SENATE HELP COMMITTEE PASSES HIGHER EDUCATION ACCESS ACT

On June 20, 2007, the Senate Committee on Health, Education, Labor and Pensions (HELP) marked up The Higher Education Access Reconciliation Act and The Higher Education Amendments of 2007. The bills will provide more than $17 billion to help students and families pay for college. They will increase the Pell Grant award; cap student loan payments at 15 percent of students’ monthly income; and forgive the loans of those who enter certain professions.

The two bills passed with the addition of only three amendments, which would make substantial changes to the federal student aid programs by raising $22 billion over five years for need-based aid and at the same time cutting approximately $1 billion in spending. These increases and savings would come at the expense of student loan providers in the form of subsidy cuts.

The Higher Education Amendments of 2007 (S. 1642) passed on a 20-0 vote, and the budget reconciliation bill, the Higher Education Access Act of 2007, passed by a 17-3 margin.

For more information, visit: http://help.senate.gov.

SENATE FINANCE COMMITTEE REPORTS ENERGY TAX BILL; BUT FLOOR ACTION FILIBUSTED

On June 19, 2007, the Senate Finance Committee marked up the Energy Advancement and Investment Act of 2007. The bill would provide tax incentives for the development of so-called “clean and green” power, alternative vehicles, biofuels and improved uses for coal. The tax package was aimed at channeling billions of dollars to subsidize windmills, hybrid cars and other alternative energy resources. But many Republicans said it was too harsh on the oil industry and could lead to less production and higher gasoline prices. The Committee approved the package by a vote of 15-5.

Key provisions included in the Committee-passed legislation will:
- Authorize $750 million in each of calendar years 2008 and 2009 for Clean Renewable Energy Bonds...
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**Fuel Economy Deal Paves Way for Senate Energy Bill**

On the evening of Thursday, June 21, 2007, a surprisingly quick deal to accept substantial increases in gasoline mileage standards for motor vehicles signaled likely Senate passage of H.R.6, a comprehensive energy bill. Negotiators announced that an agreement had been reached whereby gas mileage would be increased to 35 miles per gallon and the distinction between cars and light trucks (a category that also includes sport utility vehicles).

On a 61-32 vote, the Senate agreed to limit debate on H.R.6, thereby avoiding the prospect of the bill’s being filibustered by opponents.

**House Ways and Means Committee Marks Up Energy Conservation and Renewable Energy Tax Bill**

On June 20, 2007, the House Ways and Means Committee approved H.R. 2776, the Renewable Energy and Energy Conservation Act of 2007. The bill amends the Internal Revenue Code to provide tax incentives for the production of renewable energy and energy conservation. Before reporting the bill, by a vote of 24 to 16, the Committee approved by voice vote an amendment which would prohibit the use of tax credit bond proceeds to purchase certain products, regardless of their EnergyStar rating. Those products prohibited under the amendment are: water heaters installed for a hot water system, the use of tax credit bond proceeds to purchase certain products, regardless of their EnergyStar rating. Those products prohibited under the amendment are: water heaters installed for a hot water system, electric water heaters, water heaters that are part of a solar hot water system, and water heaters that are part of a solar hot water system.
tub or pool; cordless phones; digital to analog converter boxes; DVD players; home audio equipment; televisions and VCRs.

Key provisions included in the Committee-passed legislation will:
- Extend the placed-in-service date through December 31, 2012 for qualifying facilities
- Extends the 30 percent investment tax credit for solar energy property and qualified fuel cell property for eight years
- Authorizes $2 billion of new clean renewable energy bonds for public power providers and electric cooperatives
- Removes the caps on the credit for residential solar property (currently capped at $2,000) and residential fuel cell property (currently capped at $500 per half kilowatt of capacity)
- Establishes a new credit for each qualified plug-in vehicle placed in service during each taxable year by a taxpayer
- Creates a new production tax credit of 50 cents per gallon for cellulosic alcohol produced for use as a fuel in the United States
- Increases the 30 percent alternative refueling property credit (capped at $30,000) to 50 percent (capped at $50,000)
- Allows employers to provide employees that commute to work using a bicycle limited fringe benefits to offset the costs of such commuting
- Eliminates a loophole in the tax law that provides businesses with tax benefits if they purchase heavy vehicles that are often less fuel efficient
- Creates a new category of tax credit bonds for green community programs and initiatives designed to reduce greenhouse gas emissions
- Creates a new category of tax credit bonds to provide States with funds to implement long-term programs that will provide consumers with low-interest loans and grants for energy-efficient property and efficiency improvements to existing homes

For more information, please visit: http://waysandmeans.house.gov.

