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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.

Laura Richardson Elected to Represent 37th Congressional District

On Tuesday, August 21, 2007, California State Assemblywoman Laura Richardson took 67 percent of the vote in a special election in the heavily Democratic 37th Congressional District, which includes Carson, Compton, and portions of Long Beach. Richardson took 67 percent of the vote; Republican John Kanaley, a police officer and Iraq war veteran, polled second with 25 percent of the voter nods.

Turnout was limited, as it often is in a special election without statewide balloting, with 8.6 percent of registered voters casting ballots. According to results, Richardson received 14,105 votes compared to Kanaley's 5,309.

Richardson will replace the late Rep. Juanita Millender-McDonald, who died of cancer in April at age 68 and whose death reduces California's count of full committee chair positions from five to four. Millender-McDonald had chaired the House Administration Committee since Democrats assumed the House majority in January.

DHS To Boost Immigration Enforcement, Streamline Some Regulations

In the wake of the failure to legislate immigration reform, Homeland Security Secretary Michael Chertoff and Commerce Secretary Carlos Gutierrez announced on August 10, 2007, a series of reforms already authorized by current law that the Administration will pursue to address border security and immigration issues. The reforms are aimed at securing U.S. borders more effectively, improving interior and worksite enforcement, streamlining existing guest worker programs, improving the current immigration system, and helping new immigrants assimilate into American culture.

Among the 26 measures announced are:

- strengthening security at the border with additional personnel and infrastructure, including implementing by December 31, 2008 a force of 18,300 Border Patrol agents, 370 miles of fencing, 300 miles of vehicle barriers, 105 camera and radar towers, and three additional UAVs In addition, DHS will work to ensure that 1,700 more Border Patrol Agents and an additional UAV are added in 2009.
- increased funding for detention beds so there are places to detain 31,500 illegal aliens until they can be returned to their home countries.

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- by the end of 2008, the US-VISIT exit requirement to prevent visa overstays will be underway at all U.S. airports and seaports, and DHS will continue "to explore effective and cost-efficient means of establishing biometric exit requirements at land border crossings." DHS proposes establishing a new land-border exit system for guest workers, starting on a pilot basis.

- continuing to train hundreds of State and local law enforcement officers to address illegal immigration in their communities.

- continuing to expand the number of Fugitive Operations Teams devoted to removing fugitive aliens. There were 15 seven-member teams in 2005, and 68 currently. DHS will increase the number of teams to 75 by the end of September 2007.

- implementing a "No-Match" regulation to help employers ensure their workers are legal and help DHS identify and crack down on employers who knowingly hire illegal workers. Under the regulation, in cases in which an employer has a significant number of employees with inaccurate personal identity information, the Social Security Administration will send the employer a "No-Match" letter. The regulation clarifies that employers may be held liable if they ignore the "No Match" problems by failing to take specified steps within 90 days of receiving the letter.

- publishing a regulation in the coming months to reduce the number of documents that employers must accept to confirm the identity and work eligibility of their employees. Presently, at least 29 categories of documents can be used to establish identity and work eligibility. The new regulation is intended to reduce unlawful employment by weeding out insecure documents now used often for identity fraud.

- raising the civil fines imposed on employers who knowingly hire illegal immigrants by approximately 25 percent

- beginning a Rulemaking process to require all federal contractors and vendors to use E-Verify, the federal electronic employment verification system

- seeking voluntary state partners willing to share their Department of Motor Vehicles photos and records with E-Verify

- the Department of Labor (DOL) will review the regulations implementing the H-2A program and institute changes aimed at providing farmers with an orderly and timely flow of legal workers, while protecting the rights of laborers

- DOL will issue a proposed rule to speed processing of H2-B visa applications by moving from a government-certified system to an employer-attestation system

- reforming and expediting background checks for immigration to reduce the backlog without undermining national security

- studying the technical and recordkeeping reforms necessary to guarantee that illegal aliens do not earn Social Security credit for working

- offering, through the Department of Education, a free, web-based portal to help immigrants learn English

For more information, go to: <http://www.dhs.gov> .

