



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
 1608 Rhode Island Avenue, NW, Suite 213, Washington, D.C. 20036
 202-974-6384 fax:202-223-2330 e-mail: randsell@calinst.org web: <http://www.calinst.org>

California Capitol Hill Bulletin

Volume 14, Bulletin 14 – April 27, 2007

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.

CONGRESS PASSES SUPPLEMENTAL CONFERENCE REPORT

The House on April 25, 2007 passed, by a vote of 218-208, HR 1591 (H Rept 110-107), the \$124.2 billion emergency supplemental appropriations for the wars in Iraq and Afghanistan.

The Senate followed on April 26th, approving the bill by a vote of 51-46. In addition to appropriating \$95.5 billion for the Pentagon and setting benchmarks and deadlines for troop withdrawals, the Conference Report includes millions for several domestic programs, including: \$3.5 billion for agriculture disaster aid; \$2.25 billion for the Homeland Security Department; and \$3.1 billion for military base closings. The State Children’s Health Insurance Program would receive \$650 million, wildfire fighting efforts \$500 million, and the Payments-In-Lieu-of-Taxes (PILT) program would be fully funded at \$430 million for FY08-12. The Conference Report also raises the federal minimum wage to \$7.25 an hour over two years and provides \$4.84 billion over 10 years in tax breaks for small businesses.

The President has vowed to veto the bill and the House and Senate votes show the veto will not be overturned, so Congress will have to decide on its next course of action.

HOUSE AND SENATE APPROVE PROGRAMS FOR MATH AND SCIENCE TEACHERS

On April 24, 2007, the House passed two bills that will reauthorize grant programs and encourage more people to become math and science teachers. The two bills (H.R. 362 and H.R. 363) are part of the “Innovation Agenda” touted by Democrats. The vast majority of U.S. students learn math and science from teachers with limited background or certification in those fields. The first bill (H.R. 362) will authorize \$1.5 billion through fiscal 2012 and provide \$664 million in scholarships for math and science majors who commit to

CONTENTS:

Congress Passes Supplemental Conference Report	1
House and Senate Approve Programs for Math and Science Teachers.	1
Lofgren Subcommittee Continues Immigration Hearings	2
Berman Judiciary Panel Tackles Patent Reform.	3
House Committee on Education and Labor Uncovers Mismanagement in the Reading First Program.	4
House Committee On Education and Labor Discusses NCLB Programs for School Safety and Dropouts.	5
Bono Leads Bipartisan California Delegation Effort Calling on FAA to Ensure Air Travel Safety.	5
Senate Banking, Housing, and Urban Affairs Evaluates the Structure of Disaster Insurance.	6
Cardoza’s Agriculture Subcommittee Holds Hearing on Organic Farming.	6
House Subcommittee On Early Childhood, Elementary and Secondary Education Discusses NCLB Supplemental Services.	7
Senate Science & Tech Subcommittee Considers Scientific Research.	8
House Committee on Fisheries, Wildlife, and Oceans Reviews Ocean Wildlife and Climate Change.	8
Senate Commerce Panel Assesses Free Trade.	9
House Health Subcommittee Examines PDUFA.	9
House Subcommittee Holds Hearing on Federal Milk Marketing Order Rulemaking Procedures.	10
House Environment and Hazardous Materials Subcommittee Holds Hearing on Perchlorate.	11
Senate Committee on Agriculture, Nutrition, and Forestry Reviews Farm Bill and Subsidies.	11
Sanchez Subcommittee Examines SAFE Port Act.	12
May 4 Lunch Briefing To Discuss Out-of-School Immigrant Youth.	13

ADVISORY BOARD SUPPORTERS
OF THE
CALIFORNIA INSTITUTE

The California Institute wishes to express its heartfelt thanks to the following donors for their generous support, without which none of our work would be possible.

BENEFACTORS

Public Policy Institute of California
California State Legislature
The California State University
Sempra Energy
Southern California Edison
PG&E Corporation

PATRONS

AT&T
The Boeing Company
General Atomics
Safeway Inc.
Verizon Foundation

Hewlett-Packard
University of California

SPONSORS

Applied Materials
California Business Roundtable
California Chamber of Commerce
California Federation of Teachers
California Institute of Technology
Center for California Studies, CSUS
Century Housing
Chevron
Lockheed Martin
Pacific Life
Rockwell Collins
SAIC
Transportation California
University of Southern California
Wine Institute

CONTRIBUTORS

Association of California Water Agencies
California Bankers Association
California School Boards Association
California State Association of Counties
City of Los Angeles
International Brotherhood of Teamsters
Bay Area Economic Forum
California Association of Realtors
California Farm Bureau Federation
California Space Authority
Fleishman-Hillard Government Relations
League of California Cities
Metropolitan Water District of So. Calif.
Trimble Navigation
Wyle Laboratories
Xilinx

California Institute for Federal Policy Research
1608 Rhode Island Ave, NW, Suite 213
Washington, DC 20036 www.calinst.org

teaching those subjects in “high-need” schools for a period of time. The measure passed, 389-22, after lawmakers adopted, by voice vote, two amendments by bill sponsor Bart Gordon (TN). One would require the National Science Foundation to ensure that institutions serving minorities are included in scholarship awards. The other would expand the scholarship slightly. The other bill (H.R. 363) would authorize federal grants through 2012 for early-career scientists and engineers at universities and other organizations. The legislation would require the National Science Foundation to allocate at least 3.5 percent of its research money to the young-scientist programs. The bill passed, 397-20.

