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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.

ENVIRONMENT: HOUSE COAST GUARD AND MARITIME PANEL HEARS TESTIMONY ON SAN FRANCISCO BAY OIL SPILL

On Monday, November 19, 2007, the House Subcommittee on Coast Guard and Maritime Transportation held a field hearing in San Francisco to address the recent oil spill. The purpose of the hearing was to consider both the circumstances leading to the collision of the M/V COSCO BUSAN with the San Francisco-Oakland Bay Bridge (Bay Bridge) on November 7th, and the response of the Coast Guard and other federal agencies to the subsequent spill of approximately 58,000 gallons of fuel oil into the waters of San Francisco Bay.

The chief testimony at the hearing was given by Gavin Newsom, Mayor of the City and County of San Francisco, and Vice Admiral Craig E. Bone, Commander of the Eleventh Coast Guard District.

Mayor Newsom testified that local agencies were prepared to help in the clean-up immediately upon being notified of the spill, but were not included until later stages of the effort. He stated: “The San Francisco Bay Area has been a model for outstanding regional collaboration, coordination and planning for both human and natural disasters. This region has recently completed a robust Regional Emergency Coordination Plan (RECP).

However, after all of this investment, effort, preparation, planning and coordination to prepare the RECP, our local public safety leadership in this urban area was relegated to a liaison role during the oil spill because of the existing federal regulations and protocols for oil spill events developed as a result of the 1989 Exxon Valdez incident. Our local resources and expertise were left unused for days, despite our desire and expert ability to assist.

“At 1:00 p.m., the City initiated a conference call, during which the Coast Guard notified the City that 140 gallons of fuel were in the water. It was not until 9:00 pm -- over 12 hours after the initial collision -- that the State Office of Emergency Services (OES) Coastal Region initiated a conference call where the Coast Guard notified the City that in fact 58,000 gallons of fuel had spilled into our Bay. Although the City continued to register our concerns about the need for local involvement, it was not until Saturday that Unified Command began to actively incorporate City officials into the disaster response.”

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He went on to urge Congress to “work closely with state and local governments to scrutinize and revise the protocols for emergency response to oil spills and other disasters, in order to ensure close and immediate cooperation with State OES, local government, and non-government agencies from the beginning of any disaster.

Admiral Bone testified that the Coast Guard had followed protocol in addressing the spill. He said: “In any marine casualty; finding, verifying, and relaying information about the extent of damage to a vessel and determining the size of a spill is challenging.” Initially, he explained, the damage to the vessel and the amount of oil spilled were underestimated. He commented: “After evaluating the condition of the bridge tower and supporting base...the crew observed that the discharge of oil from the ruptured fuel tanks on the COSCO BUSAN was minimal.”

He continued to testify that he engaged the San Francisco Mayor’s Office and San Francisco City and Port stakeholder’s in a conference call. The result of the call was a press release, but not joint action. He further noted that the extent of the spill was not known until the “CA Department of Fish and Game (DFG) investigators and pollution investigators reported that approximately 53,500 to 58,000 gallons were discharged during the incident. This revised estimate was based on fuel transfer and other data and calculations.”

Bone argued that “the Coast Guard, the Responsible Party, and the Oil Spill Response Organizations (OSRO) initiated an aggressive response based on the size and fuel carrying capacity of the vessel, directing all immediately available spill response assets to the scene.” The Coast Guard, he stressed, continues to lead the federal response to the spill and is working with all agencies, affected parties and volunteers. Bone also identified the resources that the Coast Guard has deployed to deal with the incident, including pollution investigators, marine inspectors, small boats, patrol boats, helicopters, the Pacific Strike Team, and the Maritime Safety and Security Teams.

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

ENERGY: MAJOR ENERGY BILL CLEARS HOUSE FLOOR

On Thursday, December 06, 2007, by a vote of 235-181, the House passed H.R. 6, The Clean Energy Act of 2007. The bill requires that utilities produce 15% of their electricity from alternative sources, including biofuels, by 2020; raises fuel efficiency standards for all vehicles from the current 27.4 mpg to 35 mpg by 2020; and offers tax incentives for the use of alternative energy and transportation, among many other provisions.

