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## California Capitol Hill Bulletin

### Volume 14, Bulletin 18 – May 25, 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.*

#### HOUSE PASSES SPYWARE PREVENTION BILL

On May 22, 2007, the House passed by voice vote under suspension of the rules, H.R. 1525, the Internet Spyware (I-SPY) Prevention Act of 2007, introduced by Rep. Zoe Lofgren (San Jose). The bill makes it a criminal offense to install spyware on a computer with the intention of using it to commit another federal criminal offense, including identity theft, or damage or impair the security protection of a computer.

Although spyware bills, including the SPY ACT authored by Rep. Mary Bono (Palm Springs), have passed the House before, the Senate has not acted on them. To facilitate Senate action on the bill, H.R. 1525 makes changes pushed by the Senate to that past legislation. Rep. Lofgren stated, “This bill is the right approach because it focuses on technology, not behavior. It targets the worst forms of spyware without unduly burdening technological innovation.”

Rep. Bono’s spyware bill this Congress, The Securely Protect Yourself Against Cyber Trespass Act (SPY ACT), H.R. 964, was reported by the House Energy and Commerce Committee on May 10, 2007.

#### SENATE CONSIDERS COMPREHENSIVE IMMIGRATION REFORM LEGISLATION; HOUSE CONTINUES HEARINGS

By a vote of 69-23, the Senate on May 21, 2007 moved to begin two weeks of consideration on comprehensive immigration reform legislation, and quickly began working through numerous amendments – both major and minor – to change the carefully crafted compromise worked out on the bill, see Bulletin Vol. 14, No. 17 (5/18/2007) by a group of ten Senators, led by Sens. Ted Kennedy (MA) and Jon Kyl (AZ). S. 1348 incorporates four central components for comprehensive reform: securing the borders and punishing employers who hire illegal alien workers; providing eventual citizenship for the undocumented immigrants currently in the United States (Z Visas); creating a guestworker program that allows a legal way for immigrants to work in the

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United States temporarily to fill jobs that otherwise would go unfilled; and putting more emphasis in the future on skills and education based immigration rather than family-reunification.

During the week, the Senate defeated, 31-64, an amendment offered by Sens. Byron Dorgan (ND) and Barbara Boxer that would have eliminated the temporary guestworker program. A second amendment, however, offered by Sen. Jeff Bingaman (NM), was adopted by a vote of 74-24. It cuts the number of temporary workers from 400,000 (with a maximum potential of 600,000) to 200,000 per year. An amendment that increases the border controls that must be in place before the provisions for Z Visas and the temporary worker program are triggered was adopted by voice vote. Sen. Judd Gregg's (NH) amendment requires 20,000 border patrol agents not only be hired but be trained as well, instead of 18,000; 300 miles of vehicle barriers be constructed along the border instead of 200; and 31,500 detention beds be available instead of 27,500. The Senate also adopted by voice vote an amendment offered by Sen. John McCain (AZ) requiring Z Visa holders to pay back all state and local income taxes, with penalties and interest.

The bill passed a major test on whether the deal could hold together on Thursday, May 24<sup>th</sup>, when the Senate narrowly defeated an amendment opposed by the bill's sponsors by a vote of 48-49. Offered by Sen. Dorgan, the amendment would have sunsetted the temporary worker provisions after five years. A second amendment, offered by Sen. David Vitter (LA), that would have eliminated the Z Visa provisions for illegal immigrants was defeated 59-35. An amendment, offered by Sen. Norm Coleman (MN), that would have eased restrictions on the questioning of an individual about legal status and sharing that information with other federal, state, and local authorities was also defeated by a vote of 48-49.

The Senate will continue working on the bill when it returns from the Memorial Day Recess the week of May 28, 2007. It was reported on Thursday, May 24<sup>th</sup> that Senate negotiators are attempting to broker a deal to package together the most contentious pending amendments and require a 60 vote majority to pass the package, in order to keep the bill moving expeditiously.