On April 25, 2007, the Senate passed a bill to boost funding for math and science research. The bill (S. 761) will double the budget of the National Science Foundation from \$5.6 billion to \$11.2 billion by FY 2011. The National Science Foundation contributes some 20% of all federal money awarded for scientific research at colleges and Universities. The bill also boosts funding for the Energy Department’s Office of Science, NASA, the National Oceanic and Atmospheric Administration, and other science-related industries while improving elementary and secondary education programs.

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

LOFGREN SUBCOMMITTEE CONTINUES IMMIGRATION HEARINGS

The House Judiciary Immigration, Citizenship, Refugees, Border Security, and International Law Subcommittee, chaired by Rep. Zoe Lofgren, continued its series of hearings on immigration issues, holding three more hearings in the last week.

The first, on April 20, 2007, examined shortfalls in the 1996 immigration reform law. The panel heard from several witnesses: Mark Krikorian, Executive Director, Center for Immigration Studies; Douglas Massey Ph.D., Professor of Sociology and Public Affairs, Princeton University; Hiroshi Motomura, Kenan Distinguished Professor of Law, University of North Carolina School of Law; and Paul Virtue, Former INS General Counsel and Executive Associate Commissioner Partner, Hogan & Hartson.

Professor Massey defended his thesis that the United States has pursued “a politics of contradiction.” On the one hand, expanding and integrating the North American market in goods and services, while on the other hand acting “unilaterally and with increasing militancy in a vain effort to block the movement of labor.” As a result, Dr. Massey contends not only has U.S. policy failed but it has produced results that are worse than if no policy changes had been made – “It is hard to imagine a more dysfunctional set of policies or outcomes,” he argued. In conclusion, he proposed four fundamental policy outcomes:

(1) regularizing the status of undocumented migrants through earned legalization programs; (2) accommodating future immigration from Mexico by increasing the quota for permanent residents from there and establishing a temporary worker program that protects native workers by guaranteeing labor rights for those with temporary visas; (3) shifting from border to internal

enforcement by creating a secure, machine readable identification card that workers use to prove their right to work in the United States; and (4) devoting more resources to immigration administration to reduce visa backlogs, increase efficiency, and dramatically improve government oversight of entries and exits.

Mr. Krikorian contended that the largest flaw in the 1996 legislation was the failure to cut overall legal immigration, as recommended by the U.S. Commission on Immigration. It called for about a one-third reduction in immigration by tightening the family reunification criteria and eliminating categories outside the nuclear family of husband, wife, and young children. The Commission also recommended eliminating the unskilled worker visa. Krikorian applauded the recent steps to improve enforcement and stressed that “the tiny glimmers of success we’re seeing underline the need for expanded enforcement measures to solidify these small gains and change the momentum so that illegals increasingly give up and deport themselves, thus reducing the illegal population through attrition.”

The Subcommittee next turned its focus to employment verification and worksite enforcement, holding hearings on Tuesday, April 24th and Thursday, April 26th. The first focused on problems in the current system with Jock Scharfen, Deputy Director of U.S. Citizenship and Immigration Services of the Department of Homeland Security and others testifying. Director Scharfen discussed the Employment Eligibility Verification (EEV) Program administered by USCIS, and previously known as the Basic Pilot Program. It provides employment eligibility information on newly hired employees to more than 16,000 participating American employers. The hearing brought out flaws in the current system, however, including the use of fraudulent documents, discrimination against individuals with “foreign-sounding” names, and database errors leading to false negatives. Scharfen detailed measures the agency is currently evaluating or implementing to address these concerns, including photo tool incorporation, automated registration, and enhanced monitoring and compliance.

On April 26th, the Subcommittee addressed proposals for improving the system and heard from several members of the House who have introduced legislation concerning employment verification, including Reps. Ken Calvert (Corona) and David Dreier (San Dimas). Rep. Elton Gallegly (Simi Valley) submitted a statement for the record. Rep. Calvert discussed his bill, H.R. 19, which would make the Employment Eligibility Verification System mandatory over a seven year phase-in. Rep. Dreier also discussed his bill, H.R. 98, which would require a “smart,” counterfeit proof Social Security card that would be used by individuals seeking a new job. Other witnesses were: Randel Johnson, Vice President, Labor, Immigration & Employee Benefits, U.S. Chamber of Commerce; Robert Gibbs, Partner, Gibbs Houston Pauw, on behalf of the Service Employees International Union; Jim Harper, Director of Information Policy Studies, The Cato Institute; and Jessica Vaughan, Senior Policy Analyst, Center for Immigration Studies.

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

The Subcommittee will continue assessing immigration issues with a hearing on May 1st on the use of point systems as a method for selecting immigrants.

In a separate matter, Rep. Joe Baca (Rialto) led a delegation of 22 Hispanic members to a meeting with the President, in his capacity as Chair of the Congressional Hispanic Caucus. Rep. Baca and the others called on President Bush to help pass comprehensive immigration reform legislation this year.

BERMAN JUDICIARY PANEL TACKLES PATENT REFORM

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, chaired by Rep. Howard Berman (North Hollywood) held a hearing on April 26, 2007 on H.R. 1908, the Chair’s recently introduced Patent Reform Act of 2007. Reps. Adam Schiff (Burbank) and Darrell Issa (Vista) also took part in the hearing.

H.R. 1908 is a comprehensive and complex rewrite of U.S. patent laws. Among its many provisions, it would shift the current system from first-to-invent to first-to-file, establish a post-grant opposition procedure, amend the willful infringement and apportionment doctrines, modify the trigger for the award of treble damages, change venue rules, and provide expanded rulemaking authority to the Patent and Trademark Office.

The Subcommittee heard from several witnesses, including: Kevin Sharer, Chairman of the Board and Chief Executive Officer Amgen Incorporated, Thousand Oaks, CA; and William T. Tucker, Executive Director, Research and Administration and Technology Transfer, University of California. The California Healthcare Institute also submitted a statement for the record.