During the debate, the bill met with opposition from minority party members who claimed that the rule, which allowed no amendments, would keep this legislation from being a bi-partisan measure. They also complained that there had not been sufficient time to review the bill since the final language (more than 1000 pages long) was reported to the floor the previous evening. They cited concerns that, as a result of this legislation, the price of natural gas and heating oil will continue to rise, causing hardships for America's working class.

Rep. George Radanovich (Mariposa) had a specific complaint. He said the main problem with this bill was its “lack of production of energy,” and that the legislation “falls short of what the American people expect from their leaders.”

He referenced projects, such as drilling in the Arctic National Wildlife Reservation (ANWR), that should be included in the bill if it were to be realistic and effective.

However, speaking in support of the measure, Speaker of the House Nancy Pelosi (San Francisco) said that with the passage of this bill the Congress could declare itself the “Congress for the future-- for the future of America's children.” She went on to point out that the biofuel provisions ensure that “America’s farmers will fuel America’s [energy] independence... [W]e will send our tax dollars to the Midwest instead of the Middle-East.” The Speaker also pointed to the widespread consumer support for the measure. According to the Consumer Federation of America, which supports the bill, “consumers will save \$700-\$1000 as a result of this bill per year”, she said.

Rep. Hilda Solis (East Los Angeles) said that the measure will create “green collar jobs” and that the benefits of this legislation will be “made available for everyone.” Rep. Jane Harman (Venice) said that the bill represents “the test of our will to solve the cataclysmic challenge of our time: Global Warming.”

Rep. George Miller (Martinez) specifically commended the energy efficiency measure in the bill. He commented: “We must make decisions based upon the American interest and not the interest of other countries.... America will have a better energy future as a result of this legislation.” He also stated that the bill “will create 3 million jobs in the green industry – we're 8 years late on coming to those jobs but they are in this legislation.”

Rep. Henry Waxman (Los Angeles) weighed in, saying that our current energy dependence is a “threat to our national security.” He said this legislation would result in money being spent domestically, which is “money we won't be sending to dangerous regimes in the Middle-East.”

Despite the vote in the House, the President has threatened to veto H.R. 6 in its current form. The House originally passed H.R. 6 on January 18, 2007 by a vote of 264 - 163. The Senate passed the bill on June 21st by a vote 65 - 27. For more information visit www.house.gov.

ENERGY: FORMULA GOVERNING ENERGY BILL’S NEW EFFICIENCY BLOCK GRANT BENEFIT SMALL STATES

The Energy Independence and Security Act (H.R.6) that was passed by the House on Thursday, December 6, 2007 includes a provision to authorize creation of an Energy Efficiency and Conservation Block Grant Program, and allows funding of up to \$2 billion per year from 2008 through 2012. If funded, the program would provide grants to states and local governments to help reduce fossil fuel emissions in an environmentally sustainable manner, reduce energy usage, and improve energy efficiency in transportation, building, and other appropriate sectors.

Appropriated funds would be split into two primary portions, with 68% of funds allocated to local governments and 28% to states -- including D.C., Puerto Rico, and territories and possessions. (The remaining 4% would be split between Indian tribes and special grants.)

The bill specifies a formula for allocating the states’ 28% of funding that would significantly favor less populous states over larger states. (As the nation’s most populous state, California is the state most disadvantaged by such so-called “small state minimums.”)

According to the bill, each state will receive not less than 1.25% of funds. As such, the bill splits about 70% of state funding equally among states -- with Delaware and Palau receiving the same amounts as California and Texas. Only the leftover 30% of funds would be divided by any other criteria.

