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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.

SCIENCE: CALIFORNIA DELEGATION MEMBERS CIRCULATING LETTER SUPPORTING FUNDING FOR DOE OFFICE OF SCIENCE

Members of the California Congressional Delegation are among the lead offices circulating a letter supporting an increase in federal expenditures for the Department of Energy’s Office of Science.

California is a major recipient of federal R&D spending, and particularly of activities -- such as fusion science research and high-energy physics -- that emanate from the DOE Office of Science. The office is headed by Ray Orbach, a physicist who formerly served as Chancellor of U.C. Riverside.

The letter urging signatures notes that, “There is broad, bipartisan agreement that investing in research and development is critical to innovation and our national competitiveness. ... That’s why Congressional Democrats, Republicans, and President Bush have all proposed to double federal funding for basic research in the physical sciences over five to ten years. Providing over 40 percent of total federal funding for basic physical sciences research – more than any other federal agency – the DOE Office of Science is the nation’s primary supporter of research in the physical sciences.”

It adds, “Unfortunately, Congress failed to fulfill this commitment in the Fiscal Year 2008 Omnibus Appropriations bill. Excluding earmarks, funding for the DOE Office of Science increased at a rate less than inflation. As a result, hundreds of scientists were furloughed or laid off, operations were reduced by 20 to 25 percent at scientific facilities that serve industry, academic, and government researchers, and U.S. participation in certain international research projects was suspended. To renew our commitment to achieving the shared, bipartisan goal to double funding for basic physical sciences research, we invite you to sign [a letter to appropriations members].”

The Dear Colleague letter the proponents are circulating requests \$4.7 billion in appropriations for the research and facilities the office supports, which it says “is consistent with the level authorized in the

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America COMPETES Act (P.L. 110-69) and equals” the President’s 2009 budget request.

Offices of Members wishing to sign the letter or desiring more information should contact Paul Doucette with Rep. Judy Biggert (IL) at 5-3515, Simon Limage with Rep. Ellen Tauscher (Alamo) at 5-1880, or Eleen Trang with Rep. Zoe Lofgren (San Jose) at 5-3072. The deadline for signatures is Tuesday, March 18.

INTELLECTUAL PROPERTY: HOUSE JUDICIARY SUBCOMMITTEE MARKS UP COPYRIGHT PROTECTION LAW

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property held a markup on March 6, 2008 on H.R. 4279, the “Prioritizing Resources and Organization for Intellectual Property (PRO-IP) Act of 2007.” The bill would improve copyright law in an effort to stop the piracy and counterfeiting of U.S.-owned intellectual property.

Among its provisions, the bill would provide a safe harbor for copyright registrations that contain inaccurate information; provide that copyright registration requirements apply to civil (not criminal) infringement actions; require courts to issue protective orders to prevent disclosure of seized records relating to copyright infringement; and prohibit importing and exporting of infringing copies of copyrighted works.

H.R. 4279 also establishes within the Executive Office of the President the Office of the United States Intellectual Property Enforcement Representative to formulate a Joint Strategic Plan for combating counterfeiting and piracy of intellectual property and for coordinating national and international enforcement efforts to protect intellectual property rights. It also establishes within the Department of Justice the Intellectual Property Enforcement Division to be headed by an Intellectual Property Enforcement Officer (IP Officer).

During the markup, a manager’s amendment was approved that struck from the bill as introduced a provision to allow courts to consider parts of a copyright infringement lawsuit separately and award damages on each separate violation. Committee Chair John Conyers (MI) said that he would hold hearings on the impact of that provision on businesses and creativity.

The manager’s amendment also modified provisions intended to forestall lawsuits when an intellectual property violation takes place without the violator’s knowledge.

The amendment was approved by voice vote and the bill reported by voice vote.

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

WATER RESOURCES: BOXER’S COMMITTEE APPRAISES CORPS OF ENGINEERS BUDGET

The Senate Environment and Public Works Committee, chaired by Senator Barbara Boxer, held a hearing on March 11, 2008 entitled “Examining the President’s Proposed Fiscal Year 2009 Budget for the Civil Works Program of the U.S. Army Corps of Engineers and the Implementation of the Water Resources Development Act (WRDA) of 2007.” Witnesses were The

Honorable John Paul Woodley Jr., Assistant Secretary of the Army (Civil Works); and Lieutenant General Robert L. Van Antwerp, Chief of Engineers and Commanding General, U.S. Army Corps of Engineers.

In her opening remarks, Senator Boxer noted: "My home state of California has some of the nation's most critical needs. Indeed, my state's capital, Sacramento, is 4 times as likely to see catastrophic flooding as New Orleans was in 2005. I am pleased to see that Sacramento-area flood control was not ignored in this budget." Nevertheless, she took exception with the funding level requested in the President's FY09 budget. The request, she said, is for "a paltry \$4.741 billion. This represents a decrease of \$851 million from the FY 2008-enacted level of \$5.592 billion. Even more shocking, the proposed FY 2009 budget includes a 36% cut in construction for flood control projects authorized by Congress."