On the House side, the Judiciary Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, held three more days of hearings on comprehensive immigration reform. The first, on May 18, focused on *The Future of Undocumented Immigrant Students*. Witnesses included three undocumented students relating their experiences, including Tam Tran, UCLA Class of 2006, and representatives from academic and research organizations. On May 22, the Subcommittee's hearing was on *Perspectives from Faith-Based and Immigrant Communities*, with representatives from religious institutions, and academic, immigrant, and community organizations. A third hearing was held on Thursday, May 24<sup>th</sup>, on *Labor Movement Perspectives*, with representatives from several unions testifying. The testimony from all the hearings is available on the Committee's website at: <http://www.judiciary.house.gov>.

## HOUSE SUBCOMMITTEE MARKS UP LIVESTOCK, POULTRY, AND DAIRY PORTIONS OF 2007 FARM BILL

On May 24, 2007 the Subcommittee on Livestock, Poultry, and Dairy of the House Committee on Agriculture held a mark up those portions of the 2007 Farm Bill, HR 2419, under its jurisdiction. Most of the amendments proposed were

withdrawn until a later time. These included two amendments by Rep. Steve Kagen (WI) which would have included the Milk Income Contract Loss (MILC) subsidy in the bill and allowed states with meat inspection standards higher or equal to federal standards to ship meat across state lines without federal inspection. It also included two amendments by subcommittee chair Representative Leonard L. Boswell (IA) which would have altered cattle-price reporting and required livestock and poultry purchasers to give growers a 90 day warning of contract cancellations.

Rep. Jim Costa (Fresno) withdrew an amendment to create a commission to improve the milk market system after Rep. Robin Hayes (NC) said it would interfere with current efforts to streamline the system and full committee chair Rep. Robert Goodlatte (VA) suggested the problem could better be handled by the full committee. Rep. Costa also preemptively withdrew an amendment to create healthy milk standards similar to those existing in California. However, the subcommittee did approve a pilot program allowing dairy farmers to sell their milk in advance and renewed a program allowing the Agriculture Department to buy surplus dairy products from producers. The legislation, with its amendments, was ultimately reported by voice-vote.

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

### **SENATE ENVIRONMENT AND PUBLIC WORKS HEARING ON CALIFORNIA'S GREENHOUSE GAS WAIVER REQUEST**

On May 23, 2007 the Senate Committee on the Environment and Public Works held a hearing on the EPA's failure to grant a waiver that would allow California to cut vehicle greenhouse gas (GHG) emissions; if the waiver is granted other states will be allowed to adopt the standard as well and eleven so far have expressed their intention to do so. The waiver is required under the Clean Air Act in order for California to implement its standards for GHG reduction.

Committee chair Senator Barbara Boxer (CA) said that, since vehicles are responsible for 30% of US GHGs and 40% of Californian GHGs, cutting emissions in twelve states could have a huge impact on global warming. She criticized the EPA and the Bush administration for their delay in dealing with global warming and said that the recent *Massachusetts vs. EPA* Supreme Court ruling and the EPA's swift approval of California's 40 previous waiver requests set a precedent for the approval of the waiver. Committee ranking member Senator James Inhofe (OK) expressed his skepticism that global warming is real and that immediately approving the California waiver would substantially reduce it. He said it was hypocritical of California to demand stricter standards on greenhouse gases when it is failing to meet many other Clean Air Act requirements.

The witnesses were the Honorable Edmund G. Brown Jr., Attorney General for California; Professor Jonathan H. Adler, a law professor from Case Western Reserve University; and the Honorable Alexander B. Granni, Commissioner for the New York State Department of Environmental Conservation. Attorney General Brown said that California has already spent millions of dollars to cope with a reduced snow pack, increased sea levels, and other effects of global warming, and warned that if action is not taken within ten years global warming will reach an irreversible tipping-point. He disputed auto industry claims that the standards were being introduced too abruptly and would cost money and jobs, saying that the auto industry had been invited to help develop the standards as far back as 2002 and adding that the industry had made similar claims about seat belt, turn signal, and steering column standards but had always met the standards successfully. Professor Adler said that waivers were intended to help California with pollution problems specific to the state, and since global warming is world-wide and will not be substantially reduced by improvements in a few US states, EPA was correct to deny California the waiver. He added that *Massachusetts vs. EPA* gave the EPA, not individual states, the right to regulate GHGs, and the California standards might hurt the auto industry in states outside of their jurisdiction and upset the economies of scale that allow for a variety of affordable cars. Mr. Granni expressed his support for the waiver and said granting it was vital not just for California but for other states trying to reduce their own GHG emissions.