Even the local government share (the 68% of funds) includes a small state minimum of sorts. Although half of the funds would be divided among larger cities and counties based solely on population, the other half would be split via a convoluted structure that counts only 10 cities and 10 counties per state. Thus, despite the fact that Ventura, Kern, San Francisco, and San Mateo Counties have more than 700,000 residents, they would not be counted in the calculation for this 2nd pot of funds (since they are rank below the 11th largest counties in California). However, the program’s formula would direct funds to Vermont’s 10th largest county -- Franklin County, population 46,000.

CLIMATE: ENVIRONMENT AND PUBLIC WORKS REPORTS AMERICAS CLIMATE SECURITY ACT TO SENATE FLOOR

On Wednesday, December 5, 2007, by a vote of 11-8, the Senate Environment and Public Works Committee approved Americas Climate Security Act of 2007, S.2191, the global warming legislation authored by Senator Joe Lieberman (CT) and Senator John Warner (VA).

S. 2191 aims to reduce greenhouse gas emissions by 65% by 2050. Some of the methods mandated to reach this goal include implementing a cap-and-trade system for greenhouse gas emissions and increasing energy efficiency standards for buildings and appliances. The bill also outlines the use of other technologies, such as carbon sequestration, to aid in the effort to reduce emissions.

Committee Chairwoman Barbara Boxer commented: "I express to you my deep gratitude that we have gotten to this day with a very strong bi-partisan bill that, by any standard of what is possible, passes the test with flying colors...My own state of California, which has been such a leader, is urging us to move the bill."

At the beginning of the markup, there were 108 amendments set for debate. Numerous amendments were withdrawn, however, and various others voted down. Following is a sampling of significant amendments adopted before the bill was approved:

- By a 13-6 vote, the committee approved an amendment by Lamar Alexander (TN) that would impose a low-carbon fuel performance standard. It would require oil used for transportation to meet a standard of 5 percent less carbon per unit of energy in 2015 and 10 percent less in 2020. This standard would be in addition to the bill's caps on emissions from petroleum refiners.
- The following amendments were approved by a voice vote:
 - An amendment by Sen. Thomas Carper (Del) to require states to use a portion of their allowances to promote recycling projects that reduce greenhouse gases.
 - An amendment by Sen. Frank Lautenberg (NJ), doubles the financial incentives in the bill for states that change their utility regulatory structure to promote energy efficiency.
 - An amendment by Sen. John Barrasso (WY), broadens states' ability to use their allowances to mitigate the economic impacts of the bill.
 - Two amendments by Sen. Sheldon Whitehouse, (D-RI), would address the impact of climate change on coastal communities.

The Committee rejected an amendment offered by Sens. Bernard Sanders (VT) and Hillary Rodham Clinton (NY), which proposed eliminating free allowances to most industries that emit greenhouse gases. However, the amendment would have still allowed free allowances to other entities, such as states, consumers, and farmers and foresters. The amendment was defeated by a vote of 6-13.

Upon approval of the legislation in committee, Chairwoman Boxer said: "This bill is the most far reaching global warming bill in the world and I am grateful to Senators Lieberman and Warner for breaching the partisan divide and unleashing a spirit of cooperation that puts the wind at our backs."

For more information visit www.epw.senate.gov .

WATER: TASK FORCE ANNOUNCES FINAL DELTA VISION RECOMMENDATIONS

Following its November 29-30, 2007 meeting in Sacramento, the Delta Vision Blue Ribbon Task Force announced its final recommendations for achieving a more sustainable Delta, including support for conveyance improvements and additional water storage, among other measures.

Governor Arnold Schwarzenegger established the Task Force to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

The recommendations incorporate 12 unified elements to address ecosystem and water supply reliability problems in the Delta. The Task Force formally recognizes that ecosystem health and water supply reliability are co-equal values in the Delta. Additionally, the recommendations include a finding that water storage capacity and Delta conveyance improvements are linked and important to California's water future. The Task Force also places major emphasis on conservation in the Delta.

The Task Force recommended that all conveyance options be examined, but stated that its “preferred option” is a “dual system” in which water would continue to move through the Delta while an isolated facility of some kind is analyzed and potentially pursued.