SENATE REJECTS EFFORT TO CUT TARIFFS ON IMPORTED ETHANOL

On Wednesday, June 20, 2007, the Senate voted to retain a 54-cent tariff on foreign imports of ethanol. By a vote of 36 to 56, Senators rejected a budgetary point of order offered by Sen. Judd Gregg (NH) that sought to excise a tariff extension measure from the energy tax bill under consideration on the Senate floor. (As a point of order, passage would have required 60 votes to succeed.)

Sens. John Thune (SD) and Charles Grassley (IA) are sponsors of a measure to extend the existing tariff, which currently is slated to expire in 2008, by two more years. They argue that their tariff helps wean the U.S. from dependence on foreign oil and that repeal would increase the chance that the U.S. would simply shift its foreign energy reliance from mideast oil to Brazilian ethanol. Moreover, tariff backers claim it is really just a way to level the playing field; the ethanol tariff offsets a 51-cent-per-gallon blenders’ tax credit that encourages fuel manufacturers to use ethanol in motor fuel, and both imported and domestic ethanol are equally eligible to take advantage of the tax credit.

Iowa and other corn-producing states are prime supporters of the current ethanol import tariff. Ethanol from Brazil is available at competitive prices, and the tariff favors domestic producers. Critics of the tax credit note that the energy bill already requires sharp increases in ethanol usage, the industry’s development will be heavily subsidized, and it takes more energy to create ethanol than it provides as fuel, and ethanol’s CO2 emissions are no better than gasoline’s.

HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PASSES H.R. 2701

On June 20, 2007, the House Transportation and Infrastructure Committee approved H.R. 2701, the Transportation Energy Security and Climate Change Mitigation Act of 2007. This legislation affects
programs in nearly every area of the Committee’s jurisdiction, especially surface transportation, aviation, public buildings, and water resources. The bill will reduce emissions from ports, federal buildings and multiple modes of transportation — planes, trains and automobiles — that many scientists have concluded contribute to global warming. The Committee passed the legislation by voice vote with 5 amendments of the 14 proposed.

The 5 amendments adopted by the committee included:
- require the Architect of the Capitol to install technologies to capture carbon dioxide, a greenhouse gas, that the Capitol Power Plant otherwise would release into the atmosphere, passed 37-31
- establish a research program to develop jet fuel from coal, passed by voice vote
- spell out a process for federal regulators to mediate disputes between freight and commuter railroads, passed by voice vote
- address pricing issues that could encourage shippers to move goods by truck instead of rail, passed by voice vote
- to avoid increased state and local mandates for water resource protection, passed by voice vote

For more information, please visit: http://transportation.house.gov.

HOUSE AGRICULTURE SUBCOMMITTEE MARKS UP FINAL FARM BILL TITLES

On June 19, 2007, the House Agriculture Subcommittee on General Farm Commodities and Risk Management approved the Commodity and Crop Insurance titles of H.R. 2419, the 2007 Farm Bill. This was the last Subcommittee markup before the bill’s various titles are combined and considered as a package at the full committee.

The Commodity title will provide limited base acre adjustments, extend and adjust counter-cyclical payments, require planting flexibility, reform loan rates and repayment of loans, end cotton storage payments, and make farms with 10 base acres or less ineligible for direct and counter-cyclical payments. The Commodity title was passed by voice vote with the following amendments (also approved by voice votes):
- to adjust premiums and discounts associated with cotton under loan and provide economic assistance to cotton users
- to separate the marketing loans, loan rates, and target prices for long grain and medium/short grain rice
- to make technical corrections to the target price and loan rate for rice
- to establish a single corn and sorghum loan rate in each county
- to create a pilot program in Indiana to allow for the planting of tomatoes
- expressing the sense of Congress that money used to fund programs under the Subcommittee’s jurisdiction should not be transferred to fund programs authorized or reauthorized under any other title of the Farm Bill

The Crop Insurance title renegotiates the standard reinsurance agreement subject to limitations, improves crop insurance policies for organically raised crops and targets risk management strategies and education for beginning, immigrant, and socially disadvantaged farmers and ranchers. It also establishes a crop insurance program for sesame producers, extends the number of cotton-producing states and extends the availability of cotton classification services for cotton producers. The Crop Insurance title was passed by voice vote with an amendment (also approved by voice vote) to give farmers the option to purchase supplemental area-based crop insurance in addition to their individual yield or revenue policy.

