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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.

SENATORS REACH AGREEMENT ON COMPREHENSIVE IMMIGRATION REFORM

After months of tough negotiations, on May 17, 2007 a bipartisan group of ten Senators reached an agreement on comprehensive immigration reform. Senators Edward Kennedy (MA) and Jon Kyl (AZ) led the working group, with Sen. Dianne Feinstein also playing a leading role.

The agreement provides an eventual path to citizenship by creating a new “Z Visa” for undocumented workers already in the U.S., who pass a criminal background check, remain employed, and pay a \$5,000 fine, as well as processing fees. The Z Visa would be renewable indefinitely; but to obtain permanent legal residence, the head of an undocumented household family would have to return to the home country within eight years to apply for permanent residency on behalf of all family members.

The bill also establishes a temporary worker program to let in 400,000 migrants annually. That visa would last two years and be renewable three times, but the worker would have to leave the U.S. for a year between renewals. The bill sets up a trigger, however, so that these provisions will not take effect until strong border controls have been implemented and enforcement is stepped up against employers who hire illegal immigrants.

Other provisions in the agreement will limit some family reunification by establishing a point system. Spouses and minor children would still be automatically eligible for U.S. entry, but adult children and siblings would be ranked on the basis of education, work skills, and English proficiency. Unskilled parents of legal residents would still be eligible for entry, but there would be an annual cap on the number allowed to migrate.

At the press conference announcing the agreement, Sen. Feinstein called on the American people not to let “the perfect be the enemy of the good.” Recognizing that the bill is not perfect and won’t please everyone, she still stressed that it will solve the basic problems in our immigration system. President Bush also announced that he supports the compromise and looks forward to signing it into law after it works its way through Congress.

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Although there remains strong opposition to the bill, or parts of it, the Senate expects to take it up on the floor the week of May 21st.

DEMOCRATS AND ADMINISTRATION AGREE ON NEW TRADE POLICY STANDARDS

Democratic leaders and the Bush Administration announced on May 10, 2007 that they have reached agreement on a new trade policy for the United States. The agreement is expected to pave the way for approval of free trade agreements (FTAs) with Peru and Panama, as well as enhance the chances of approving an FTA with Colombia and perhaps helping to revive the long-stalled Doha round of trade negotiations.

The agreement would require trade agreements to contain provisions barring forced labor and child labor in the trading partner country and allowing workers the right to organize unions. However, such provisions may not influence U.S. labor law. If a trading partner does not comply with these labor standards it would trigger the same enforcement mechanism that governs the rest of the trade agreement. The trading partner would also have to agree to adopt and abide by several multilateral environmental agreements.

For more information on the agreement, go to <http://waysandmeans.house.gov>.

PATENT REFORM BILL REPORTED FROM JUDICIARY SUBCOMMITTEE DESPITE DILATORY TACTICS

On Wednesday, May 16, 2007, the House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, chaired by Rep. Howard Berman (North Hollywood), favorably reported H.R. 1908, the Patent Reform Act of 2007, by voice vote. To get to that point, however, the Subcommittee had to overcome attempts by Rep. James Sensenbrenner (WI) to derail the bill amid recesses for floor votes.

Many members of the Subcommittee, including Chairman Berman and Ranking Member Lamar Smith (TX), acknowledged that the bill still needed at least fine tuning, and they pledged to continue working on several controversial provisions to resolve differences. Chairman Berman also had a Manager's Amendment to offer that he hoped would alleviate many of the concerns raised by members and outside interest groups. Sensenbrenner, however, opposed moving the bill out of Subcommittee until all the issues had been resolved. So, when Berman offered his Manager's Amendment in the nature of a substitute, Sensenbrenner, who had been Chairman of the full Committee during the 109th Congress, objected to dispensing with its being read aloud. After an aborted attempt to table that move with two roll call votes, Berman withdrew his 50-page amendment.

Other Californians participating in the markup included Reps. Zoe Lofgren (San Jose), Elton Gallegly (Simi Valley), Adam Schiff (Burbank), and Brad Sherman (Sherman Oaks).