Mr. Sharer, while committing to work with the Subcommittee to develop legislation acceptable to all industry groups, discussed two provisions that concern Amgen. First, he suggested that the post-grant opposition procedure, which is an additional PTO administrative procedure to challenge a patent throughout its life, may “become a vehicle to harass legitimate patent owners and make it difficult for them to enforce their patents. The “second window” in the pending legislation allows patents to be challenged repeatedly in the PTO throughout the life of the patent, resulting in more uncertainty-- not less -- and more litigation.” Second, he testified that coupled with the recent Supreme Court decision in the E-Bay case which makes it less certain that an injunction can be obtained after a patent is found to be valid and infringed, H.R. 1908's apportionment provisions could make it difficult for a patent owner to effectively recover damages for patent infringement.

Dr. Tucker, although not formally opposed to the shift to the first-to-file system, expressed substantial concern about its potential adverse impact on university technology transfer offices. For instance, he testified, “universities would have to act quickly to file applications in order to preserve their inventors’ rights, often before conducting a reasoned analysis of the merits of an invention. . . . And because research universities like the University of California receive such a large number of inventor disclosures in a wide variety of fields, this would be a huge burden for universities to undertake.”

At the end of the hearing, Chairman Berman indicated that, although there would be discussions on how to proceed, he hoped to mark up H.R. 1908 in about mid-May.

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

HOUSE COMMITTEE ON EDUCATION AND LABOR UNCOVERS MISMANAGEMENT IN THE READING FIRST PROGRAM

On April 20, 2007, the House Committee on Education and Labor, chaired by Rep. George Miller (Martinez), held a hearing entitled “Mismanagement and Conflicts of Interest in the Reading First Program.” The Reading First program was created as part of the 2002 No Child Left Behind Act. Reading First is a \$1 billion per year program that was established to provide kindergarten through third grade reading programs based on scientifically based reading research. The goal of the program is to ensure that every student can read at grade level or above by the end of the third grade. The hearing was spurred by the Education Department’s Inspector General who issued the first of six reports in 2006 detailing officials and contractors with deep financial and personal connections to specific reading products who used their positions within Reading First to promote those products over others. The hearing featured testimony from Education’s Inspector General, the former Program Director of Reading First, the Commissioner of the National Center for Special Education, and other university experts and education specialists.

The following are a few key points from the hearing:

- The allegations indicated that the Department of Education was promoting and excluding specific programs and assessments, as well as using consultants with ties to these programs and assessments
- The Department of Education’s Organization Act prohibits Department officials from exercising any control over the curriculum of a school; the No Child Left Behind Act includes a similar prohibition
- The Department appeared to be inappropriately influencing the use of certain programs and assessments
- The Department failed to comply with statutory requirements and its own guidance
- The Department obscured the requirements of the statute
- The Department created an environment that allowed real and perceived conflicts of interest

- There is clear evidence that states got this message – only three state educational agencies, in California, Michigan, and American Samoa, specifically identified the core reading programs that their subgrantees would use in their Reading First applications

- 60% percent of third grade students in Reading First schools were reading at the proficient level on measures of reading comprehension – up from 28% when the program began

- Third grade economically disadvantaged students reading at the proficient level have increased from 20% to 58%; third grade English language learners from 13% to 59%; and students with disabilities from 12% to 33%

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

HOUSE COMMITTEE ON EDUCATION AND LABOR DISCUSSES NCLB PROGRAMS FOR SCHOOL SAFETY AND DROPOUTS

On April 23, 2007, the House Committee on Education and Labor held a full committee hearing entitled “No Child Left Behind (NCLB): Preventing Dropouts and Enhancing School Safety.” NCLB contains provisions and programs to eliminate violence, drug use, and high drop out rates on school campuses. Part of the Annual Yearly Progress measurement standards for high school includes graduation rates. Studies have shown that students from low-income households, minority subgroups, or disabled students are more likely to drop out of high school. Also, students who feel unsafe or threatened in their school environments are more likely to drop out. The Committee heard testimony from the Intercultural Development Research Association, National School Safety and Security Services, Jobs for America’s Graduates, and representatives from the San Bernardino school district.

Some of the main points discussed at the hearing included:

- Pre-K through elementary federal funding is approximately \$16 billion, compared to approximately \$5 billion for middle and high school combined

- 71% of 8th graders are reading below grade level, increasing the difficulty of high school and increasing the likelihood of dropping out

- Of 15,000 high schools in the U.S., only 15% are responsible for the majority of the drop out students, and the government should focus funding and programs on those high schools with excessively high drop out rates

- Increasing the age of mandatory school attendance from 16 to 18 should be considered

For more information, please visit: <http://edworkforce.house.gov> .

BONO LEADS BIPARTISAN CALIFORNIA DELEGATION EFFORT CALLING ON FAA TO ENSURE AIR TRAVEL SAFETY

On April 18, 2007, a bipartisan cross-section of California Congressional Delegation members, led by Rep. Mary Bono (Palm Springs) wrote to express safety concerns regarding the Federal Aviation Administration's (FAA) staffing of air traffic control towers, including efforts by the FAA to relocate air traffic control operations from Palm Springs International Airport to Los Angeles.

“The tens of thousands of commercial and private aircraft that take to the sky each day, and the hundreds of thousands of flights that occur annually in Southern California must be given careful attention by the FAA,” Bono noted. “For the safety of the traveling public, emergency situations must be managed in split-second time by properly staffed air traffic control centers; and it is the FAA's responsibility to inform the public that this critical need is being met.” According to Hamid Ghaffari, Region Vice President of Western Pacific National Air Traffic Controllers Association, “The FAA plan to consolidate PSP approach control to the SoCal TRACON reduces efficiency for our users and is downright dangerous.”