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

## HOUSE AGRICULTURE SUBCOMMITTEE MARKS UP CONSERVATION TITLE

On May 22, 2007, the House Agriculture Subcommittee on Conservation, Credit, Energy, and Research approved the Conservation, Energy, Credit and Research titles of the upcoming 2007 Farm Bill. Chairman Collin C. Peterson told panel members that his draft of the legislation would spend all of a proposed \$20 billion "reserve fund" that was meant to pay for new initiatives. The announcement complicated the subcommittee markup of portions of the bill, with Members withdrawing numerous amendments because of the budgetary constraints. The committee can spend the extra \$20 billion as long as the cost is offset somewhere else in the budget.

California currently receives 3-6% of Environmental Quality Incentives Program (EQIP), yet EQIP is the primary conservation program used by California farmers. An amendment to create a subprogram within EQIP for air quality improvements was withdrawn for later consideration due to budgetary constraints. Other amendments, including an elimination or limit for annual gross income caps for specialty crops, EQIP water conservation provisions, technical assistance improvements, and climate change efforts, were also withdrawn due to budget constraints.

Despite the financial constraints, Representatives Jim Costa (Fresno) and Dennis Cardoza (Atwater) managed to introduce several amendments securing California agriculture interests. An amendment to the Grassland Reserve Program to protect grazing lands for California livestock was approved by voice vote. Packaging and handling was incorporated as part of farm income to assist specialty and organic crops as part of an amendment by Costa, which passed by voice vote. An amendment for the creation of a sustainable program for specialty crops modeled on the sustainable program instituted by the Wine Institute also passed by voice vote.

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

## JUDICIARY PANEL HEARING ON INTERNET TAX MORATORIUM

The House Judiciary Subcommittee on Commercial and Administrative Law held a hearing on Tuesday, May 22, 2007, on *The Internet Tax Freedom Act: Internet Tax Moratorium*. The witnesses were: Jerry Johnson, Oklahoma Tax Commission, Oklahoma City; Scott Mackey, Kimbell Sherman Ellis, Montpelier, VT; Mark Murphy, American Federation of State, County and Municipal Employees; David C. Quam, National Governors Association; and Dr. John Rutledge, The Heartland Institute.

The Internet Tax Freedom Act, which expires in November 2007, imposed a moratorium on state or local taxation of Internet access. Mr. Quam testified that the National Governors Association supports another limited extension of the moratorium, with the current grandfather clause protecting existing state and local taxes. He also encouraged the subcommittee to consider whether changes are necessary to the Act to reflect technological advancements.

Mr. Murphy testified that permanently banning all taxes on Internet access and eliminating the grandfather clause would cost state and local governments at least \$120 million annually. He argued that consumers have not proven to be sensitive to minor cost increases in other services, such as telephone and cable, and that a permanent ban on Internet access taxes would have unintended consequences.

Testimony of the witnesses can be found at: <http://www.judiciary.house.gov> .

## HOUSE T&I COMMITTEE ADDRESSES TRANSPORTATION ISSUES AND CLIMATE CHANGE

On May 16, 2007, the House Committee on Transportation and Infrastructure held a hearing entitled "Climate Change & Energy Independence: Transportation and Infrastructure Issues." This was the second in a series of hearings on this topic. This one focused on issues of surface transportation, public buildings, aviation and water resources. According to the Environmental Protection Agency (EPA), 27.7 percent of the total greenhouse gas emissions produced by the U.S. come from the transportation sector, second only to electricity generation. Alf W. Brandt of the California State Assembly's Committee on Water, Parks & Wildlife gave California specific testimony regarding California's water system and the Sacramento-San Joaquin Delta.