SENATE APPROVES SCHIP LEGISLATION BEFORE LEAVING FOR AUGUST RECESS; VETO THREATENED

On August 2, 2007 the Senate passed its State Children's Health Insurance Program bill (S 1893), which seeks a \$35 billion expansion on children's health insurance over a period of five years. The House passed its bill the day before the Senate, asking for a \$47.4 billion increase. The President, who has proposed only a \$5 billion expansion of SCHIP, has threatened to veto any more expensive House/Senate bill sent to him.

The Senate bill passed 68-31 after overcoming several attempts to significantly change it. It caps SCHIP eligibility at 300 percent of the federal poverty level.

During conference between the House and Senate, one issue they will have to decide on is the number of children SCHIP would cover. According to the Congressional Budget Office, the Senate bill would add 6.1 million children to SCHIP and Medicaid while the House would add 7.5 million.

In terms of how to build revenue for the bill, the House bill wants a tax increase on tobacco products, going from a 45-cent tax on each pack of cigarettes to 84-cents. The Senate bill wants a 61-cent increase. Ten Democrats already voted against the House bill – an indication that the Senate bill with its higher tax increase will drive even more House Democrats to vote against it.

Instead of an increased tax, House Democrats proposed cutting spending for Medicare Advantage – a program that allows private health insurance plans, instead of the government, to provide benefits to seniors. The amount of revenue that could be generated from Medicare Advantage cuts is estimated at \$157 billion over 10 years. But Medicare Advantage is well-liked by Republicans, and indications are that the insurance industry is already gearing up to fight the proposed cut.

Some parties are speculating that in order to get the bill enacted, the conferees may agree to an authorization of less than five years. This would keep the bill's cost down, easing the way for passage and preventing a veto.

HOUSE PASSES RENEWABLE ENERGY BILL

Prior to adjourning for the summer break, the House on August 4, 2007 passed H.R. 3221, the New Direction for Energy Independence, National Security and Consumer Protection Act. The bill, sponsored by Speaker Nancy Pelosi (San Francisco), passed by a vote of 241 to 172. H.R. 3221 sets new efficiency standards for appliances, lighting and buildings, and creates new programs to research infrastructure and delivery of alternative fuels. The following are a few key provisions of the bill:

- Requires oil and natural gas producers who currently do not pay royalties on leased federal land to either agree to renegotiate their leases or pay a new fee
- Expands an existing federal program to promote the capture and storage of carbon dioxide and sets a goal of eliminating greenhouse gas emissions by federal agencies by 2050
- Requires utilities, starting in 2010, to produce at least 2.75% of electricity from renewable sources, with percentages rising each year to 15% by 2020
- Authorizes three new programs in sustainable energy sources — geothermal, solar, and ocean energy
- Creates new programs to research infrastructure and delivery of alternative fuels, and expands an existing federal program to promote the capture and storage of carbon dioxide
- Sets new energy-efficiency standards for appliances, lighting, residential buildings, and commercial and federal buildings
- Creates a new grant program to promote "Smart Grid" technologies, which refers to modernizing electricity infrastructure to increase reliability and efficiency, and requires utility companies to provide more information to customers about electricity prices during peak- and non-peak times

- Authorizes \$850 million annually in FY 2008 and FY 2009 for grants to public transportation agencies to reduce fares or increase services in order to promote ridership
 - Creates an Energy Department grant program to assist retail and wholesale motor fuels vendors to replace or convert existing equipment to enable greater distribution of alternative fuels, such as ethanol or biodiesel; and authorizes a number of agriculture programs to encourage the production of biofuels
- For more information, please visit: <http://house.gov> .

HOUSE FIELD HEARING IN NORWALK ADDRESSES RAIL SAFETY

On August 9, 2007, the House Committee on Transportation and Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled “Federal, State, and Local Roles in Rail Safety.” The purpose of the hearing was to receive testimony regarding the reduction of accidents at crossings and the safety and transportation of hazardous waste from California ports to the rest of the country. The hearing was held at the Norwalk City Council Chambers in Norwalk, California.