Two of the issues that are raising the most concern are:
- apportionment of damages, especially if the infringed patent is for a component part of the final product. The bill would limit damages to a reasonable royalty for the infringed patent, rather than lost profits on the entire product. Some argue this will diminish the value of a patent. The Manager's Amendment

would prevent apportionment where a patent holder with a successful judgment of infringement is pursuing lost damages; and

- how to limit a newly created post-grant administrative proceeding to oppose a patent, so that there is a time certain when a patent can no longer be attacked. The Manager's Amendment would limit post-grant reviews after the end of district court litigation.

Among other reforms, H.R. 1908 would switch U.S. patent law from a first-to-invent system to a first-to-file one, which would bring it into harmony with almost all other countries. It would also give the Patent and Trademark Office regulatory authority equal to that of other federal agencies. The bill also changes the venue criteria to determine where patent lawsuits may be brought; some members believe that further refinements are need to these provisions before the bill leaves the Judiciary Committee.

A full committee markup session to complete work on H.R. 1908 is expected in either the late spring or early summer of 2007.

SENATE PASSES 2007 WRDA BILL; CONFERENCE WITH HOUSE VERSION UP NEXT

By the overwhelming vote of 91-4, the Senate on May 16, 2007, passed its version of H.R. 1495, the Water Resources Development Act of 2007. The bill authorizes flood control, navigation, and ecosystem restoration projects throughout the United States at an estimated cost of about \$14 billion. The House passed its bill, with a similar price tag, on April 19, 2007. Congress has not enacted a water projects authorization bill in seven years.

In addition to authorizing numerous projects in California, the bill creates a National Levee Safety Program and improves flood protection for Sacramento, as well as other communities across the country. The Senate bill also requires Army Corps of Engineers projects costing over \$40 million to undergo independent review. During floor consideration, an amendment was approved that is intended to reduce the estimated \$58 billion backlog of Army Corps of Engineers water projects. The amendment, offered by Sens. Tom Coburn (OK) and Jim DeMint (SC) requires the Corps to report annually on project funding and requires that projects which have not gotten any construction funding in nine years be deauthorized.

After passage of the bill, Sen. Barbara Boxer, chair of the Environment and Public Works Committee and author of the Senate bill, stated: "This bill meets our communities' and our nation's acute and unmet water infrastructure needs and it does it in a fiscally responsible way. ... The Water Resources Development Act and the projects, policies, and programs it authorizes are essential components of keeping our economy growing. From trade to transportation, disaster prevention to rural recreation, this bill helps America compete in the world and stay strong and safe at home."

For further information on the Senate bill and to see a list of the projects in the bill -- although without accompanying price tags -- go to: <http://epw.senate.gov> .

HOUSE SUBCOMMITTEE ON INCOME SECURITY AND FAMILY SUPPORT HOLDS HEARING ON THE CHILD WELFARE SYSTEM

On May 15, 2007, the Subcommittee on Income Security and Family Support of the House Committee on Ways and Means held a hearing on the challenges facing the child welfare system. The witnesses were the Honorable Anne Holton, First Lady of the Commonwealth of Virginia; Cornelia M. Ashby, Director of Education, Workforce and Income Security for the U.S. Government Accountability Office (GAO); William Bell, President and Chief Executive Officer of Casey Family Programs; Mary Nelson, Administrator of the Division of Child and Family Services for the Iowa Department of Human Services ; and Ed Cotton an independent consultant.

Ms. Ashby delivered the results of GAO's July and October 2006 reports on the child welfare system, which found that most states were not meeting the outcome goals set by the Department of Health and Human Services (HHS). Problems reported by child welfare workers included inadequate mental health and substance abuse services, excessive case-loads and lack of administrative support for case-workers, difficulty finding homes for special needs and older children, lack of services for at-risk families and for parents and relatives trying to reunite with children in foster-care, lack of disaster-planning, and an overall lack of funds. Ms. Ashby said that, although states have many initiatives under way to improve the system, most of them do not address what states

identify as their biggest problems and many ignore underlying factors in the problems they do address – for example, efforts to recruit more case-workers do not address the lack of support and excessive administrative responsibilities that drive many case-workers away in the first place. She said the GAO recommended increasing case-workers' awareness of the resources available to them but that they agreed with HHS that this would not be enough on its own.