The Task Force’s final recommendations will be submitted to the Governor in December in accordance with the timetable laid out when the Task Force was established.

For more information, go to: <http://deltavision.ca.gov> .

TAXATION: HOUSE JUDICIARY PANEL EXAMINES SALES TAX REFORM MEASURE

On December 6, 2007, the Subcommittee on Administrative and Commercial Law of the House Committee on the Judiciary held a hearing on H.R. 3396, the “Sales Tax Fairness and Simplification Act.”

The Act would give Congressional approval to the Streamlined Sales and Use Tax Agreement (Agreement), the multistate agreement for the administration and collection of sales and use taxes adopted on November 12, 2002. It expresses the sense of Congress that the Agreement provides sufficient simplification and uniformity to warrant federal authorizations to states that are parties to it (member states) to require remote sellers (sellers without a physical presence in the taxing state) to collect and remit the sales and use taxes of such states and their local taxing jurisdictions. Congress must give its approval to the Agreement through legislation such as H.R. 3396, before states have the right to tax internet sales and require internet sellers to collect and submit sales taxes to the states where their customers reside, regardless of where the seller resides.

Witnesses at the hearing included: George Isaacson, Esq., Brann & Isaacson, Lewiston, ME, on behalf of the Direct Marketing Association; Steven J. Rauschenberger, Rauschenberger Partners, LLC, Elgin IL, on behalf of the National Conference of State Legislatures; Joan Wagnon, Secretary of Revenue, State of Kansas, on behalf of the Streamlined Sales Tax Governing Board; and Wayne Zakrzewski, Esq., Vice President, Associate General Counsel-Tax, J.C. Penney Corporation, Inc., Dallas, TX, on behalf of the National Retail Federation.

Mr. Rauschenberger testified that the NCSL supports H.R. 3396. However, he stressed: “Let me make this very clear, state legislators are not advocating any new or discriminatory taxes on electronic commerce. We desire, however, to establish a streamlined sales and use tax collection system that is seamless for sellers in the new economy and respects the sovereignty of state borders. The new economy or if you prefer, electronic commerce, which is not bound by state and local borders makes it critical to simplify and reform state and local taxes to ensure a level playing field for all sellers, to enhance economic development, and to avoid discrimination based upon how a sale may be transacted. Government can not allow a tax system that was designed for an economy that existed almost 80 years ago, to be the deciding factor as to where our constituents make a transaction.”

Mr. Isaacson, however, strongly disagreed, stating that advocates of expanded state tax jurisdiction try to “argue that the need for additional state revenue outweighs the constitutional protections for interstate commerce. Congress should be loathe, however, to set aside these constitutional standards. . . . Expanded and overlapping state tax jurisdictions would seriously jeopardize the continued growth of electronic commerce in the United States and it would impede the access of small and medium-sized companies to a nationwide market.”

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

TAXATION: SENATE MOVES AMT RELIEF AND R&D CREDIT EXTENSION

On December 7, 2007, the Senate voted 88-5 to grant relief for one year from the Alternative Minimum Tax (AMT) to millions of middle income tax payers. The bill, H.R. 3996, also contains extensions of several tax credits, including the research and development tax credit, and the child tax credit.

The research and experimentation (known as R&D) tax credit is set to expire on December 31st. It is widely supported by California’s industries that rely on cutting edge research and development to remain competitive globally.

Earlier in the day, by a vote of 46-48, the Senate failed to garner the 60 votes needed to invoke cloture and move a version of the tax bill that would have offset the revenues lost by fixing the AMT. A major stumbling block on the bill is whether to offset the tax revenues lost and, if so, what those offsets should be. The House-passed bill is fully offset by tax increases on businesses. Many in the Senate have objected to raising taxes against companies in this way. However, many in the House, including 31 members of the House Blue Dog Democrats have indicated they would object to a tax bill that does not contain revenue loss offsets. The House will have to act on the measure before it can be sent to the President.