In California currently:

- Sea level in the Delta has risen ½ foot in the last 100-years, advancing more quickly in the last few decades. Additional sea-level rise of this level or more will fundamentally change the Delta, threatening levees, land-use, water quality, ecosystem, and water conveyance capability.
  - Floods have shown an upward trend, with floods getting worse as each decade passes, again, particularly in the last couple of decades.
  - California is warming, most dramatically in the last quarter century and over the winter months. There are reports of localized “heat bubbles” arising out of urban development, raising snow elevation 1500 feet since 1980, which means less snow pack and more rain.
  - River flow is coming earlier in the year, reflecting less retention in snow pack. Late season (April-July) runoff has shown a downward trend over the last century.
  - Scientists, using data from the Intergovernmental Panel on Climate Change, have forecasted that the Colorado River basin, on which Southern California relies, will be drier, similar to the droughts of the 1950's or this decade.
  - The National Academy of Science has forecasted reduced Sierra snow pack of at least 29% by the end of the century, while other scientists have predicted a more severe drop.
- For more information about the hearing, please visit: <http://transportation.house.gov> .
- For more information from the California State Assembly’s Committee on Water, Parks & Wildlife, please visit: <http://www.assembly.ca.gov/acs/newcomframeset.asp?committee=26> .

### **MEMBERS SEEK COOPERATION ON CAMPUS P2P PIRACY**

Reps. George Miller (Martinez), Chair of the House Education and Labor Committee, and Howard Berman (North Hollywood), Chair of the House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, joined with other committee colleagues in calling for colleges and universities to cooperate in combating illegal file-sharing on campuses.

The letter was sent to 19 different institutions, including the University of California at Los Angeles, Duke University, and Columbia University. The schools were chosen because of the high number of copyright infringement notices they have received. The letter, sent May 1, 2007, enclosed a survey asking for information on each college’s Internet use policy, anti-piracy policy, methods of preventing illegal file-sharing, and other things. A reply was requested by May 31, 2007. “Your full and complete responses to the enclosed survey will assist us in determining what ‘best practices’ need to be instituted,” the letter said.

### **CALIFORNIA MEMBERS URGE MORE EQUITABLE MEDICARE REIMBURSEMENT RATE FOR HIGH-COST AREAS**

On Thursday, May 24, 2007, a bipartisan cross-section of California Members of Congress came together to express concern over inequities in the financing rates for Medicare and to introduce legislation to address the problem. Sponsoring the legislation were Reps. Lois Capps (Santa Barbara), Sam Farr (Salinas), Brian Bilbray (Solana Beach), Susan Davis (San Diego), Anna Eshoo (Palo Alto), Darrell Issa (Vista), Mike Thompson (Napa), and Lynn Woolsey (Petaluma).

Upon introducing the measure, Rep. Capps commented, “Our health care system on the Central Coast is facing a serious crisis due in part to the inadequate Medicare reimbursement rate currently being paid to our health care providers. .. The outdated and deeply flawed geographic adjustment formula applied to Santa Barbara and San Luis Obispo Counties fails to adequately reimburse our health care providers, jeopardizing their ability to maintain their practices and making it increasingly difficult for patients to find health care providers willing to accept Medicare.”

Rep. Farr stated that, “For too long doctors in our communities have been treated unfairly by a Medicare system unresponsive to local healthcare costs. Because of this our seniors are in jeopardy of losing access to their doctors. That is an untenable situation.”

Also on hand to offer support for the effort was Anmol Mahal, President of the California Medical Association.

## **REP. CARDOZA TESTIFIES BEFORE SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY**

On May 22, 2007, the House Committee on the Judiciary Subcommittee on Crime, Terrorism, and Homeland Security held a hearing discussing H.R. 1199, the "Drug Endangered Children Act of 2007." According to a recent Health and Human Services study, over 1.6 million children live in a home where at least one parent abuses illicit drugs, including cocaine, methamphetamine, heroin, and prescription drugs. Representative Dennis Cardoza (Atwater) testified about his experience and dedication to the fate of these children, particularly those from his district whose parents endangered them with methamphetamine production labs. HR 1199, sponsored by Representative Cardoza, is intended to address the challenges facing children abandoned, neglected, or abused by parents addicted to illicit drugs. The bill would authorize the Department of Justice to make \$20 million in grants for drug endangered children for Fiscal Years 2008 and 2009. Specifically, this legislation renews the authorization for the Drug Endangered Children program originally included as part of the USA PATRIOT Improvement and Reauthorization Act of 2005.