In early April, Congresswoman Bono began circulating a letter to FAA Administrator Marion Blakey that expresses serious concerns with the FAA’s planned consolidation of radar functions at the Palm Springs Terminal Radar Approach Control (TRACON) into the Southern California TRACON (SCT). In addition,

the FAA plans to cease some evening terminal services at Palm Springs and relocate them to the already short-staffed Los Angeles Air Traffic Control Center. Los Angeles International Airport, whose air traffic operations are overseen by SCT, was in 2006 responsible for more than 61.4 million passengers and 650,629 arrivals and departures. Under the FAA proposed plan, Palm Springs International Airport operations of 1.5 million travelers and 200,000 airport operations would be overseen by SCT, increasing its workload.

“Air traffic controllers stand firmly in support of Congresswoman Bono and Congressman Filner and applaud them for leading a bipartisan coalition of California House Members in opposing the FAA’s ill-advised attempt to move the Palm Springs TRACON into the already overburdened and understaffed Southern California TRACON,” said National Air Traffic Controllers Association President Patrick Forrey. “SCT is the nation’s busiest TRACON, handling 2.2 million operations each year.”

“The SoCal TRACON is already severely understaffed with only 188 of the authorized 261 certified controllers,” said Congressman Bob Filner (San Diego). “The FAA’s proposal to consolidate SoCal with Palm Springs will only exacerbate staffing problems, and result in further delays and potential safety hazards for the traveling public.”

“The strains already imposed upon our nation's air traffic controllers, who must be prepared to deal with the very real threats against our national security, has alarmed many airport jurisdictions," added Bono. "These jurisdictions have encouraged the FAA to produce tangible reports that ensure the appropriate air traffic control staffing levels are maintained to assure the safety of America's traveling public.”

The letter to Administrator Blakey was signed by nearly half of the California Congressional delegation.

SENATE BANKING, HOUSING, AND URBAN AFFAIRS EVALUATES THE STRUCTURE OF DISASTER INSURANCE

On April 11, 2007, the Senate Committee on Banking, Housing and Urban Affairs held a hearing entitled “An Examination of the Availability and Affordability of Property and Casualty Insurance in the Gulf Coast and Other Coastal Regions” Coastal areas comprise only 17 percent of land area in the U.S., yet 55 percent of the nation’s population occupy those areas. The 2004 and 2005 hurricane, fire, and flood damage spurred a re-evaluation of the natural disaster insurance system, an issue important to Californians living in fire, earthquake, mudslide or flood prone areas. The discussion was held to examine how insurance coverage is becoming increasingly difficult to secure and afford in coastal or earthquake prone areas. Others are dropping certain coverages, such as windstorm, earthquake or fire, while others are drastically raising rates and deductibles. Many states have attempted to address the lack of available and affordable insurance by creating state insurance pools.

The following are a few key points and recommendations from the hearing:

- Private insurance companies often refuse coverage to people in high risk areas, with state-sponsored agencies are often the only insurance available
- The National Flood Insurance Program has borrowed \$16 billion from the Treasury to cover 2005 losses. The cost will in large part be borne by taxpayers nationwide, many of whom are not exposed to flood risks and do not receive coverage under the program
- Protective measures need to be created to keep people out of harm’s way and strengthen their ability to withstand future hurricanes and regulatory and legal reforms to improve the stability of insurers’ operating environment also need to be established
- National Association of Mutual Insurance Companies supports federal legislation that would create financial incentives to encourage states to adopt and enforce strong, statewide building codes and initiatives to create mitigation grant programs to enable homeowners in high-risk areas to invest in risk mitigation measures.

For more information, please visit: www.banking.senate.gov .

CARDOZA’S AGRICULTURE SUBCOMMITTEE HOLDS HEARING ON ORGANIC FARMING

On April 18, 2007 the Horticulture and Organic Agriculture subcommittee of the House Committee on Agriculture held its first hearing on the economic impacts and challenges of organic farming. Chairman Dennis A. Cardoza (Atwater) opened by explaining that the market for organic products is growing rapidly and that they have become mainstream staples with a high reputation for quality. However, he said that the integrity of the USDA's organic certification is being challenged by lack of staff and increasing import of organic foods and that organic farmers need more research and other support from the USDA.

The subcommittee heard testimony from three panels of witnesses; the first was composed of representatives from organic cooperatives, foundations, and government organizations and the second and third were composed of farmers and manufacturers who shared their own experiences with organic farming. Ms. Caren Wilcox, Executive Director and CEO of the Organic Trade Association, explained that US farmers are not keeping up with demand for organic products and as a result consumers are turning to organic food imported from countries they may not have as strict standards and certification processes. She recommended that the USDA provide organic farmers with research and data collection comparable to what they provide for conventional farmers, provide farmers with technical assistance in converting to organic crops, and increase its staff to keep up with the growing number of farmers trying to obtain organic certification. Mr. Robert B. Marcusee, Director of Rural and Economic Development for Woodbury County, recounted the devastating effect the industrialization of farming had on the population of Woodbury County and explained how the county used tax rebates and mandatory local food purchase policies to encourage organic production and bring small family farming back. Ms. Bea James, Category Leadership Program Manager for the National Cooperative Growers Association, agreed that organic farming had a positive impact on local farmers, communities, and economies and that organic farmers were having difficulty meeting consumer demand. Finally, Policy Program Developer for the Santa Cruz-based Organic Farming Research Foundation Mark Lipson expanded on the challenges facing US organic products explaining that the lack of government data collection and statistics made it more difficult for organic farmers to get loans, that the government spends less than 1% of its agriculture research budget on organic products, and that as a result the US share of the organic market is quickly declining.