Failure to reform the AMT will expose as many as 25 million taxpayers to the tax on their 2007 income, up from 4 million in 2006. California is by far the state whose taxpayers have been most affected by the AMT. Of the nation's AMT-paying payers, 18.6 percent are from California (despite the fact that only 11.5% of the nation's returns come from the state). Even more strikingly, 22.3 percent of AMT tax dollars are paid by California taxpayers.

The California Institute has posted on its website a table showing state-by-state AMT comparisons for 2003-2005, at <http://www.calinst.org/datapages/AMTbyState-2003-05.htm> . A similar two-year pdf version is available at <http://www.calinst.org/datapages/AMT-2005-2004.pdf> .

CLIMATE: BILLS ADDRESSING PREPAREDNESS FOR CLIMATE CHANGE CLEAR SENATE CST COMMITTEE

On Tuesday, December 4, 2007, the Senate Commerce, Science, and Transportation Committee held a mark-up on several bills dealing with climate change related legislation. All of the bills are aimed at supporting research to help federal, state, and local officials be better prepared to adapt to the changes brought about by global warming.

The bills before the Committee: S. 1581, the Federal Ocean Acidification Research and Monitoring (FOARAM) Act of 2007; S. 2307, the Global Change Research Improvement Act of 2007; and S. 2355, the Climate Change Adoption Act. The measures were all approved by voice vote.

Following is a short description of each bill:

- S. 1581, introduced by Sen. Frank Lautenberg (NJ), would establish an interagency committee on ocean acidification. Greenhouse gas emissions can make oceans more acidic, potentially destroying ecosystems.
- S. 2307, introduced by Sens. John Kerry (MA) and Olympia Snowe (ME), would set up a "national climate service" within the National Oceanic and Atmospheric Administration to assess the impacts of climate change at state and local levels.
- S. 2355, introduced by Sen. Maria Cantwell (WA), would require the President to prepare a strategy for addressing the impacts of climate change in the United States and require federal departments and agencies to prepare adaptation plans.

For more information visit www.commerce.senate.gov .

CLIMATE: CALIFORNIA SEEKING EPA RULES LIMITING AIRCRAFT EMISSIONS OF GREENHOUSE GASES

On Wednesday, December 5, 2007, California Attorney General Jerry Brown announced that he had asked for federal restrictions on greenhouse gas emissions from airplanes. The petition was joined by the South Coast Air Quality Management District, the City of New York, the District of Columbia, and the states of Connecticut, New Jersey, New Mexico, and Pennsylvania; several environmental groups also joined the suit. On October 2, California and a number of environmental organizations filed a similar petition to curb GhG emissions from ocean-going vessels.

According to the petition, filed with the U.S. Environmental Protection agency (EPA), "the States' environment and their residents are already suffering from the effects of global warming, and are projected to suffer much more acute effects as climate change becomes more severe. They bring this petition to protect their environment and natural resources. The States ask EPA to adopt regulations to control greenhouse gas

emissions from new aircraft on the shortest possible time line, whether in the form of emissions limitations and/or work or operational practices, in order to reduce the contribution of this large and uncontrolled source category of greenhouse gas emissions to global warming and climate change.”

Noting a 2005 declaration in an executive order by Governor Arnold Schwarzenegger that “California is particularly vulnerable to the impacts of climate change,” Attorney General Brown highlighted the various efforts the State has undertaken to limit emissions. He called the aviation sector “a large and rapidly growing source of greenhouse gases,” adding, “the EPA should have taken action by now to curb these emissions. Not to do so, ignores the tremendous opportunity for technological innovations that can increase efficiency and reduce emissions.”

“Aircraft are subject to only the most rudimentary emission controls for a limited set of conventional pollutants and no control whatever for greenhouse gas emissions,” according to the petition. It noted a recent report to Congress recommending increases in aircraft fuel efficiency, including expansion of capacity at airports, use of single-engine taxiing and continuous rather than stepped flight descents. The European Parliament and the UN’s International Civil Aviation Organization have approved recent proposals addressing aircraft emissions.