Secretary Woodley defended the Administration's budget request, especially the "investigations program, which limits the number of proposed projects funded at the study or design stage. The Corps has a very large backlog of ongoing construction work. Adding to the number of projects heading for a construction start or to their funding will delay the completion of ongoing projects and realization of their benefits to the Nation. The enactment of WRDA 2007 has heightened this concern," he said. Regarding the construction budget, Woodley also defended its level and stated "Many more construction projects have been authorized, initiated, and continued than can be constructed efficiently at any one time. The funding of projects with low economic and environmental returns and of projects that are not within Civil Works main mission areas has led to the postponement of benefits from the most worthy projects, and has significantly reduced overall program performance."

General Van Antwerp added that the Corps is "giving priority to the continued construction and completion of those water resources projects that will provide the best net returns on the nation's investment for each dollar invested (Federal plus non-Federal) in the Corps primary mission areas. The Budget also gives priority to projects that address a significant risk to human safety, notwithstanding their economic performance."

During questioning, Senator Boxer noted that the Napa River flood control project request is for \$7.39 million, whereas its funding capability currently is listed at \$24.6 million. She said she would work to increase this funding, as well as that of other projects. She also argued that the Corps is not in compliance with the independent peer review and mitigation provisions contained in the 2007 WRDA, and did not submit the status report regarding mitigation with its budget request as required.

For more information on the hearing, go to: <http://epw.senate.gov> .

TECHNOLOGY: HOUSE SCIENCE SUBCOMMITTEE HOLDS NANOTECHNOLOGY HEARING

The House Science and Technology Subcommittee on Research and Science Education held a hearing on March 11, 2008 on "The Transfer of National Nanotechnology Initiative Research Outcomes for Commercial and Public Benefit." The witnesses were: Mr. Skip Rung, President and Executive Director, Oregon Nanoscience and Microtechnologies Institute (ONAMI); Dr. Julie Chen, Co-Director, Nanomanufacturing Center of Excellence, University of Massachusetts Lowell; Dr. Jeffrey Welsch, Director, Nanoelectronics Research Initiative (NRI); Mr. William Moffitt, CEO, Nanosphere, Inc. and representing the NanoBusiness Alliance; and Dr. Mark Melliar-Smith, CEO, Molecular Imprints, Inc.

During the hearing, the following questions were some of those addressed by the subcommittee members and witnesses:

- the barriers to commercialization of nanotechnologies?
- how the National Nanotechnology Initiative (NNI) can enhance technology transfer and help promote the commercialization of nanotechnology
- whether the current investment in basic research for nanomanufacturing under the NNI is adequate
- whether user facilities supported under the NNI are effective in assisting with the transfer of research results to usable products that benefit the public
- whether there is there a need for a research and development program under NNI focused on specific problems of national importance, and

- whether there are mechanisms available for industry to influence the research priorities of the NNI.
For the testimony of the witnesses, go to: <http://science.house.gov> .

IMMIGRATION: DHS LAW ENFORCEMENT SUBJECT OF HOUSE JUDICIARY HEARING

On March 11, 2008, the House Judiciary Subcommittee on Crime, Terrorism, and Homeland Security held a hearing on the Department of Homeland Security Law Enforcement Operations. The Department's law enforcement and investigative responsibilities cover the United States Secret Service, the Transportation Security Administration (TSA), the United States Customs and Border Protection (CBP), the United States Immigration and Customs Enforcement (ICE), and the United States Coast Guard. Witnesses included: Jeffrey D. Self, Chief, Southwest Border Division, Office of Border Patrol; and Raymond R. Parmer, Deputy Director for Investigations, U.S. Immigration and Customs Enforcement.

Chief Self explained that CBP's mission is to protect U.S. borders from terrorism, human and drug smuggling, illegal migration, and agricultural pests while simultaneously facilitating the flow of legitimate travel and trade. It often enforces non-immigration offenses such as smuggling, money laundering, child pornography, and criminal trademark infringement, but it has primary responsibility for enforcing the immigration laws and the customs laws at the border. More than 15,500 CBP Border Patrol agents and CBP Air and Marine agents, and approximately 20,000 CBP officers and agriculture specialists are employed to enforce U.S. laws. In addition, Self pointed out that "CBP must also work to facilitate the movement of legitimate trade and travelers, as the agency processes all people, vehicles and cargo entering the United States. On a typical day in fiscal year 2007, CBP processed approximately 1.1 million passengers and pedestrians; 70,000 containers; 304,000 privately owned vehicles; and 83,000 shipments of goods approved for entry."