Other problems identified by the witnesses include insufficient staffing of child abuse hotlines, inadequate investigation of abuse reports, inadequate supervision of abused children left with or reunited with their guardians, lack of support for children who age out of foster-care, educational disruption during moves to, from, and between foster homes, and the disproportionate number of children of color in the foster care system, which may indicate biased decision making. Witnesses recommended increasing community and cross-system engagement, increasing research and data collection, tying raises and increases in funding to performance, and training foster-parents to better support special needs children and children from different cultural backgrounds than their own.

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

HOUSE SCIENCE AND TECHNOLOGY HOLDS HEARING ON CLIMATE CHANGE

On May 16, 2007, the House Committee on Science and Technology held a hearing on the fourth assessment report by Working Group III of the Intergovernmental Panel on Climate Change (IPCC). In his opening statement committee Chair Bart Gordon (TN) said that both mitigation and adaptation would be necessary to prevent global climate change and that, although they would be costly, the cost would be less than that of letting climate change continue and would be offset by the creation of new jobs and industries to develop climate change technology. Ranking member Ralph M. Hall (TX) disagreed, saying that action to mitigate climate change would cost hundreds of billions of dollars and would be useless if developing countries like China and India did not follow suit. Rep. Jerry McNerney (Tracy) suggested that the development of climate mitigation technology would actually help the economy while Rep. Dana Rohrabacher (Huntington Beach) expressed concern that IPCC scientists were pressured to exaggerate the severity of, and the human contribution to, climate change

All but one of the witnesses were authors of the IPCC report. Dr. Steven E. Plotkin was the lead author of Chapter 5: Transport and its Infrastructure; Dr. Mark D. Levine, a senior scientist at Lawrence Berkeley National Laboratory, was the coordinating lead author of Chapter 6: Residential/Commercial; Dr. William A. Pizer was the lead author of Chapter 11: Mitigation from a Cross-Sectoral Perspective; and Dr. Roger A. Pielke is a professor of environmental studies at that University of Colorado, Boulder. Dr. Plotkin said that the growth of personal transport in developing countries and the use of fuel efficiency improvements to increase transport speed and size rather than reduce emissions posed a threat to climate change mitigation. He recommended research into hydrogen fuel cells, aerodynamics, and biofuels and policies for efficient urban planning, more mass transport, and a fuel economy standard. Dr. Levine said that more energy efficient buildings would improve air quality, social welfare, and energy security and could reduce building sector CO₂ emissions by up to 30% without economic harm. However, he said that improving energy efficiency would require targeted government policies and might be difficult for developing countries to achieve. Dr. Pizer presented the estimated costs of mitigation action under a variety of scenarios; a moderate scenario would result in a 3 percent reduction of GDP by 2030, a cost of about \$1,650 per household. More optimistic scenarios project minuscule costs or even economic gains because of mitigation's beneficial effect on technological growth. Dr. Pizer expressed skepticism towards the low cost estimates since the scenarios assumed an unlikely degree of international cooperation and encouraged careful cost-benefit analysis when deciding which types of mitigation activities to pursue. Finally, Dr. Pielke said that, while climate change is important, its immediate impact will not be as dramatic as that of many other environmental problems. Likewise, he said that the effect of climate change mitigation on the GDP will be dwarfed by other development factors and could easily be positive, although he recommended local test programs to be sure.

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

IMMIGRATION HEARINGS CONTINUE IN HOUSE

The House Judiciary Subcommittee on Immigration, chaired by Rep. Zoe Lofgren (San Jose) continued its examination of immigration topics with hearings on Wednesday and Thursday, May 16 and 17, 2007, with a third hearing scheduled for Friday, May 18.

Wednesday's hearing focused on the assimilation of immigrants in the United States. The witnesses were: John Fonte Ph.D., Senior Fellow at the Hudson Institute; Gary Gerstle Ph.D., Professor of History, Vanderbilt University; Donald Kerwin, Executive Director, Catholic Legal Immigration Network, Inc.; and Rubén G. Rumbaut Ph.D., Professor of Sociology, University of California, Irvine.