In approving the bill and thereby maintaining for five more years -- largely unchanged -- the existing system of price supports and subsidies for large agribusiness concerns in the corn, wheat, and soybean growing states, the Committee’s action represents further evidence that an uphill battle awaits anyone who might seek to make sweeping changes to the federal farm law scheme.

For more information, please visit: http://agriculture.house.gov.
SENATE TO TRY AGAIN WITH IMMIGRATION BILL

Senate negotiators have reached agreement on a package of 20 or so amendments to be offered to the immigration reform bill, allowing the Senate to resume consideration of the measure probably on Friday, June 22, 2007. Debate on the initial bill, S. 1438 screeched to a halt on June 8th, when proponents of the bill failed to invoke cloture to limit debate. See, Bulletin, Vol. 14, No. 19 (7/8/07).

The bill, containing the main provisions of the “grand bargain” struck on the bill by a bipartisan group of Senate supporters, was reintroduced on June 18th as S. 1639. Supporters have reiterated that the main tenets of the legislation -- including strengthened border enforcement and employer sanctions, a path to citizenship for undocumented immigrants in the United States (the new “Z Visa”), and a temporary guestworker program -- must remain intact for the bargain to hold.

Although the exact list of amendments to be offered to the bill has not been published, a draft list has been circulating. Under the agreement reached, the amendments will be evenly divided between Democrats and Republicans, with many aimed at striking or drastically changing the core provisions of the bill. Among the possible amendments circulating for inclusion in the package are ones to strengthen border security and employer sanctions, as well as to:

- increase from 40,000 to 90,000 the number of green cards issued annually to parents of U.S. citizens;
- reduce the number of illegal immigrants eligible for Z visas by requiring them to have been in the U.S. for at least four years and be able to show ties to the community;
- require applicants for Z Visas to go back to their home country before its issuance, rather than being able to wait until they apply for citizenship, as required under the current bill;
- increase to at least five years, from the current two years, the ban on federal contracts for employers who repeatedly hire undocumented workers; and
- bar employers from hiring foreign workers if the company has had a mass layoff of workers in the previous twelve months.

Senate Majority Leader Harry Reid (NV) filed a cloture motion on Wednesday with the vote to limit debate and proceed to consider the agreed-on package of amendments expected Friday; he has told Senators to expect votes over the weekend.

ENERGY & COMMERCE SUBCOMMITTEE REPORTS FDA OVERHAUL BILLS

The House Energy & Commerce Health Subcommittee favorably reported nine bills focused on drug and medical device policy on June 19, 2007. The bills include the Prescription Drug User Fee Amendments of 2007, the Medical Device User Fee Amendments of 2007, the Pediatric Research Equity Act of 2007, and the Best Pharmaceuticals for Children Act of 2007 (BPCA), as well as others.

One major amendment accepted during the Subcommittee’s markup stripped from the Risk Evaluation and Mitigation Strategies bill strict provisions regarding approval, and possible FDA disapproval, of direct-to-consumer (DTC) advertising, and substituted less restrictive provisions regarding voluntary review. False or misleading ads, however, would be subject to a maximum penalty of $250,000 for the first offense and $500,000 for subsequent offenses.

To the PDUFA Committee Print, the Subcommittee rejected, 14-18, an amendment that would have reduced the amount of user fees available for drug safety, prior to reporting the bill favorably by voice vote. The MDUFA measure was also approved by voice vote.

Rep. Anna Eshoo (Menlo Park) offered an amendment to the Best Pharmaceuticals for Children Act that was approved by a vote of 21-10. The law provides six months of exclusivity on sales to drug makers for new pediatric uses of drugs. The Eshoo Amendment eliminated a provision that would have limited the exclusivity to three months for “blockbuster” drugs with already high sales.
CALIFORNIA CONGRESSIONAL LEADERS DEFEAT EFFORT TO PREEMPT STATE’S CLIMATE CHANGE LEGISLATION

On Monday, June 17, 2007 two senior House legislators who continue to be central figures in battles over energy bills abandoned their push to dismantle landmark climate change legislation enacted last year by the State of California. The move was seen as a victory for a bipartisan coalition of California leaders at the state and federal level who support the new, more stringent state standards.