The organic farmers and manufacturers who testified were Mr. Manuel Vieira of A.V. Thomas Produce; Ms. Mary-Howell R. Martens of Lakeview Organic Grains; Mr. Scott Lively of Dakota Beef, LLC; Mr. Robert Pike of Braswell Foods/Glenwood Foods; Ms. Sandra Marquardt representing Ms. La Rhea Pepper of Organic Essentials, Inc.; Mr. Lynn Clarkson of Clarkson Grain Company, Inc.; Mr. Rich Ghilarducci of Humboldt Creamery; and Ms. Nicole Bernard-Dawes of Late July Snacks. They all reiterated the need for more government research and technical training and for a better funded, more rigorous certification system. Mr. Vieira, whose company is based in Livingston, California, also said that the increasing cost of water and the increasing cost of, and competition for, land posed serious problems. It typically takes three years to prepare land for organic production; since most leases last only five or six years A.V. Thomas Produce is only able to produce organic products for less than half of its lease. Mr. Rich Ghilarducci, who company is based in Fortuna, California, emphasized the ability of organic products to bring back small, family farms and the need for training and certification.

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

HOUSE SUBCOMMITTEE ON EARLY CHILDHOOD, ELEMENTARY AND SECONDARY EDUCATION DISCUSSES NCLB SUPPLEMENTAL SERVICES

On April 18, 2007, the House Committee on Education and Labor, Subcommittee on Early Childhood, Elementary and Secondary Education held a hearing entitled "Supplemental Education Services under the No Child Left Behind (NCLB) Act: How to Improve Quality and Access." NCLB offers supplemental services such as tutoring or extra assistance for students and schools struggling with federal standards. Several supplemental services pilot programs are in operation and the hearing was held to determine the successes and challenges of the various supplemental services programs. The Committee heard testimony

from the Government Accountability Office, state departments of education, district level representatives, and the Citizens' Commission on Civil Rights.

Some of the main points discussed at the hearing included:

- Only 19% of eligible students received supplemental services from NCLB programs
- There are limited supplemental services provided for special needs students such as English Language learners or disabled students
- Private contracts for supplemental services need to be inspected for qualified assistance including curriculum, background checks, quality of instruction, and safety of locations

For more information, please visit: <http://edworkforce.house.gov> .

SENATE SCIENCE & TECH SUBCOMMITTEE CONSIDERS SCIENTIFIC RESEARCH

On April 19, 2007 the Science, Technology, and Innovation Subcommittee of the Senate Committee on Commerce, Science, and Transportation held a hearing on the role of basic scientific research in US competitiveness and on S. 761, America COMPETES (see related article).

The witnesses were Dr. John Marburger III, Director of the Office of Science and Technology Policy in the Executive Office of the President; Dr. Arden L. Bement Jr., Director of the National Science Foundation (NSF); and Dr. William A. Jeffrey, Director of the National Institute of Standards and Technology (NIST) in the Department of Commerce. Dr. Marburger presented President Bush's FY 2008 research and development budget. The proposed budget is \$142.7 billion dollars (\$5.5 billion over the previous budget) and increases non-defense spending by over 2.1%. The money will fund research on climate change, nano-technology, and networking and information technology, as well as biomedical research, educational programs, and research programs within organizations such as the National Oceanic and Atmospheric Administration, the Department of Transportation, the Department of Defense, the Environmental Protection Agency, the American Competitiveness Initiative (ACI), and NASA. Dr. Marburger said that the continuing resolution for FY 2007 had underfunded the ACI and NASA and expressed his concern that S. 761 and earmarking would both divert money from ACI agencies.

Dr. Bement explained that NSF sponsors 50% of all non-life sciences research at academic institutions with only 4% of the scientific research budget. The agency has worked on such advances as MRIs, the internet, and computer-aided design systems and the products of its research have contributed hundreds of billions of dollars to the economy. Dr. Bement praised the President for allocating NSF \$64.3 billion in his FY 2008 budget. The amount is \$513 million more than the previous year's and would increase spending on basic research by 7.7% and spending on science education by 7.5%. The projects the money would go to include improved computer technology and modeling, international partnership programs, the study of polar regions, and awards and awards monitoring.

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

HOUSE COMMITTEE ON FISHERIES, WILDLIFE, AND OCEANS REVIEWS OCEAN WILDLIFE AND CLIMATE CHANGE

On April 17, 2007, the House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, and Oceans held a hearing entitled "Wildlife and Oceans in a Changing Climate." The discussion was held to shed light on the impacts of climate change and additional factors which can exacerbate global warming impacts, including habitat degradation and loss, invasive species, disease, pollution, poaching, and overfishing. The hearing featured testimony from witnesses representing academia and environmental organizations, as well as government agencies.

Dr. Terry Root, Ph.D., Center for Environmental Science and Policy, Stanford University provided testimony on the effect of global warming on animals and plants. Dr. Root testified that wild species and their ecosystems are not only having to adapt to warmer temperatures, but are having to cope with the most rapid rate of temperature increase in the last 18,000 years. In addition, unlike the past, they are under stress

due to other human-caused problems – for example, pollution, land-use change, and invasive species. As a result, Dr. Root believes that “by 2100 the resilience of many ecosystems is likely to be exceeded by an unprecedented combination of change in climate, associated disturbances (e.g., wildfire, insects), and other changes happening globally, such as land-use change, over exploitation of resources, invasive species, pollution (high confidence). Key ecosystem properties, (e.g. biodiversity), or regulating services, (e.g. carbon sequestration), are very likely to become impaired.”