Dr. Rumbaut's testimony examined the evolution of English and foreign language competencies, preferences and use among immigrants and their children in the United States, drawing on two new surveys which permit both a longitudinal and a cross-generational analysis of key policy questions: the Children of Immigrants Longitudinal Study (CILS), and the Immigration and Intergenerational Mobility in Metropolitan Los Angeles (IIMMLA) survey. Rumbaut's research led him to two conclusions: first, that recently arrived immigrants tend to continue to use their native language, regardless of age and education, but, second, "time has a strong eroding effect on native language retention." The "power of assimilative forces," as he called it, is strongest across generations, where by the third generation English is the predominant, and mostly only, language spoken at home. Dr. Fonte stressed that patriotic integration should take precedence over economic or linguistic assimilation, and he argued that "Americanization" has been declining in immigrant groups. He called for dismantling the "anti-assimilation regime of foreign language ballots, dual allegiance voting by American citizens in foreign countries, [and] bi-lingual education."

On Thursday, May 17th, the Subcommittee's hearing concentrated on the impact of immigration on states and localities. The witnesses included: Sharon Tomiko Santos, Washington State House of Representatives, and National Conference of State Legislatures; Dennis Zine, Councilman, City of Los Angeles, and National League of Cities; Audrey Singer, Ph.D., Immigration Fellow, Metropolitan Policy Program, The Brookings Institution; Deborah A. Santiago Ph.D., Vice President for Policy and Research, Excelencia in Education; and Robert Rector, Senior Research Fellow, The Heritage Foundation. Councilman Zine testified that the absence of a functioning federal system regulating an orderly flow of immigration has resulted in financial, cultural and political strains in communities across the nation, but, he noted, that immigrants bring benefits as well as challenges to localities. Zine said that "NLC opposes the conscription of local personnel such as police officers, fire inspectors, health personnel and social services personnel to enforce federal immigration laws. Municipalities strongly urge the federal government to not transfer the responsibility of enforcing US immigration laws to local personnel by making undocumented status in the US a criminal offense. He urged Congress to enact comprehensive immigration reform that would include better enforcement of U.S. laws, better verification systems, better avenues for legal immigration, and federal funding to help alleviate the impact of immigration on localities.

Continuing the thorough and ambitious schedule of hearings, Chairwoman Lofgren has also scheduled hearings on Friday, May 18, and for the following week.

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

HOUSE SUBCOMMITTEE ON HORTICULTURE AND ORGANIC AGRICULTURE REVIEWS THE SAFETY OF FRESH PRODUCE

On Tuesday, May 15, 2007, the House Committee on Agriculture Subcommittee on Horticulture and Organic Agriculture held a hearing to discuss the safety regulations of fresh produce in response to the e-coli discovered in spinach. The committee heard testimony from two panels; the first consisted of representatives from the USDA and the U.S. Food and Drug Administration. The second panel featured testimony from the United Fresh Produce Association of Salinas, California, the Western Growers Association of Castroville, California, the Florida Tomato Exchange, the Produce Marketing Association, and the Center for Science in the Public Interest.

The hearing, which focused on various policy topics important to California's farm communities, elicited the following information:

- Following the September 2006 E. coli outbreak linked to fresh spinach grown in the Salinas Valley, the California Department of Food and Agriculture (CDFA) began designing a State marketing agreement that would require adherence to good handling practices for most companies involved in shipping leafy greens in the State. According to CDFA, to date, handlers representing more than 99 percent of the leafy greens produced in California have signed the Agreement

- FDA has focused its food safety efforts in three key areas: strengthening the scientific basis for FDA's food safety program with an emphasis on prevention; enhancing effective partnerships; and improving risk-based targeting of inspection resources

- There is a general lack of sound scientific data to guide the development of certain food safety best practices including water management, compost usage, and buffer zones for wild and domesticated animals

- Achieving consistent produce safety standards across the industry requires strong federal government oversight and responsibility in order to be most credible to consumers and equitable to producers

