recipients of “Examples of Excelencia” at the Associate and Baccalaureate levels. Two of the semi-finalists at the Baccalaureate level included the Biology Undergraduate Scholars Program at University of California Davis and the Connections Program at Woodbury University and Los Angeles Valley College. Each recipient of the commendation received \$5,000 of support and was highlighted for replication of successful programs and methods at other institutions. Closing remarks were offered by Congressman Ruben Hinojosa of Texas who applauded Excelencia’s work and discussed congressional efforts for encouraging Latinos in higher education.

Some of the findings presented in this briefing included:

- The top 5 institutions awarding degrees to Latinas in mathematics/statistics in 2003-04 were in Texas and California. The top two institutions were the University of Texas-Brownsville and the University of California at Los Angeles
- Latinas earned 60% of all bachelor’s degrees awarded to Hispanics in 2005, but only 37% of degrees in STEM fields
- In 1976, Latinas represented 45% of Latinos in higher education, in 2004, 59% of all Latinos enrolled in higher education were female
- Hispanic doctoral students were less likely than students of other racial/ethnic groups to receive financial aid to pay for college

- Nearly 25% of Chicana/o doctorates began their education at a community college; this is more than two times the overall rate for all doctorates
 - A majority of Hispanic doctorate recipients had earned their bachelor's degree in California (257) followed by Texas (141) and Puerto Rico (122) in 2004
 - Between 2000 and 2004, the number of Hispanics enrolled in undergraduate education increased almost 25% compared to only 9% for whites, 25% for blacks, and 13% for Asian/Pacific Islanders
 - The majority of Hispanic undergraduates are enrolled in two-year institutions (58%). In comparison, the majority of white, black and Asian/Pacific Islander students are enrolled in four-year institutions (only 42%, 47%, and 45%, respectively are in two-year institutions)
 - Latinos in higher education are concentrated in several key states: about 50% of Hispanics enrolled in higher education were in California and Texas in 2003. Almost 75% of Latinos in higher education are in five states: California, Texas, New York, Florida, and Illinois.
- For more information, please visit: www.edexcelencia.org

AN UPDATE ON LONG-TERM CARE PARTNERSHIPS PUBLISHED BY ALLIANCE FOR HEALTH REFORM

In March of 2007, the Alliance for Health Reform published “Long-Term Care Partnerships: An Update” with a grant from the Robert Wood Johnson Foundation. California is one of four states offering long-term care partnerships; 22 other states have announced they are planning to implement partnership programs this year. Long-term care partnerships offer a way for states to encourage the purchase of private long-term care insurance and relieve some of the financial pressure on Medicaid. Between 2005 and 2030, when the youngest baby boomers reach retirement, the population of those age 65 and older will almost double from close to 37 million to more than 71 million, and will comprise almost 20 percent of the U.S. population. Long-term care costs can be financially devastating for people with modest incomes. In 2006, the average annual cost of nursing home care was \$75,190, and exceeded \$100,000 in some areas. Paying for home care can also be expensive, at an average of \$19 per hour in 2006. In states where the program is offered, individuals who purchase a policy and use up its benefits can then apply for Medicaid. If these individuals meet Medicaid's criteria for income and degree of impairment, they can receive Medicaid-covered long-term care services—while protecting some or all of their financial assets, which would otherwise make them ineligible under Medicaid's means testing requirements.

A few key facts and policy recommendations of the report include:

- Among the goals of the Partnership program are to increase the number of middle- income people buying long-term care insurance policies, to help people buy better long-term care insurance policies, and to reduce cost growth in Medicaid
- Buying a Partnership policy that provides a certain dollar amount of benefits will allow the purchaser to disregard assets equal to the insurance payout in applying for Medicaid once the insurance coverage is exhausted
- Premiums for Partnership policies differ across states and are based on an applicant's age, medical history and the scope of benefits purchased
- Sales of Partnership policies in the four states now opening programs have been relatively modest — 249,000 since the Partnerships began, of which 201,000 policies were in force in 2006
- California implemented its long-term care partnership program in August 1994 and has sold 97,223 policies with 81,259 in force while 1,270 policyholders also received private insurance benefits and only 36 exhausted their private insurance benefits and accessed Medicaid
- In the three states that have surveyed a sample of Partnership policyholders—California, Connecticut and Indiana—the majority reported their total assets were greater than \$350,000. Roughly half of the policyholders in each of these three states also reported average monthly household incomes of greater than \$5,000

For more information, please visit: www.allhealth.org .

PPIC IS “GETTING DOWN TO THE FACTS” OF TEACHER COMPENSATION

The Public Policy Institute of California (PPIC) announced the publication of two new reports on education finance issues in California this month. One report entitled “Aligning School Finance With Academic Standards: A Weighted-Student Formula Based on a Survey of Practitioners” was written by Jon Sonstelie and contains estimates of the cost to California’s public schools of meeting the state’s achievement standards. The other report, co-authored by Heather Rose and Ria Sengupta is entitled “Teacher Compensation and Local Labor Market Conditions in California: Implications for School Funding” and examines how teacher compensation varies across California and how the variation is driven by factors beyond the control of school districts. Both reports are part of the “Getting Down to Facts” studies led by the Institute for Research on Education Policy and Practice at Stanford University with funding from the Bill & Melinda Gates Foundation, The William and Flora Hewlett Foundation, the James Irvine Foundation, and the Stuart Foundation.