The following are other points from the hearing:

- Extrapolating out the more recent warming trend to a comparable 1000 years, there is a 7 degrees C/1000 years raise in temperature – some 7 times faster than in the last 18,000 years
- Large portions of both North and South America are projected to experience at least 20-30% species turnover under even the lower greenhouse-gas emissions scenario and at least 30-40% species turnover under the mid-high scenario
- Over the last 30 years, around 115 species (plants and animals together) from locations around the globe were found to be changing the timing of a spring event earlier by around 5 days per decade
- Today, each American emits about 120 pounds of carbon dioxide into the atmosphere each day, and already about 1/3 of this is being absorbed by the ocean

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

SENATE COMMERCE PANEL ASSESSES FREE TRADE

The Senate Commerce Subcommittee on Interstate Commerce, Trade, and Tourism held a hearing on April 18, 2007 entitled “Is “Free Trade” Working?” The subcommittee heard from: Leo Hindery, Jr., Managing Director, InterMedia Partners; Lori Wallach, Director, Global Trade Watch, Public Citizen; Doug Bartlett, Chairman, Bartlett Manufacturing; Christopher Wenk, Senior Director, International Policy, U.S. Chamber of Commerce; and Edward Gresser, Director, Trade and Global Markets Project, Progressive Policy Institute.

Mr. Hindery and Ms. Wallach argued that “free trade” is a failed policy. They stressed the burgeoning U.S. trade deficit, noting that the trade deficit with China alone has reached \$233 billion, with \$288 billion in goods imported from China while only \$55 billion in goods were exported from the U.S. They also cited China’s currency manipulation, trade subsidies for its companies, and exceedingly low wages. Mr. Hindery urged that any future U.S. trade agreements must address labor and environment issues.

Mr. Wenk, on the other hand, detailed the benefits to the U.S. economy and its citizens of the growth of open, global trade. He stated that America’s international trade in goods and services now accounts for roughly 27% of the country’s GDP, and cited the Office of the U.S. Trade Representative’s assessment that the combined effects of the North American Free Trade Agreement (NAFTA) and the Uruguay Round trade agreement that created the WTO have increased U.S. national income by \$40 billion to \$60 billion a year.

Mr. Gresser took a more middle-of-the-road perspective and provided the Subcommittee with a detailed analysis of U.S. trade over the last several decades. He concluded that with all its benefits, U.S. foreign trade “must be accompanied by new and ambitious reforms at home, which blend open markets with the domestic and financial policies that promote growth and give workers the tools they need to succeed in an ever-more demanding world.”

For all of the testimony, go to: <http://commerce.senate.gov> .

HOUSE HEALTH SUBCOMMITTEE EXAMINES PDUFA

The House Energy & Commerce Health Subcommittee held a hearing on April 17, 2007 on reauthorization of the Prescription Drug User Fee Act. The Act, passed in 1992, authorizes the Food & Drug Administration to collect user fees from pharmaceutical companies applying for drug approval. The fees are used by FDA for additional reviewers and improved technology to process drug approval applications in a timely manner. The Subcommittee heard from a number of witnesses, including: Dr. Theresa M. Mullin,

Assistant Commissioner for Planning, Food and Drug Administration; Dr. Alan Goldhammer, Deputy Vice President for Regulatory Affairs, Pharmaceutical Research and Manufacturers of America (PhRMA); Kay Holcombe, Senior Policy Advisor, Genzyme Corporation, on behalf of The Biotechnology Industry Organization; and Mr. William K. Vaughan, Senior Policy Advocate, Consumers Union.

Dr. Mullin testified about FDA's implementation of PDUFA and its benefits, noting that the median approval time for priority drug and biologics applications has been reduced from 14 months in fiscal year (FY) 1993 to a median of six months in FY 2006. Nevertheless, she said, program costs and increased workloads have continued to grow and fee adjustments have not been able to keep up. As a result, FDA recommends changes to PDUFA that will allow fees to be increased by \$87.4 million per year, yielding a total of \$392.8 million in user fees in FY 2008. Dr. Mullin also detailed other recommendations to improve PDUFA, including changes in the pre-market review process and the post-market drug safety system. FDA is also recommending a new program to assess fees to review direct-to-consumer advertising.

Dr. Goldhammer and Ms. Holcombe testified to the benefits realized under PDUFA and supported the FDA proposals for increasing fees for an advisory review process and modernized drug safety program. Mr. Vaughan, however, called PDUFA a failed program, arguing that FDA is too beholden to the drug companies because those companies are responsible for over half of FDA's funding. Instead, he argued that FDA's budget should be solely provided by general treasury funds. He allowed, however, that because of budget constraints this could not be accomplished this year, but should still be the long term goal.

For the testimony of all the witnesses, visit <http://energycommerce.house.gov> .

HOUSE SUBCOMMITTEE HOLDS HEARING ON FEDERAL MILK MARKETING ORDER RULEMAKING PROCEDURES

On April 24, 2007 the Livestock, Dairy, and Poultry Subcommittee of the House Committee on Agriculture held a hearing on rulemaking procedures for the USDA's Federal Milk Marketing Order. Subcommittee Chair Leonard L. Boswell (IA) said that it often takes the Federal Marketing Order two years to approve and implement new rules and noted that a growing number of government officials feel that there is a need for a commission to review the rulemaking process and recommend changes. Representative Boswell suggested California's dairy pricing program as a good model for revised rulemaking procedures.