- The California Leafy Greens Marketing Agreement is carried out by the industry by developing and agreeing on baseline good agricultural practices; contracting with government to verify that those baseline practices are being met and communicating to buyers that the products have met the requirements of the agreement

- Industry, in partnership with the academic community, is best positioned to develop the best food safety practices

- The Centers for Disease Control and Prevention (CDC) estimates that 76 million Americans get sick, 325,000 are hospitalized, and 5,000 die from foodborne hazards each year in the United States

- In 2006, FDA's food program had a funding shortfall of \$135 million, which an FDA budget official described as equivalent to a 24 percent budget cut

- USDA regulates 20 percent of the food supply, which causes 27 percent of outbreaks, yet its food safety appropriations are double that given to FDA

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

HOUSE COMMITTEE ON EDUCATION AND LABOR HEARING EVALUATES STUDENT LOANS AND READING FIRST ACCOUNTABILITY

On May 10, 2007, the House Committee on Education and Labor held a hearing entitled "Accountability for the Department of Education's Oversight of Student Loans and the Reading First Program." The discussion was held to address bad lender behavior, such as trading gifts or masquerading as official government correspondence, and conflict of interest within the Reading First program. The Committee Chair, George Miller (Martinez), discussed the particular conflicts of interest within programs and the necessity of oversight to guard against such conflicts and encourage a well-managed program for the benefits of students, educators and parents alike. For several months, investigations by the Committee on Education and Labor and elsewhere at the state and federal level have produced a stream of revelations about unethical practices in the student loan industry. The investigations illuminated that, in the last several years, it has been common practice for lenders to offer gifts and other inducements to college financial aid officers in exchange for higher loan volume. Ten million students received federal financial aid in 2006 totaling \$77 billion. The hearing featured testimony from The Honorable Margaret Spellings, Secretary of the Department of Education. The witnesses discussed the loopholes and other problems needing reform in the federal student aid programs and the Reading First program.

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

HOUSE WATER AND POWER PANEL HOLDS HEARING ON WATER RECYCLING BILLS

On May 17, 2007 the Subcommittee on Water and Power of the House Committee on Natural Resources held a hearing on four bills to initiate water recycling programs. H.R. 236, sponsored by Representative Mike Thompson (St. Helena), would create a program in the Sonoma and Napa areas; H.R. 716, sponsored by Representative Lynn Woolsey (Petaluma), would create a program in the Santa Rosa Area; HR 1503, sponsored by Representative Mary Bono (Palm Springs), would create a program in the Rancho California area; and HR

1725, sponsored by Representative Raul Grijalva (AZ), would create a program in Arizona. The three California representatives all appeared to discuss their bills and a local witness appeared in support of each bill. Sonoma County Supervisor Tim Smith appeared in support of HR 236, Santa Rosa City Councilmember Michael Martini appeared in support of HR 716, Pima County Wastewater Director Michael Gritzuk appeared in support of HR 1503, and Rancho California Water Manager Brian J. Brady appeared in support of HR 1725. The bills' sponsors, the local witnesses, and Subcommittee Chair Grace Napolitano (Norwalk) argued that the recycling programs would eliminate the environmental and financial cost caused by removing fresh water from the environment and then dumping waste water, help the surrounding area cope with droughts and population growth, and provide water for irrigating fields, watering recreation areas, and restoring wetlands. However, Representative Doug Lamborn (CO) and a fifth witness, the Bureau of Reclamation's Acting Deputy Commissioner for Operations Robert Quint, said there was not enough funding for the programs and expressed concern that none of the sites had completed a feasibility report. The local witnesses said that they had extensively studied their programs' feasibility and could complete formal feasibility reports soon.