Earlier this month, Reps. John Dingell (MI) and Rick Boucher (VA) -- respectively Chairmen of the House Energy & Commerce Committee and its Subcommittee on Energy & Air Quality -- announced that a comprehensive energy bill they were developing would supercede any legislation or regulations in the 50 states that sought to control the emission of greenhouse gases. If approved, their legislation would have preempted laws in the 12 states so far that have sought to implement such restrictions by prohibiting the Environmental Protection Agency from approving Clean Air Act waivers. California’s limits -- requiring an 18 percent and a 25 percent reduction by 2016 -- have served as a model for the other 11 states that have adopted greenhouse gas-related vehicle emissions standards.

The Dingell-Boucher proposal quickly drew fire from environmental advocates and from key leaders in California, including House Speaker Nancy Pelosi (San Francisco), Governor Arnold Schwarzenegger, leaders of the State Legislature, and a large number of California Congressional delegation members.

The two chairmen announced that their legislation would now omit a number of significant provisions, including “coal-to-liquid fuels, fuel economy standards, low-carbon fuel standards, and the role of federal and state programs.” It is likely that these provisions, and federal preemption in particular, will still be heatedly discussed once the legislation reaches the House floor later this year. A June 20 statement by Dingell indicated that he and Boucher anticipate, “that we are going to have to adopt a cap and trade system and some form of carbon emission fee to achieve the reductions we need. We will need to address such matters as motor vehicles and fuels, the role of nuclear power, the proper responsibilities of the States and of the Federal Government, the future of coal under carbon constraints, our relationship to international climate change programs, and many more difficult, complex, and challenging but fascinating problems.”

With a district known for it’s car manufacturing, Rep. Dingell has long been a supporter of the nation’s auto industry, and Rep. Boucher represents far southwestern Virginia, where coal mining is a central component of the local economy.

HOUSE SUBCOMMITTEE ON NATIONAL PARKS REVIEWS WILDFIRE PREPAREDNESS

On June 19, 2007, the House Committee on National Resources, Subcommittee on National Parks, Forests and Public Lands, held a hearing to discuss proposals and actions on wildfire prevention. The hearing, entitled “Wildfire Preparedness: An Ounce of Prevention is Worth a Pound of Cure,” featured testimony from representatives of the Department of Agriculture, the Department of the Interior, the Government Accountability Office (GAO), the Forest Guild and other local groups. The President’s fiscal year 2008 budget request included a $96 million cut in wildfire preparedness. This included a proposed cut in state fire assistance, even though an estimated 85 percent of lands in the wildland-urban interface are state, private, or tribal lands.

The following are a few key points from the hearing:

- Drought conditions are expanding and intensifying across large portions of the West and Southeast, and drought relief is not expected in these areas through the season
- Low snow pack, warmer-than-normal forecast temperatures, and early snow melt over most of the West will likely dry out timber fuels and could cause an early onset of the fire season in some areas
- Another hotter than normal summer is projected for the West. Depending on heat levels and timing of higher temperatures, higher elevation fuels could dry quickly and be susceptible to ignitions
- Appropriations to federal agencies to prepare for and respond to wildland fires, including appropriations for reducing fuels, have increased substantially, from an average of $1.1 billion annually
from fiscal years 1996 through 2000 to an average of more than $2.9 billion annually from fiscal years 2001 through 2005

- Acreage burned annually by wildland fires from 2000 to 2005 was 70 percent greater than the acreage burned annually during the 1990s
- Wildland fire potential is expected to be higher than normal across much of the Southwest, California, portions of the Great Basin, the Northern Rockies, a small portion of the Northwest, Alaska, and the Southeast

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

**HOMELAND SECURITY LOOKS AT CROSS-BORDER TRUCKING ISSUE**

The House Homeland Security Subcommittee on Transportation Security and Infrastructure Protection held a hearing on June 19, 2007 on “Keeping the Border Secure: Examining Potential Threats Posed by Cross Border Trucking.” The Subcommittee heard from a number of witnesses, including: Mr. Bill Arrington, General Manager, Highway and Motor Carrier Division, Transportation Security Administration; Mr. Greg Olsavsky, Director, Cargo Control, U.S. Customs and Border Protection; and Mr. Stephen Russell, Chairman and CEO, Celadon Group, Inc., on behalf of the American Trucking Association.