The witnesses on the first panel were Mr. Lloyd Day, Administrator of the Agricultural Marketing Service at the U.S. Department of Agriculture, and Mr. Kelly Krug, Director of Marketing Services for the California Department of Food and Agriculture (CDFA). Mr. Day said that the US milk industry is doing well and that, although cattle feed prices have increased, milk prices have increased at the same time and the US remains the world's largest exporter of nonfat milk products. He said that the Federal Milk Marketing Order Program helps farmers by setting milk prices in participating areas to a minimum based on producer numbers, milk marketings, prices, fluid milk sales, and dairy product production. He acknowledged that the process of changing rules is often slow because the Federal Milk Marketing Order is required to use formal rulemaking procedures but said that these procedures allowed for greater transparency and industry participation and that the USDA was considering several possible procedural changes that could allow rule changes to be implemented within 14 months and emergency rule changes to be implemented within 10 months. Several committee members expressed their concern that this still would not be fast enough to help farmers and that the USDA's reliance on self-reported production for pricing decisions left them vulnerable to fraud and mistakes. Mr. Krug explained that the USDA and the CDFA have similar dairy pricing and milk pooling systems but that the CDFA has an emphasis on innovation and reacting quickly to the market and therefore sets its minimum prices based on actual market prices and public hearings and changes its rules via additional public hearings. As a result, the CDFA is able to implement most changes within three to five months. Mr. Krug cautioned, however, that even with changes USDA rulemaking would likely take longer than California's rulemaking because of various procedures such as California's proscription against cross-examination.

For the testimony of all the witnesses, please visit: <http://agriculture.house.gov> .

HOUSE ENVIRONMENT AND HAZARDOUS MATERIALS SUBCOMMITTEE HOLDS HEARING ON PERCHLORATE

On April 25, 2007 the Environment and Hazardous Materials Subcommittee of the House Committee on Energy and Commerce held a hearing on the health and environmental impact of perchlorate exposure. Perchlorate is a chemical most commonly found in rockets used by the Department of Defense and NASA; studies suggest that it inhibits thyroid function by blocking the uptake of iodine. Subcommittee chair Albert R. Wynn (MD) opened the hearing by criticizing the EPA for failing to take action on perchlorate contamination despite having spent over a decade studying the issue. He praised Subcommittee vice-chair Hilda L. Solis (El Monte) for sponsoring H.R.1747 which would require the EPA to establish a national water standard for perchlorate in drinking water. Representatives Bart Stupak (MI), Lois Capps (Santa Barbara) and Solis all agreed that action on perchlorate contamination was needed and Representative Solis expressed her belief that the hearing could be a bipartisan, collaborative process.

The first hearing panel consisted of John B. Stephenson, Director of Natural Resources & Environment at the Government Accountability Office; James Pirkle, Deputy Director for Sciences at the Centers for Disease Control and Prevention; Robert E. Brackett, Director of the Center for Food and Safety and Nutrition at the U.S. Food and Drug Administration; Benjamin Grumbles, Assistant Administrator of the Office of Water at the U.S. Environmental Protection Agency; and Alex Beehler, Assistant Deputy Under Secretary Of Defense for Environment Safety & Occupational Health at the U.S. Department of Defense. Mr. Stephenson summarized the results of a GAO study which found 395 sites in the US with perchlorate contamination ranging from 4 to 3 mil ppb, the most common source of which was the DoD (28% of all sites, 65% of all sites with an identifiable source). He also summarized the results of a GAO review of studies on perchlorate, about a quarter of which found adverse effects from perchlorates, and urged the EPA and DoD to work with states and improve their systematic information collection. Dr. Pirkle summarized the results of a nationally representative study that found that all 2000 participants had measurable perchlorate in their urine, although only 11 exceeded the EPA's reference dose. The study also found a relationship between perchlorate exposure and adverse thyroid hormone levels in women with iodine deficiency (which 36% of women in the US have.) Mr. Brackett summarized the result of an FDA study which found perchlorate contamination in a variety of foods, including baby food and infant formula, but said that no definite conclusion on perchlorate exposure from food could be made until the FDA released its more representative total diet sample later this year. Mr. Grumbles said that he believed the EPA's reference dose levels for perchlorate were appropriate based on current research but said that more information was needed before final standards could be issued. Mr. Beehler said that the DoD was actively working on perchlorate monitoring and clean-up and was in the process of researching safer perchlorate substitutes.

For the testimony of all the witnesses, please visit: <http://energycommerce.house.gov> .

SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY REVIEWS FARM BILL AND SUBSIDIES

On April 24 and 25, 2007, the Senate Committee on Agriculture, Nutrition, and Forestry held a series of hearings to discuss the reauthorization of the 2002 Farm Bill, farm subsidies, and the economic hardships of American farming families. The hearings were entitled "Economic Challenges and Opportunities Facing American Agricultural Producers Today." The first hearing in the series, held the week of April 16th, discussed livestock, poultry and competition issues. The second hearing, held on April 24th, focused on specialty crops, dairy, sugar, organic production and marketing, and honey. This hearing was of particular importance to California growers who dominate the specialty crops and organic crop production and featured testimony from A.G. Kawamura, State Director of Agriculture for California. The third hearing

held the 25th had testimony from general farm and commodity-specific organizations, including a focus on farm programs and the commodity title of the farm bill.