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

HOUSE SUBCOMMITTEE ON HIGHER EDUCATION, LIFELONG LEARNING AND COMPETITIVENESS DISCUSSES TEACHER PREPARATION

On May 17, 2007, the House Committee on Education and Labor, Subcommittee on Higher Education, Lifelong Learning and Competitiveness held a hearing entitled "Preparing Teachers for the Classroom: The Role of the Higher Education Act and No Child Left Behind." Recent studies have shown students in poorly performing schools are more likely to have under-qualified or inexperienced teachers. The National Center for Education Statistics reported in its 1999-2000 Schools and Staffing Survey that 41.2 percent of teachers in the country had limited English proficient students in their classroom. Yet, only 12.5 percent of teachers had more than 8 hours of training in how to teach these students. The Committee heard testimony from the Government Accountability Office (GAO), the American Association of Colleges for Teacher Education, Directors of Regional Service Centers, the Carnegie Corporation, and the National Center for Alternative Certification.

Some of the main points discussed at the hearing included:

- Approximately 3 million teachers are responsible for educating over 48 million students and they account for over one half of public school expenditures (\$215 billion) each year
- In 2006, Congress appropriated \$2.89 billion through NCLB and \$59.9 million for HEA for teacher quality efforts
- In states like Kentucky and California where major reforms of preparation were undertaken, studies have found that at least 85% of teachers and employers report that new teachers from public colleges are entering teaching well prepared for their work
- Professional development schools, which are schools modeled after teaching hospitals in the medical profession, are increasingly the norm; studies have found that teachers trained in these sites -- many of which are in hard-to-staff urban communities -- feel better prepared and are rated as more effective
- Higher education systems in Texas, Louisiana, California, Florida, and Ohio, to name a few, are actively developing the capacity to follow education graduates and make determinations about program effectiveness. These efforts are underway based on the initiative of the colleges of education supported by external funding
- Now, in 2007, all 50 states and the District of Columbia report they have at least some type of alternate route to teacher certification; 130 alternate routes to teacher certification now exist in these 50 states and the District of Columbia. In addition, these states report that approximately 485 alternate routes programs are now implementing those alternative routes to teacher certification that the states established

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

HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE REVIEWS ENERGY INDEPENDENCE PROPOSALS

On May 11, 2007, the House Committee on Transportation and Infrastructure held a full committee hearing to discuss proposals and actions on climate change and energy independence. The hearing entitled

“Administration Proposals on Climate Change and Energy Independence” featured testimony from the Secretary of Transportation, the Administrator of the United States Environmental Protection Agency, the Assistant Secretary of the Army for Civil Works for the Army Corps of Engineers (USACE), the Acting Architect of the Capitol, and the Chief Administrative Officer of the U.S. House of Representatives.

The following are a few of the recommendations offered to the committee:

- The President’s climate change strategy has three key elements: collect the facts we need to make informed decisions; invest in long-term technologies; and take practical, cost-effective, near-term steps to reduce petroleum use and carbon dioxide emissions without damaging the U.S. economy, then allow each state to develop its own implementation plan to accomplish those specific targets
 - According to EPA, U.S. greenhouse gas intensity declined by 1.9% in 2003, by 2.4% in 2004, and by 2.4% in 2005. From 2004 to 2005, the U.S. economy increased 3.2% while greenhouse gas emissions increased by only 0.8%
 - Buildings in the U.S. consume about 40% of the total energy used in the U.S. and 70% of the electricity
- For more information, please visit: <http://transportation.house.gov> .

HOUSE SUBCOMMITTEE ON GENERAL FARM COMMODITIES AND RISK MANAGEMENT REVIEWS FEDERAL CROP INSURANCE PROGRAM

On May 14, 2007, the House Committee on Agriculture Subcommittee on General Farm Commodities and Risk Management held a hearing entitled “Review of the Federal Crop Insurance Program.” The discussion was held to address problems in the Federal Crop Insurance Program specifically related to specialty crops and organics. The hearing featured testimony from specialty crops growers, the Organic Trade Association, rural development advocates, farming cooperatives and private farming industries. The witnesses recommended changes to the language of the Federal Farm Insurance legislation, especially limiting the extra fees for organic crops and equalizing the payout by going with market rates (instead of previously decided prices).