Specifically, the petition asks EPA to: (1) Make an explicit finding that greenhouse gas emissions from aircraft contribute to air pollution that may endanger public health and welfare; and (2) Adopt regulations to control greenhouse gas emissions from aircraft.

For more information, see a California Department of Justice statement with links to the petition, available at: <http://ag.ca.gov/newsalerts/release.php?id=1501&> .

IMMIGRATION: DHS SUBMITS REAL ID REGULATIONS

On November 27, 2007, the Department of Homeland Security (DHS) formally submitted to the Office of Management and Budget (OMB) its final rule on drivers’ license and identification card standards for compliance with the REAL ID Act. The Act requires toughened federal standards for receiving government-issued IDs. OMB has 90 days to issue a report on report on the DHS rule.

In early 2007, DHS announced it would extend the time for states’ compliance with the new rules until the end of 2009. See *Bulletin, Vol. 14, No. 9 (3/9/2007)*.

EDUCATION: RAND REPORT ASSESSES STATE AND LOCAL IMPLEMENTATION OF NO CHILD LEFT BEHIND ACT

As part of a series of reports on State and Local Implementation of No Child Left Behind (NCLB), the RAND Corporation recently released an interim report on accountability under NCLB. The report shows where states and local school districts have met the accountability measure laid out by NCLB, whether the goals were met in accordance with the established timetable, and whether localities are on track to reach the NCLB goal of all students reaching full proficiency in reading and math by the 2013-2014 school year. NCLB holds schools and districts accountable for their students’ mastery of state content standards, as measured by state tests.

Some of the key questions the report sought to answer are:

- How have states implemented the standards, assessments, and accountability provisions of Titles I and III of NCLB?
- How are districts and schools performing with respect to making adequate yearly progress (AYP)? What are the reasons why schools do not make AYP? Are there common characteristics among districts and schools identified for improvement?
- What efforts are being made to improve district and school performance, including state support systems, technical assistance, mandated interventions, and local initiatives?

Some key findings of the report are:

- All states have content standards in reading, mathematics and science, but most continue to revise their standards or adopt new standards.

- States used their allowed flexibility to define (and amend) their AYP indicators, adding to the complexity of AYP calculations and their variability across states.
- Three-quarters of the nation's schools and 71 percent of districts made AYP in 2003–04.
- High-poverty, high-minority and urban schools were less likely to make AYP.
- Students with disabilities, students with limited English proficiency, and African-American students were the subgroups most likely not to make AYP.
- Most state report cards included the required accountability data, but many did not include graduation rates and teacher quality data.

For more information visit <http://www.rand.org/pubs/reprints/RP1303/> .

HEALTH: PACKARD FOUNDATION STUDY ATTRIBUTES STATEWIDE IMPROVEMENTS TO CHILDREN'S HEALTH INITIATIVE'S "HEALTHY KIDS" PROGRAM

In November 2007, the David and Lucille Packard Foundation released a study of Children's Health Initiatives in three counties that shows dramatic gains in well-being for children and families. The report, "Three Independent Evaluations of Healthy Kids Programs Find Dramatic Gains in Well-Being of Children and Families, was authored by Christopher Trenholm (Mathematica), Embry Howell (Urban Institute), Ian Hill (Urban Institute), and Dana Hughes (University of California, San Francisco). The evaluations, done in Los Angeles, San Mateo, and Santa Clara Counties, show improved access and use of medical care.

The data showed that Healthy Kids programs, locally-funded county-based health insurance programs for children, produced consistent and dramatic gains in the well-being of children and families in three different settings. The study compiled data from newly-released evaluations of Healthy Kids programs in Los Angeles and San Mateo Counties and compared the results with previously released findings from Santa Clara County's program.

The following are some highlights of the main findings of the report which compared the health care experiences of children enrolled in Healthy Kids for at least a year with the health care experiences of new enrollees prior to obtaining coverage:

Access to Health Care Improves with Enrollment in Healthy Kids:

- The proportion of children having a usual source of care rose significantly, reaching about 90 percent in each county.
- The increase in medical visits in each county was evident for all types of services including preventative checkups, sick-child visits and visits to specialists.