The Federal Railroad Administration (FRA) reports there were 2,920 grade crossing accidents in 2006 which resulted in 368 fatalities and 1,021 injuries. Grade crossing fatalities in 2006 accounted for 97.48% of all rail fatalities and the grade crossing accidents accounted for 84% of total rail accidents. Subcommittee Chair Corrine Brown (FL), joined by Reps. Eddie Bernice Johnson (TX) and Grace Napolitano, who represents Norwalk, made up the panel which received testimony from the FRA, Union Pacific Railroad, the Brotherhood of Locomotive Engineers, and Burlington Northern Santa Fe Railroad. California witnesses included Ron Beilke, Mayor of the City of Pico Rivera, Richard Clark of the California Public Utilities Commission, Jesus Ojeda of California Operation Lifesaver, Rick Richmond, Executive Director of the Alameda Corridor East Construction Authority, and David Spence, President of the San Gabriel Valley Council of Governments.

The following are a few key issues from the hearing:

- San Gabriel Valley residents are interested in the development of quiet zones, however whistles are important for safety at railroad crossings; it would cost \$43 million to secure 4 quiet zones
- Railroad crossings are no longer rural as cities have grown up around the railroads
- Increased safety costs could be paid by increasing container fees and resident taxes by 0.5% and additional fees for housing developers building near railroads
- Railroads cooperate with cities to increase safety measures, yet states need more authority and leverage over railroads
- Railroad companies are in the process of implementing daily rail inspection, possibly using ultrasonic inspection, which is intended to stop accidents before they occur
- Railroads are also working to reduce pollution from the transportation of goods, with 40% reduction in emissions since 2004 and 80 new locomotives coming online that are less polluting
- Many accidents occur at privately owned railroad crossings - one suggestion is to ban more private crossings, so all crossings comply with government safety regulations

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

PPIC PRESIDENT OUTLINES SURVEY ON CALIFORNIANS AND THE ENVIRONMENT

On Capitol Hill on Wednesday, August 8, 2007, the Public Policy Institute of California (PPIC) and the California Institute hosted a luncheon to discuss the latest PPIC Statewide Survey – the seventh conducted on California attitudes regarding environmental issues since 2000. Author Mark Baldassare, President and CEO of PPIC, walked the audience through the data he and his team had collected.

Californians in general are unsatisfied with federal and local government efforts to protect the environment. Nearly half of all Californians (49%) say that the state government is not doing enough.

Consequently, approval of the Governor's efforts to handle environmental issues has dropped 8 points since January. Gov. Schwarzenegger's overall job performance ratings also dropped in the last six months, the survey found.

Perception of the government's inability to address environmental concerns has risen over time. In 2006, 61% of Californians said the federal government is not doing enough to protect the nation's environment. The most recent survey shows that this number is now at 67%, Baldassare stated.

The Survey also found that, like the rest of the nation, President Bush's approval rating in California is at an historic low. Among all Californians, his overall job performance is at 26%. Along party lines, the Republican's disapproval of the President's overall performance is at 42%, a jump of 18 points since last July. The majorities of Democrats (87%) and independents (76%) also disapprove of the way he has handled environmental concerns.

Among Californians, air pollution is still a major concern.

-Twenty-nine percent say air pollution is the state's most important concern, and this attitude holds across political parties, all regions of the state, and all racial and ethnic groups. About half of the residents (48%) believe that their regional air quality has worsened.

-Twenty-five percent of residents say air pollution poses a very serious health threat to themselves and their families, an increase of 18% since 2003.

Global warming and drought fears are on the rise.

-In 2002, less than 1 percent of residents mentioned global warming as the biggest environmental problem for the state. Today, this number is at 11%, a 3-point increase since last year. For the first time, the majority of Californians (54%) say that global warming can threaten the state's future economy and quality of life. Mr. Baldassare believes that more and more Californians are making the connection between global warming and rising environmental threats.

Voters want tough emission policies

Californians show surprisingly strong support for laws that reduce auto emissions. The recently enacted state law, AB 32, receives support from 3 in 4 California residents and likely voters. Residents are even more supportive of a 2002 law that requires automakers to reduce emissions from new cars in California. The majority of Californians (68%) want to see tougher air pollution standards on commercial and industrial activities. Additionally, half of Californians are willing to make significant changes to see tougher air quality standards. When it comes to the issue of which level of government should set and enforce air quality standards, 37% of residents say the state should take on the responsibility.