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

- One of the major impediments to converting more farm land to certified organic status has been the type of crop insurance available
- Organic farms pay a 5% additional premium and in the event of a crop loss they only receive compensation at a conventional price level for their organic crop, instead of market price
- Crops such as Peaches, Peanuts, Blueberries, Cotton, Corn, etc. have a provision that in the event of a crop failure insurance coverage cannot be adjusted down more than 10 % of the individual farms APH (yield average); this is referred to by the Risk Management Agency (RMA) as a 10 % percent cup
- Crop insurance programs must be developed that insure against the risks associated with production contracts and the unique ownership structure that they bring, either by developing crop insurance programs specific to production contract income, or by including production contracts in currently existing programs that insure income rather than products
- In 2006, 62 million net acres of corn were insured under federal crop insurance for liability protection at approximately \$16.7 billion
- Landlords and lenders demand crop insurance but crop insurance is unavailable to sesame crops and land and loans are given only to other crops

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

HOUSE SUBCOMMITTEE ON HIGHWAYS AND TRANSIT EVALUATES THE IMPLEMENTATION OF NEW STARTS AND SMALL STARTS PROGRAMS

On May 10, 2007, the House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit held a hearing entitled “The Federal Transit Administration’s Implementation of the New Starts and Small Starts Programs.” The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) created, and Federal Transit Administration (FTA) implemented, what is commonly called the Small Starts program.

The New Starts and Small Starts programs are provisions of the Capital Investment Grants Program, (49 U.S.C. 5309) the Federal government's primary mechanism for supporting locally planned, implemented, and operated transit capital investments. Consisting primarily of specific earmarks of funding for major rail projects, New Starts is expected to provide \$1.2 billion nationwide in Fiscal Year 2008 for 11 existing, two pending, and two proposed major projects, with financial support provided via local-federal deals with the cumbersome name of "Full Funding Grant Agreements" or FFGAs. An additional \$72 million was slated for distribution to projects that are in or near the "final design" phase, but have not yet graduated to the FFGA level. An additional \$100 million is provided for the new category of Small Starts.

The subcommittee heard testimony from representatives of the FTA, U.S. Government Accountability Office (GAO), and various major metropolitan transit projects including the Los Angeles County Metropolitan Transportation Authority (LA Metro). The primary theme of the discussion was the successes and failures of various transit projects funded through the New Starts and Small Starts programs and proposals for improving the programs and commuting in U.S. cities in the future.

The following are a few key points from the hearing:

- Since 1991, the FTA has provided nearly \$17 billion in New Starts funds to help build 27 light rail, 19 commuter and heavy rail and a number of streetcar, bus, and other transit projects with total project costs of approximately \$37 billion
- The New Starts process is too complex, costly, and time-consuming, resulting in a decrease in the number of projects, yet a GAO survey of project sponsors indicates that there will be a future demand for New Starts, Small Starts, and Very Small Starts funding; about 45% (75 of 166) of the project sponsors reported that they had a total of 137 planned transit projects
- LA Metro is the third largest public transit agency in the United States and has a \$3 billion annual budget, 9,000 employees, and serves a 1,433 square mile service area in one of the Nation's largest and most populous counties of 10 million people
- New Starts projects have been constructed from one end of California to another in the past 20-25 years, including San Diego, North County, Los Angeles Metro, Santa Clara, Sacramento, BART extensions, and MUNI in San Francisco
- LA Metro estimates that the Federal New Starts process can add one to two years to the project schedule and 10-15% to overall project costs
- The New Starts program could be improved by reducing the Federal due diligence role and making the local project sponsor responsible for its own risk assessment and related tasks
- The New Starts program could be improved by simplifying and streamlining the evaluation and rating process
- The New Starts program could be improved by FTA committing to a schedule and milestones for its actions and approvals
- The New Starts program could be improved by reducing the time between the issuance of the Record of Decision and the start of design and construction
- The New Starts program could be improved by increasing the amount of Federal New Starts funding

For additional information regarding the hearing, visit: <http://transportation.house.gov> .

For information regarding federal transit programs as they apply fiscally to California, see the publication entitled "*Federal Formula Grants: Federal Transit Programs*" -- part of the Federal Formula Grants and California series developed jointly by the Public Policy Institute of California (PPIC) and the California Institute -- at <http://www.ppic.org/main/publication.asp?i=550> .