The report also found that unmet health care needs decline with enrollment in Healthy Kids. For instance, in Los Angeles, Healthy Kids reduced the proportion of children with an unmet medical need in the last six months from 32 to 19 percent – a decline of 13 percentage points.

Healthy Kids programs, now operating in 25 counties, provide children with comprehensive health insurance coverage. These are children without employer sponsored coverage who are not eligible for state-funded programs such as Medi-Cal and Healthy Families. The programs currently provide coverage to more than 85,000 children in California. The children eligible for Healthy Kids live in families with incomes up to 300 percent of the federal poverty level in Los Angeles and Santa Clara Counties, and 400 percent in San Mateo County.

Prior to enrolling in Healthy Kids, the vast majority of these children had no health insurance coverage for basic outpatient services such as preventative and primary care, dental visits, specialist care or medications. Indeed, many of the children had never had health insurance coverage for these services, placing them at long-term risk for poor health care access and limited use of key health care services, such as preventative care.

For more information visit: <http://www.mathematica-mpr.com> .

DEMOGRAPHICS: PEW CENTER RELEASES STATISTICS ON ENGLISH USAGE AMONG HISPANIC AMERICANS

The Pew Hispanic Center recently released a report entitled “English Usage Among Hispanics in the United States” on November 29, 2007. The report looks at several factors relating to English usage among the Latino population in the U.S. Specifically, it highlights the differences evident in who is using English as their primary language by immigrant status, generation, education, and occupation, among other factors. It also looks at the differences in the usage of the language between the workplace and the home.

The main data sources for this report are six surveys conducted for the Pew Hispanic Center from April 2002 to October 2006. They included interviews with more than 14,000 native-born and foreign-born Latino adults, ages 18 and older, irrespective of legal status.

Some of the key findings highlighted by the report are as follows:

- Nearly all U.S. born Hispanic adults of immigrant parents report they are fluent in English.

- Fewer than one-in-four (23%) Latino immigrants reports being able to speak English very well.

However, fully 88% of their U.S.-born adult children report that they speak English very well. Among later generations of Hispanic adults, the figure rises to 94%. Reading ability in English shows a similar trend.

- Latino immigrants are more likely to speak English very well, and to use it often, if they are highly educated, and arrived in the United States as children or have spent many years here. College education, in particular, plays an important role in the ability to speak and read English.

- Among the major Hispanic origin groups, Puerto Ricans and South Americans are the most likely to say they are proficient in English; Mexicans are the least likely to say so.

It is projected that California’s population will be roughly half (46.8%) Latino by the year 2030.

For the full report visit <http://pewhispanic.org/files/reports/82.pdf>

REDISTRICTING: PPIC CALLS PASSAGE OF TERM LIMITS MEASURE “UPHILL BATTLE”

In a report released in December 2007 by the Public Policy Institute of California (PPIC), the Institute looks at polling data regarding voters preferences for California’s Legislative Term Limits Reform ballot measure. The report, *Legislative Reform*, pinpoints charges of fading competence, increasing partisan gridlock, and declining efficiency often brought against the legislature, and examines three reforms aimed at overcoming those shortcomings: relaxing term limits, transferring the redistricting process from the legislature to an independent commission, and reducing the supermajority requirement for the budget.

The report finds that “Most likely voters are unhappy about the performance of the California Legislature...[but] the reforms offered for improving that performance can have mixed results, and they face an uphill battle to passage.”

The report asserts that “Relaxing term limits for legislators might improve members’ grasp of issues but would decrease turnover (a central, original goal of term limits). Transferring the redistricting process to an independent commission might result in a larger number of competitive districts, but the impact of such a change on partisanship in the legislature is unclear. Reducing the supermajority requirement to approve the budget would almost certainly make the process more efficient but could undermine bipartisanship – since the two-thirds requirement forces parties to cooperate to pass the budget.”