A few key findings of “Teacher Compensation and the Local Labor Market Conditions in California” include:

- Teacher compensation and experience levels vary substantially across California school districts
- District teacher salaries are determined by two key components: the salary schedule adopted by the district and the experience level of teachers within the district
- In 2003–04, districts in Santa Clara and Orange counties offered the highest compensation, on average surpassing \$70,000 for a teacher with 10 years of experience and 60 units of education beyond a bachelor’s degree (i.e., a mid-career teacher). At the other extreme, compensation packages in Yolo County and the North Coast counties fell short of \$55,000 per year for teachers at the same position in the salary schedule
- Local labor market conditions affect compensation, particularly for experienced teachers and average experience levels vary across districts and depend on regional demographic factors
- Districts have limited ability to adjust to local labor market conditions and a formula to equalize the labor purchasing power of districts could be based on a comparable wage index, adjusted for enrollment growth

A few key findings of “Aligning School Finance with Academic Standards” include:

- Elementary, middle, and high school educators differ in staffing ratios, but they would use additional resources similarly
- Elementary educators would spend a resource increase disproportionately on support staff and would lengthen instructional time
- Middle school educators would increase resources across the board, but they would put special emphasis on teacher collaboration and increased instructional time
- High school educators would specify smaller classes and more staff, and they would use increases largely for support staff, professional development, and student support programs
- Student poverty, as measured by the percentage of students participating in a school’s subsidized lunch program, has a strong negative effect on student achievement and a larger budget can be used to increase student achievement, but the effect is modest
- At least an estimated 40% increase in funding, targeted mostly to low-income schools, is needed to meet current expectations

For more information, please visit: <http://www.ppic.org> .

MARCH 27 PPIC LUNCH BRIEFING TO REVIEW EFFECT OF IMMIGRATION ON NATIVE CALIFORNIANS

On Tuesday, March 27, 2007, the Public Policy Institute of California (PPIC) and the California Institute will jointly sponsor a PPIC Luncheon Briefing entitled “*Immigration and Its Effect on Wages and Employment for U.S. Native Californians.*” The event will be held in on March 27 from 12:00 noon to 1:30 p.m. in Room 121 of the Cannon House Office Building.

The briefing will shed light on one of the most contentious issues about immigration: How it affects the wages and employment opportunities of U.S. natives. If immigrants hurt the labor market options of native

workers, Californians – who face a higher share of immigrants in the population and labor force than any other state – might be expected to feel the most pain. Recent work by PPIC seeks to answer whether or not that assumption is true.

In the latest issue of PPIC's California Counts, Giovanni Peri, an associate professor of economics at the University of California, Davis, examines the effects of the arrival of immigrants between 1960 and 2004 on the employment, population, and wages of U.S. natives in California. He finds little evidence that the influx of immigrants over the past four decades has worsened the employment opportunities of natives with similar education and experience and that, in fact, immigration has induced real wage increases in the state. However, recent immigrants have lowered wages of previous immigrants.

Peri will discuss his study findings on Tuesday, March 27, 2007, at a luncheon briefing hosted by PPIC and the California Institute. We expect that this event will be widely-attended. If you would like to attend, please reply with acceptances only to 202-974-6384 or send email to randsdell@calinst.org.

MARCH 29 LUNCH BRIEFING ON CPUC ACTION ON CLEAN ENERGY AND AB 32: IMPLICATIONS FOR POWER SECTOR AND FEDERAL POLICY

On Thursday, March 29, 2007, the California Institute for Federal Policy Research and the Business Council for Sustainable Energy will host a lunch briefing regarding California's perspectives and leadership on global climate change. The briefing will feature remarks by the president and a commissioner of the California Public Utilities Commission (CPUC), and it will focus on state actions regarding clean energy and on implementation of AB 32, the landmark climate change legislation passed by the State Legislature and signed by the Governor in 2006.

Entitled "*CPUC Action on Clean Energy and AB 32: Implications for Power Sector and Federal Policy*", the briefing will feature remarks by Michael Peevey, President of the California Public Utilities Commission and CPUC Commissioner Dian Grueneich. It will be held Thursday, March 29, 2007 from 12:00 p.m. to 1:30 p.m. in Room 1310 of the Longworth House Office Building. Lunch will be provided (note that the lunch will be a widely-attended event).

Among the subjects to be discussed will be: How is the CPUC's helping to reduce power sector greenhouse gas emissions in California and what is its role in implementing California's landmark climate change legislation – AB32? What federal policies can support California's clean energy programs (Renewable Portfolio Standard, energy efficiency requirements)? How will California's climate change legislation affect the power sector and federal climate change policy?

The program will include opening remarks by Lisa Jacobson, Director of the Business Council for Sustainable Energy; an overview of CPUC Clean Energy and Climate Change Initiatives by CPUC President Michael Peevey; a discussion of CPUC's Role with Implementation of AB 32 and Implications for Federal Policymaking by Commissioner Grueneich; and a brief comments regarding power sector perspectives by representatives of stakeholder organizations.

To attend this widely-attended briefing, please reply (acceptances only, thank you) to (202) 785-0507 or rsvp@bcse.org.