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

## **HOUSE COMMITTEE ON NATURAL RESOURCES HOLDS HEARING ON ENERGY POLICY REFORM BILL**

On May 23, 2007 the House Committee on Natural Resources held a hearing on H.R. 2337, the "Energy Policy Reform and Revitalization Act of 2007." Committee chair and bill sponsor Representative Nick Rahall (WV) said that, although he believed development of public energy resources is important, energy companies are consistently given leeway never extended to other industries and as a result are hurting the environment, interfering with use of public land by hunters and fishers, and forcing farmers and ranchers to move off their own land. He believed the bill would solve these problems but said he had invited members of the Administration to the hearing and was allowing three weeks before the markup in order to get the input of all concerned parties. Committee ranking member Representative Don Young (AK) called HR 2337 a "bastard bill" and said that if it were passed, energy availability would fall, energy prices would rise, and the US would continue to be dependent on oil imported from regimes that sponsor terrorists. Others on the Committee reiterated Representative Young's complaints and expressed concern that the bill would cause oil companies to move jobs overseas. Members supportive of the bill praised its protection of the environment and promotion of alternative energy from the ocean, sun, and biomass but expressed concern that it was too strict on energy from wind and natural gas.

The witnesses on the first panel were Walter Cruickshank and Henri Bisson for the Department of the Interior; Melissa M. Simpson for the US Forest Service; Vickie VanZandt for the Department of Energy; and Timothy R.E. Keeney for the National Oceanic and Atmosphere Administration. The witnesses on the second panel were John Engler, president of the National Association of Manufacturers; and Jim Martin, president of the 60 Plus Association. The witnesses most common complaint was that the programs and procedures required by HR 2337 were unnecessary because current organizations already performed similar functions. They also expressed concern that some provisions of bill were not cost-effective, and others overly restrictive and inflexible. Other issues discussed, included the impact on future energy development; and whether the restrictions imposed by the bill were not necessary to adequately protect the environment.

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

## **SELECT COMMITTEE EVALUATES GLOBAL WARMING COSTS**

On May 22, 2007, the House Select Committee on Energy Independence and Global Warming held a hearing entitled "Economic Impacts of Global Warming: Green Collar Jobs." The hearing featured testimony from the Apollo Alliance, Strategic Concepts In Organizing & Policy Education (SCOPE) from Los Angeles, California, Capital Area Michigan Works, and the Ella Baker Center for Human Rights from Oakland,

California. The hearing discussed job development, economic prospects and government involvement in clean energy technologies.

SCOPE called on the City of Los Angeles and the Federal Government to conduct an energy audit of city buildings to identify sites and job potential, secure \$100 million to retrofit 100 existing city buildings with energy and water efficient technologies, create 2,000 union jobs for new and incumbent workers, establish policies to seed the development of local green building manufacturing, and establish a Careers Ladder Training Program to connect inner city communities to green jobs. Witnesses argued that the shift to clean energy is anticipated to have a multitude of impacts including: new jobs, increased technology, improving the health and well-being of low-income people, reducing cancer, asthma and other respiratory ailments and creating entrepreneurial wealth-building opportunities. Currently, Reps. George Miller (Martinez) and Hilda Solis (El Monte) are developing a Clean Energy Jobs Bill which would provide \$120 million for job training for more than 30,000 U.S. workers. Once trained, these workers would install tens of millions of solar panels, build and maintain thousands of wind farms, and update millions of buildings for energy efficient use, among other things.

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

### **GOVERNOR RELEASES MAY BUDGET REVISION**

On May 14, 2007, Governor Arnold Schwarzenegger released his revisions for the California State budget outlining proposed changes to his January 2007 budget. The focus continues to be on his priority to reduce the deficit of \$16.5 billion that he inherited to \$1.4 billion without raising taxes. The May Revision outlines a number of new, often controversial proposals, including the proposed sale or lease of state-owned assets and an increased diversion of revenue from public transit to other General Fund-supported expenditures. The Governor's May Revision proposes a \$146 billion dollar budget that incorporates larger tax revenues than originally anticipated in January, \$3 billion of which is used to pay down the state's deficit, \$1.6 billion to reduce existing bond debt, and \$2.2 billion to increase California's rainy day reserve fund. The State Legislative Analyst's Office (LAO) has reviewed the Governor's revised budget plan and indicates significant concern about the optimistic assumptions of the Administration. The LAO estimates that the May Revision overstates its reserve by about \$1.7 billion and questions the remaining reserve levels

More than 90 percent of the state's General Fund is non-discretionary. The Governor is considering leasing the state lottery in order to maximize its returns and improve performance for California's taxpayers. Governor Schwarzenegger is also considering selling EdFund, which guarantees in-state and out-of-state student loans, to add an estimated \$1 billion to the state economy.