Specifically, in a September 2007 poll, 39% of California’s likely voters are opposed to reducing terms to 12 years total, but in a single house; 55% of likely voter are supportive of the measure. The same poll found that 66% of likely voters support the idea of an independent redistricting commission, and 56% of likely voters say requiring only a 55% majority for the passage of the budget is a “bad idea.”

For the full report visit http://www.ppic.org/content/pubs/atissue/AI_1207EMAI.pdf .

CLIMATE: INVESTORS NETWORK ON CLIMATE RISK BRIEFING ON CAFE RULES

On December 4, 2007, the Investors Network on Climate Risk (INCR) hosted a Congressional staff briefing on Corporate Average Fuel Economy (CAFE) standards and the U.S. Auto Industry. The goal of the

Network is to better understand the financial risks and investment opportunities posed by climate change. The briefing was based on a report, *CAFE and the U.S. Auto Industry*, sponsored by Citi Investment Research Group. The report shows that “automakers' shareholders can thrive while the automakers build cars and trucks that are better for our health and reduce global warming pollution.

The analysis employed a complex, proprietary model combining supply- and demand-side simulations with Citi's financial models. The report finds that tougher CAFE standards can be met “with modest additions of existing technologies” and will likely be “most beneficial to GM and least beneficial to Chrysler.” Other key findings:

- Most automakers' earnings will be largely unaffected by the CAFE standards in the 2012 time horizon, but some companies, like GM, could gain as much as \$0.25 per share.
- Automakers are expected to modestly shift their sales mix to more fuel-efficient models to meet tougher CAFE standards, but the most profit-maximizing approach appears to be through investments in fuel-savings technologies – higher efficiency internal combustion engines, in particular – applied to cars and trucks.
- Suppliers of technologies such as turbochargers, automated manual transmissions and diesel engine fuel injectors may gain \$4.3 billion in growth by 2012 and even more by 2020.

A notable member of the Network is the California Public Employee Retirement System (CalPERS); the largest public pension fund of its kind in the nation, managing \$208 billion in assets. CalPERS Chief Investment Officer, Russell Read, was on hand to give his thoughts on investment in this area. Read said that environmental initiatives are an important part of CalPERS investment portfolio. In fact, he said, “investments in clean and efficient technologies are one of [CalPERS] best performing assets.”

Read also said that there are good reasons to place a price on carbon; automakers should be using technology to increase energy efficiency rather than building heavier, more powerful cars. He believes that CAFE standards are the only way to do this effectively.

For more information visit www.incr.com/NETCOMMUNITY/Document.Doc?id=163 .

CLIMATE: CALIFORNIA INSTITUTE HOSTS GREEN INNOVATION INDEX BRIEFING BY NEXT 10

On Tuesday, December 4, 2007, the California Institute hosted a briefing by Next 10 California on the California Green Innovation Index. The Green Innovation Index is a new report by Next 10 that analyzes key economic and environmental indicators to help us better understand the role green innovation plays in reducing greenhouse gas emissions that cause global warming while growing the state's economy.

The report highlights the first wave of green innovation; tracks signs of the next wave of green innovation; and outlines challenges and prospects for the future. A significant focus of the index is to track California's performance as it work towards the complete implementation of AB 32. According to the report, “California's first wave of green innovation, resulting from increasing energy efficiency since the 1970s, yielded significant economic and environmental benefits.” This progress is also coupled with the widespread recognition among Californians that global warming is a critical challenge that can and should be addressed by businesses, policymakers and citizens alike.

The Index reports 10 main findings, including but not limited to the following:

- California has one of the lowest per capita GHG emissions and the highest growth domestic products in the nation.
- California is more energy efficient than the nation and other comparable states resulting in significant savings to consumers
- Widespread innovation in adoption of green products and services is already happening in California.

The report maintains “though California is a leader in green innovation, it needs to continue to invest in research and commercialization that promotes the creation and adoption of clean energy.”

For more information visit <http://www.next10.org> .