Air quality in San Joaquin Valley troubled residents

-More San Joaquin Valley residents than statewide residents identify air pollution as a health threat to them and their families.

For more results from the survey, visit www.ppic.org . To view video from the Capitol Hill briefing, visit <http://www.calinst.org/video.htm> .

RAND REPORT PROVIDES LESSONS FOR ARMY'S FUTURE DISASTER PLANNING

On Monday, August 13, 2007, at a RAND Congressional Briefing, Senior Researcher Lynn Davis discussed her latest study: *Hurricane Katrina: Lessons for Army Planning and Operations*. Commissioned by the U.S. Army to conduct the research, Davis and her team analyzed the Army's response to Hurricane Katrina for effectiveness and efficiency. Included in her report were recommendations on how the Army can be better prepared and equipped for future disasters.

The study showed that although the military and civilian responses at the time of the disaster were both impressive and unprecedented, they were still slow. Local, state, and federal civilian organizations

were quickly overwhelmed with responsibilities in the first few days, and what was lacking was a unified command and control structure. It took around two weeks to have the command and control structure in place at a time when decision-makers needed to act more quickly. Delays in evacuating the Superdome and convention center in New Orleans, as well as establishing effective search and rescue operations throughout the Louisiana and Mississippi areas, can all be seen as consequences of an unsound command and control structure.

Besides touching on what went wrong, Ms. Davis also proposed steps and changes the Army can take to ensure quicker and more effective responses when the next domestic emergency occurs. She suggested giving the National Guard the federal mission to conduct homeland security activities. She wants the NG to have more authority and be trained for rapid response not only within states but also for emergencies in other states.

The most notable suggestion made by her and her team was the creation of ten regional task forces that would work closely with FEMA and other civilian agencies. These special task forces would be under the command of the states that are in need of help. Governors can call on them anytime. "They think regionally, exercise regionally with no federal connection. Their primary roles would be to respond to domestic emergencies," Davis said.

To learn more about the study, visit www.rand.org.

DHS DIVIDES UP SUPPLEMENTAL FUNDS FOR HOMELAND SECURITY GRANTS

On August 16, 2007, the Department of Homeland Security (DHS) announced its plan for allocating to state and local governments \$260 million in homeland security grant monies made available by the supplemental appropriations measure (PL 110-28) passed earlier in the year by Congress. The FY 2007 funds support three grant programs. Nationwide, the allocation provides an additional \$110 million for the Port Security Grant Program (PSGP), \$100 million more for Transit Security Grant Program (TSGP), and \$50 million more for Emergency Management Performance Grant (EMPG) Program.

For port security grants, most funds go to the eight highest risk (or "Tier I") regions, and California ports will receive \$14.2 million -- \$8.1 million for L.A./Long Beach and \$6.1 million for San Francisco. The other six Tier I areas will receive \$52 million (\$15 million for NY/New Jersey, \$9.5 million for New Orleans, \$8.6 million for Houston-Galveston, \$6.7 million for Seattle, \$6.2 million for the Philadelphia area, and \$6 million for Port Arthur-Beaumont, TX). The remaining funds will go to lower-risk areas, including \$22 million to so-called Tier II ports, and \$16.5 million for Tier III projects.

For transit security, the \$100 million in supplemental funds include \$8.4 million for the San Francisco Bay area and \$4.3 million for Greater Los Angeles, and \$73.5 million for six other designated Tier I areas (\$37.2 million for New York, \$11.1 million for D.C., \$9.4 million for Boston, \$7.8 million for Chicago, \$5.9 million for Philadelphia, and \$2.1 million for Atlanta). Amtrak will receive \$5.1 million, and 29 Tier II transit agencies will be eligible to compete for the remaining \$8.7 million.

The \$50 million for 2007 EMPG supplemental funds will be allocated nearly evenly among 58 states and territories.

For more information, visit DHS at <http://www.dhs.gov>.

NEW APPROPRIATIONS ANALYSES POSTED ON CALIFORNIA INSTITUTE WEBSITE

Analyses of the California implications of the following FY08 appropriations bills have now been posted on the California Institute's website: House Commerce, Justice, Science; House Interior and Environment; and House Transportation, HUD. To access the analyses, go to: <http://www.calinst.org>.