A few other key points from the Revision:

- Proposition 98 and K-12 education will be funded at \$68.6 billion total from all sources (\$41.1 billion General Fund, \$27.5 billion from other funds)
- General Fund spending for Health and Human Services is increased by \$239 million
- Includes \$350 million for programs to increase rehabilitation and reduce overcrowding in the State's prison system
- Directs nearly \$10 million to immediately address overcrowding through out-of-state prison transfers
- Directs more than \$100 million to improve air quality
- Releases close to \$500 million in Proposition 84 funding

For more information please visit: <http://gov.ca.gov/may-revise/> or for the LAO review, please visit: [http://www.lao.ca.gov/2007/may\\_revise/may\\_revise\\_051507.pdf](http://www.lao.ca.gov/2007/may_revise/may_revise_051507.pdf) .

### **WESTERN GROUPS URGE COOPERATIVE WATER PROGRAMS IN FARM BILL**

On May 16, 2007, twelve groups representing U.S. mayors, arid Western states, and wastewater, drinking water, and water reclamation utilities sent letters to the Chairmen and Ranking Minority Members of the Senate and House committees with jurisdiction over the Farm Bill, which expires in September 2007. The groups are urging lawmakers in the upcoming 2007 Farm Bill to fund cooperative programs for improving the quality and

quantity of water supplies. The groups said the country's water resources would benefit more from the conservation programs authorized in the 2002 Farm Bill if they emphasized partnerships between utilities and farmers.

According to the Agriculture Department (USDA), \$48.7 billion was authorized and appropriated for the conservation title in the 2002 Farm Bill (P. L. 107-171), including such programs as the Conservation Reserve Program and the Environmental Quality Incentives Program (EQIP). However, these programs promote conservation actions taken by "individual farmers" rather than cooperative, multi-stakeholder approaches that focus on improving the entire watershed, according to the National Association of Clean Water Agencies (NACWA), one of the 12 groups signing the letter.

The letters supported expanding cooperative efforts such as that in the Administration's proposal to establish a Regional Water Enhancement Program that sets aside \$175 million each year from EQIP to provide competitive grant funding for farmers, ranchers, drinking water and wastewater utilities to promote and improve water quality and conservation. They also cited the Partnerships and Cooperation Program established in the 2002 Farm Bill, but noted that since then it has "never been recognized or funded by USDA."

In addition to NACWA, the letters were signed by the Association of California Water Agencies, the American Public Works Association, the Association of Metropolitan Water Agencies, the American Water Works Association, Inland Empire Utilities Agency, the National Association of Water Companies, the National Water Resources Association, the U.S. Conference of Mayors, the Western Coalition of Arid States, the WaterReuse Association, and the Water Environment Federation.

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

### **INFORMATION TECHNOLOGY REPORT ON PATENT REFORM**

On, May 22, 2007, the Information Technology and Innovation Foundation this week released a report highlighting the need to reform the U.S. patent system. The report, *Patents Pending: Patent Reform for the Innovation Economy*, analyzes problems in three main areas: the U.S. Patent and Trademark Office's delays in granting patents, patent quality, and excessive litigation and damage awards.

ITIF recommends reforms that focus on two key areas: those that will improve pre-grant activity at the PTO and those that influence post-grant review in the courts. ITIF recommends that Congress should increase PTO resources to hire enough examiners to reduce the backlog, and make changes that would facilitate the PTO's efforts to encourage public participation in patent examinations to increase patent quality. The report also makes the case for reforms to reduce excessive litigation and damage awards, including in areas of damage apportionment, post-grant review, and patent venue.

The report was released at a briefing on Capitol Hill on May 22, at which Rep. Adam Schiff (Burbank) was a featured speaker. To view the report, visit: <http://www.itif.org>.

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property marked up H.R. 1908, the Patent Reform Act of 2007, on May 16<sup>th</sup>. The bill addresses the issues raised in the ITIF report. For more information, go to <http://www.calinst.org/bul2/b1417.shtml> or <http://www.judiciary.house.gov>.