Noting that the focus of cross-border trucking has been on the safety aspects, Chair Barbara Jackson-Lee (TX) stated that “little has been done to ensure that cross-border trucking is not an easy conduit for terrorists to enter the United States.” Mr. Olsavsky outlined the dimensions of the issue in noting that: “In FY 2006, CBP processed more than 422.8 million pedestrians and passengers, 131 million conveyances, 28.8 million trade entries, scanned and physically examined 5.6 million sea, rail, and truck containers, intercepted 1.1 million illegal aliens between our ports of entry, intercepted more than 2.7 million prohibited plant and animal products, and seized more than 2.2 million pounds of narcotics.” He testified that to ensure our borders are secure from terrorists, CBP has initiated several new measures, including: requiring advance electronic cargo information; using an automated targeting system to identify potentially threatening cargo; and developing public and private partnerships, such as Free and Secure Trade (FAST) and the Customs-Trade Partnership Against Terrorism (C-TPAT). He also detailed for the subcommittee new technologies that CBP is utilizing, such as deployment of Non-Intrusive Inspection (NII) technology that enables CBP officers to screen or examine a larger portion of the stream of commercial traffic, and large-scale X-ray and gamma ray machines and radiation detection devices to screen cargo.

Mr. Russell stressed the need for the U.S. to continue to work with Canadian and Mexican government agencies and officials in developing programs to share facilities and information systems in order to capture data prior to cargo and people arriving at U.S. ports of entry (POEs). He called for continuing the promotion and marketing efforts related to C-TPAT and FAST to increase participation by importers, manufacturers and carriers, and for the Dept. Of Homeland Security to take the leading role among federal agencies in managing systems and processes at POEs for U.S. imports and exports, especially with agencies outside of the DHS chain of command.

Testimony of all the witnesses can be found at: http://www.homeland.house.gov.

**SENATE BANKING HOLDS HEARING ON HOMELESS ASSISTANCE BILL**

On June 21, 2007, the Senate Banking, Housing and Urban Affairs Committee held a hearing on the reauthorization of the McKinney-Vento Homeless Assistance Act.

The panel heard testimonies from 8 witnesses including Roy Bernardi- Deputy Secretary of Housing and Urban Development, Linda Glassman, Board Secretary for the National AIDS Housing Coalition, and Nan Roman, President of the National Alliance to End Homelessness.

In his testimony, Mr. Bernardi proposed the consolidation of three Homeless Assistance Grant programs into one, arguing that this change would expedite the process of giving aid, grant control of the
funds to local parties, and allow for more funds towards the prevention of homelessness. “Prevention is a key part of solving homelessness,” he said, adding that 15 percent of the funds should be used to assist in utility payments or rental assistance of individuals who are about to become homeless.

Ms. Glassman also discussed preventive measures, highlighting the need to intervene before people become homeless by providing utility and rental assistance. She stressed the need for help in rural areas, especially areas in upstate New York where without the availability of emergency shelters for the homeless, people are forced to rely on friends, extended families, or members of churches for a place to live. Because of this, Ms. Glassman proposed that the definition of “homelessness” in the legislation be modified to include these groups of individuals as well.

Ms. Roman discussed the issue of ‘doubled up’ in rural communities which cause many individuals to fail to meet the criteria of homelessness. Although rural communities have been disadvantaged in the competitive fight for aid against urban areas, Ms. Roman believed that rural communities have many assets that can make prevention of homelessness more effective.

For the testimony of all the witnesses present at the hearing, go to: http://banking.senate.gov/.

**SENATE JUDICIARY DELAYS PATENT REFORM Markup**

On June 21, 2007, the Senate Judiciary Committee put off further consideration of its patent reform bill, after adopting by voice vote a substitute amendment that primarily made technical changes to the bill. Further consideration of the bill will probably not now occur until after the July 4th recess. The bill, S. 1145, has generated a great deal of controversy, with the biotechnology industry and universities opposing the bill as it is currently written, but the high tech electronics industry supporting it. See also Bulletin, Vol. 14, No. 17 (May 18, 2007).

According to press reports, the House Judiciary Committee will take up H.R. 1908, a companion measure, sometime during the week of June 25.