The following are a few of the key points from the series relating to California:

- Colony Collapse Disorder has decimated honey bee populations and scientists are still baffled as to the cause; honey bees are responsible for pollinating one third of the human food supply: nearly every bee colony in the U.S. is transported to California to pollinate the almond fields which require over a million colonies for pollination every season

- The UC system is the primary research group for organic crops and honey bees

- The organic food industry is growing extremely rapidly with little data on markets, production, or imports in the area; the lack of data is influencing risk assessments for crop insurance and marketing decisions for growers

- Currently, the USDA organics department is overwhelmed because it has a staff of only 9 people

- Specialty crop representatives requested more expenditures on research, especially markets, pesticides, seed breeding, and technical assistance

- Specialty crop representatives also applauded S. 1160 the Specialty Crop Competition Act, technical assistance programs, market access program, healthy snacks school programs and the state bloc grants for specialty crops

- Currently, the USDA is prohibited from funding research for mechanical harvesting devices

- The current milk subsidy program is very controversial, some favor replacing the current program with direct payments, others want to eliminate subsidies in favor of price supports

- Weather related disasters leave farmers most vulnerable; County based disaster relief funds have helped

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

SANCHEZ SUBCOMMITTEE EXAMINES SAFE PORT ACT

On Thursday, April 26, 2007, the House Homeland Security Subcommittee on Border, Maritime and Global Counterterrorism, chaired by Rep. Loretta Sanchez (Anaheim), held a hearing entitled, "The SAFE Port Act: A Six Month Review."

At the hearing, Chairwoman Sanchez focused considerable attention on the progress to date for implementing the Transportation Worker Identification Credential (TWIC) program, which seeks to ensure that every person working at or with the nation's ports has a unique, biometric encoded identity card. The program was scheduled for substantial implementation in the next few months, and many doubt that ramp-up milestones are achievable.

The first panel of witnesses included Admiral Craig E. Bone, Assistant Commandant for Prevention at the U.S. Coast Guard; Jayson Ahern, Assistant Commissioner for Field Operations at the DHS Bureau of Customs and Border Protection; Maurine Fanguy, Program Director for the Transportation Worker Identification Credential (TWIC) program at Transportation Security Administration (TSA); and Stephen L. Caldwell, Director of the Homeland Security and Justice Issues area at the U.S. Government Accountability Office (GAO).

CBP Assistant Commissioner Ahern commented that there has been increased screening upon stuffing of containers overseas to meet the directives of the SAFE Port Act. He also noted that large-scale x-ray systems, expanded radiation screening, and other prevention methods are being implemented. He said that there are now 966 radiation screening operations coming on line, which would cover 96 percent of trucks and 90 pct of ships. He also noted that 52 percent of containerized cargo is presently being screened for radiation, a number that will rise to 58 percent by end of this year. (Estimates of screening capacity at the Ports of Los Angeles and Long Beach are reportedly well ahead of that schedule.)

TSA's Maurine Fanguy commented that vigorous testing in test areas is the only way to ensure TWIC is ready to go live. She said that 136 ports will eventually be slated for TWIC implementation - starting in Wilmington, then 10 others (which she could not list), and then rolled out incrementally after that.

The GAO's Stephen Caldwell stated that while it is true that DHS and TSA do need newest technologies to ensure the best techniques are available, an equally important input in training so that federal employees know how to use the technologies.

In response to questioning by Chairwoman Sanchez regarding screening of empty containers that return to US ports after delivering goods across the nation, Ahern stated that CBP tracks only empties that arrive from foreign locations, not domestic empty containers.

A second panel included George P. Cummings, Director of Homeland Security for the Port of Los Angeles, Richard Wainio, Port Director & CEO for the Tampa Port Authority; Leal Sundet, Coast Committeeman for the Longshore Division of the International Longshore and Warehouse Union (based in Los Angeles); and Manny Aschemeyer, Executive Director of the Marine Exchange of Southern California

As had been expressed in discussions during the first panel, there was considerable concern about the TWIC program, particularly the timetable and the balancing of protections against the danger that poor implementation or hasty action could jeopardize the flow of commerce through the ports.

Longshore workers representative Leal Sundet expressed various concerns with the TWIC program, including that it is too complicated to work smoothly, at least so far. He also expressed concern that ensuring safeguards at the domestic ports do not protect dockworkers as well as would robust prevention and interdiction efforts at overseas facilities. He also agreed with Chairwoman Sanchez and expressed concern about empty containers, commenting that it "might be easier to attack a ship in the Port of Los Angeles / Long Beach by tampering with a container in the U.S. before its return by truck, rather than to try tamper with it overseas.

Further information may be available at <http://homeland.house.gov> .

MAY 4 LUNCH BRIEFING TO DISCUSS OUT-OF-SCHOOL IMMIGRANT YOUTH

On Friday, May 4, 2007, the Public Policy Institute of California (PPIC) and the California Institute for Federal Policy Research will host a PPIC Luncheon Briefing regarding a new report, entitled "Out of School Immigrant Youth." Largely hidden from public view, a subset of California's population is also one of its most vulnerable: immigrant youth, mainly from Mexico, who have very low levels of education. Some of these youth never enroll in U.S. schools and many must work to support families. They have poor English language skills, high poverty rates, and low rates of health insurance. The persistent low educational attainment of these young people could have ramifications for the future of the entire state -- exacerbating the projected shortage of educated workers.

A new report from PPIC, Out-of-School Immigrant Youth, finds that improving access to educational services for these young immigrants is especially important because many of them are interested in learning but very few of them are being reached. In particular, the report examines the federal Migrant Education Program (MEP), which devotes some of its resources to helping this group.

The one of the authors of the report, Laura E. Hill, will discuss her study findings on Friday, May 4, 2007 at a 12:00 noon Capitol Hill luncheon briefing in Room 2226 of the Rayburn House Office Building. The lunch will be hosted jointly by PPIC and the California Institute, both of which are nonprofit organizations that do not hire lobbyists. 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 randsell@calinst.org. A flyer regarding the briefing may be obtained at <http://www.calinst.org/events/2007-05-04-PPIC.pdf> .