### **FOOD STAMP INADEQUACIES HIGHLIGHTED BY CBP REPORT**

The California Budget Project, which performs independent analysis aimed at improving policies affecting low and mid income Californians, released a report on May 16, 2007 urging Congress to enact a stronger food-stamp program. Food-stamps provide about a dollar per person per meal to help the many families near or below the poverty level meet their food-needs. Overall about one-tenth of Californians households in 2005 dealt with hunger or the threat of hunger, with the problem disproportionately affecting minorities and children: about 2/5ths of black and Latino households and 1/6th of households with children experienced hunger or the threat of hunger in 2005 and 66.3% of current Californian food-stamp recipients are children.

The California Budget Project report argues that the Thrifty Food Plan on which food-stamps are based significantly understates the cost of a nutritionally balanced diet and points out that key food stamp calculations have not been adjusted for inflation for over a decade, even as the maximum food stamp benefit has been

lowered by 3%. The report recommends increasing food stamp benefits, adjusting food stamp calculations for inflation each year, and repealing laws that prevent legal non-citizens, the unemployed, and felony drug criminals from receiving food stamps. These changes would be particularly pertinent to California's food stamp program, the report finds, which currently serves less than half of the 4 million Californians eligible for food stamps, the lowest percentage of any state in the nation. California is one of twenty-three states that does not automatically provide food-stamps to families served by the Temporary Assistance for Needy Families (TANF) program and one of only four states that requires food stamp recipients to be finger-printed, a fraud-prevention measure that may intimidate potential recipients and could easily be replaced by matching application information with existing computer databases, the report argues.

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

### **US MINORITY POPULATION REACHES 100 MILLION; ONE IN FIVE IS A CALIFORNIAN**

On May 17, 2007 the US Census Bureau released a study on population growth from July 2005 to 2006, which revealed that the nation's minority population has reached 100 million – about a third of the current US population, 8 million more than the US population in 1910, and more than the population of all but 11 countries. The largest minority group is still Hispanics who make up 14.8% of minorities (at 44.3 million people), followed by blacks (who reached 40 million for the first time), Asians (14.9 million), American Indians and Alaskan Natives (4.5 million), and Native Hawaiians and Other Pacific Islanders (who reached 1 million for the first time). Hispanics also showed the greatest population increase of any ethnic group (at 3.4%), followed by Asians (3.2%), blacks (1.3%), American Indians and Alaskan Natives (1%), Native Hawaiians and Pacific Islanders (1.7%), and whites (0.3%). Whites had the highest average age of any ethnic group (at 40.5 years), followed by Asians (33.5), American Indians and Alaskan Natives (31), blacks (30.1), Native Hawaiians and Pacific Islanders (28.6), and Hispanics (27.4).

As the US's most populous state and one of only three majority-minority states, California has the largest number of whites (15.7 million), Hispanics (13.1), Asians (5 million), and American Indians and Alaskan Natives (689,000) of any state and the second highest number of Native Hawaiians and Pacific Islanders after Hawaii, at 260,000 people. California is tied with Texas for the second highest proportion of Hispanic residents in the total population (at 36%), but, at 14% Asian, is a distant second to Hawaii (56% Asian) for the highest proportion of Asians. Overall, California has the largest population of minorities (20.7 million or 21% of all US minorities) and is tied with New Mexico for the state with the second largest percentage of minorities, at 57%. Only the state of Hawaii and the District of Columbia have a higher percentage of minorities, at 75% and 68% respectively.

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

### **CALIFORNIA'S NEED FOR EDUCATED WORKERS CAN'T BE MET BY MIGRATION ALONE, PPIC REPORT FINDS**

On May 24, 2007 the Public Policy Institute of California (PPIC) released a report by Hans P. Johnson and Deborah Reed entitled "Can California Import Enough College Graduates to Meet Workforce Needs?" Historically, most of California's college educated workers have come from outside the state; workers have shifted drastically from being primarily out-of-state to primarily international but their numbers have remained fairly stable. However, Johnson and Reed's report estimates that by 2025 forty-one percent of jobs in California will require at least a bachelor's degree while the number of Californians and migrants to California with bachelor's degrees will increase only modestly, leaving over 3 million jobs without appropriately educated people to fill them.

It is very unlikely that enough college educated workers to fill the gap can be persuaded to move to California, the authors contend. Out-of-state workers dislike California's high housing prices and have not responded so far to California's increasingly high wages; international workers are responsive to wage increases but visa numbers are capped too low to allow enough of them into the country. And even during the 1980s, which saw the highest levels of migration to California, migration was only 40% of the level needed to ensure

an adequate number of workers in 2025. Johnson and Reed recommend educating California's own workers instead, pointing out that since most California college graduates spend at least some time in the state's community college and university system public policy changes can have a direct effect on them.

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

### **EVENT ON JUNE 6 FEATURING REPS. ESHOO AND HONDA**

On Wednesday, June 6, 2007, at noon at the Capitol Hill Club, the California State Society will hold the next "Golden State Roundtable" luncheon. The event -- which costs \$35 or \$40 per person -- will feature remarks by Reps. Anna Eshoo (Palo Alto) and Mike Honda (San Jose). The event coincides with a visit to Washington by the Silicon Valley Leadership Group.

Rep. Eshoo chairs the House Intelligence Subcommittee on Intelligence Community Management and serves on the House Energy & Commerce Committee. Rep. Honda remains a member of the Science and Technology Committee and was recently appointed to the Appropriations Committee.

The Capitol Hill Club is located at 300 First Street SE, across the street from the Capitol South Metro station. The ticket price is \$35 for members of the California State Society and \$40 for non-members, and tickets may be purchased at <http://www.californiastatesociety.org> . To RSVP by June 1, write to [castatesociety@yahoo.com](mailto:castatesociety@yahoo.com) or call 202-543-9559.

### **JUNE 5 FORUM ON LOW-CARBON FUEL STANDARD**

A forum entitled "The Low Carbon Fuel Standard: A Climate Policy Solution for Transportation" will be held on Tuesday, June 5, 2007. The event will take place from 1:30 pm to 3:00 pm in Room 406 of the Dirksen Senate Office Building. (It will be immediately followed by a technical discussion from 3:00 - 4:00 pm in the same room.)

Hosted by the Environmental and Energy Study Institute (EESI) and the California Institute for Federal Policy Research, this Congressional briefing will focus on low carbon fuel standard policies and a draft policy report developed by the University of California in response to California's Executive Order S-1-07. Future transportation energy policy faces the challenge of simultaneously addressing energy security and global climate change.

The Low Carbon Fuel Standard (LCFS) is a transportation sector-specific policy which seeks to work with industry to develop the appropriate structure and incentives to reduce greenhouse gas emissions at the lowest cost and fastest pace by harnessing market competition and preserving consumer choice. Since its original introduction in California as the first early action item under California's Global Warming Solutions Act (AB32), the LCFS has received significant national and international support this year alone.

From 1:30 to 3:00 pm, a panel will discuss the draft LCFS policy report, entitled "A Low-Carbon Fuel Standard for California," and the primary motivations, implementation issues, and compliance strategies associated with a LCFS for California and the nation. The panel will be moderated by Anthony Eggert, Energy Policy Advisor for the University of California, and will include as panelists: Rep. Inslee (WA); Alex Farrell, UC Berkeley Professor and Co-Director of the report; Roland Hwang, Policy Director at the Natural Resources Defense Council; Michael Goo, Majority Counsel for the US Senate Environment and Public Works Committee; and Eric Swedlund, Deputy Director of the Washington DC Office of Governor Arnold Schwarzenegger. The 3:00-4:00 technical discussion will include senior representatives from the energy industry.

The LCFS policy report was funded by the Energy Foundation. Recent drafts of the LCFS policy report and related documents can be found on the website of the California Energy Commission: [http://www.energy.ca.gov/low\\_carbon\\_fuel\\_standard/index.html](http://www.energy.ca.gov/low_carbon_fuel_standard/index.html) .

This briefing is free and open to the public, and no reservations are required. Please feel free to forward this notice, which is also available at

[http://www.eesi.org/briefings/2007/Energy%20&%20Climate/6-5-07\\_LCFS/lcfs\\_notice.html](http://www.eesi.org/briefings/2007/Energy%20&%20Climate/6-5-07_LCFS/lcfs_notice.html) . For more information, contact Fred Beck at 202-662-1892 ([fbeck@eesi.org](mailto:fbeck@eesi.org)).