Parmer testified that U.S. Immigration and Customs Enforcement (ICE) is the lead investigative federal agency for enforcing that nation's immigration laws, in addition to specific law enforcement authority for other areas, including National Security, Public Safety, Commercial and Identity Fraud, Illegal Smuggling of Contraband, and Money Laundering. In 2003, the Office of Investigations had 5,190 agents; today, there are a total of 5,516 agents, and ICE plans to hire an additional 296 agents in 2008 and the President has asked for an additional 87 in 2009. Parmer said ICE has enacted a multi-year strategy of improving immigration enforcement through more efficient management, focused enforcement efforts that target the most dangerous illegal aliens, worksite enforcement initiatives that target employers who defy immigration law, and reducing the pull of the "jobs magnet" that draws illegal workers across the border in search of employment. ICE also created the Detention Enforcement and Processing Offenders by Remote Technology (DEPORT) Center in FY06 to aid in stopping criminal activity by aliens. The DEPORT Center conducts interviews of inmates in remote prisons from a centralized location. Through the combined effort of the DEPORT Center and local ICE resources, coverage is provided to all 114 federal detention facilities. This ensures that criminal aliens are taken into ICE custody upon the completion of their federal sentences rather than being released into U.S. communities, Parmer stated.

Parmer also briefed the Subcommittee on ICE's 287(g) program, authorized under the 1996 Immigration and Nationality Act, which allows ICE to train state and local officers in immigration enforcement. Once in place, Parmer said, the 287(g) agreement allows ICE to delegate enforcement powers to state and local agencies, who serve as force multipliers in immigration enforcement in their communities. In August 2007, ICE announced the launch of the ICE ACCESS (Agreements of Cooperation in Communities to Enhance Safety and Security) program to expand the opportunities for law enforcement partnerships, he testified. Under the ACCESS program, ICE works with local officials to determine specific enforcement challenges and develop partnership plans that help fight document fraud, illegal immigration, gang activity or other critical law enforcement challenges.

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

TRADE: SENATE COMMERCE CHALLENGES MEXICAN CROSS-BORDER TRUCKING

With Senator Byron Dorgan (ND), Chair of the Interstate Commerce, Trade, and Tourism Subcommittee presiding, the Senate Commerce, Science, and Transportation Committee held an oversight hearing on March 11, 2008 on the Department of Transportation's Cross-Border Truck Pilot Program. The pilot program provides temporary operating authority in the U.S. to a limited number of trucks domiciled in Mexico and the United States for cross-border commercial operation.

NAFTA contained provisions requiring the U.S. and Mexico to expand cross-border trucking opportunities. However, Congress has balked at implementing the program because of safety and security concerns. As a result, strict requirements were placed on Mexican trucks and drivers before the program could be implemented, including that the trucks must meet all U.S. safety requirements before they cross the border now, and before they will be allowed to drive beyond the border zones. All drivers must have a valid commercial driver's license, proof of medical fitness, and verification of compliance with hours-of-services rules. They must be able to understand and respond in English to questions and directions from U.S. inspectors. They also must undergo drug and alcohol testing. In addition, all trucks must be insured by a U.S. licensed insurance company and meet U.S. safety standards.

Furthermore, in 2007, by a vote of 74-24, the Senate adopted an amendment, which became part of the FY08 Omnibus Appropriations, which states: "None of the funds made available under this Act may be used to establish a cross-border motor carrier demonstration program..." (The House had a similar amendment.) Despite this language, DOT moved forward with a limited demonstration program in January 2008.

In his opening remarks, Sen. Dorgan made it clear that he believes DOT is willfully violating the congressional statute. Secretary of Transportation Mary E. Peters, and DOT Inspector General Calvin L. Scovel III testified for the Administration. Secretary Peters defended the Administration's decision to move forward with the pilot program, stating: "The Administration has looked very closely at the 2008 DOT Appropriations Act, particularly section 136. By prohibiting the use of funds "to establish" a cross-border motor carrier demonstration program, section 136 does not prohibit spending to continue to implement the ongoing cross-border demonstration project, which was established in September 2007 – well before enactment of the current Appropriations Act. Consistent with the Appropriations Act prohibition, FMCSA will not establish any new cross-border demonstration programs with Mexico."

She also attempted to put the limited nature of the pilot program in perspective, noting: "Today, more than 700,000 interstate and approximately 400,000 intrastate trucking companies are registered to operate in the U.S., with over 8 million large trucks registered here. Meanwhile, the 63 Mexican trucking companies that have passed the pre-authority safety audit at this time plan to operate only 304 trucks in the U.S. and employ 257 drivers. As it currently stands, 18 Mexican trucking companies have secured the U.S.-based insurance required by the program and are currently operating as part of the demonstration project. These companies are operating 62 vehicles. However, only seven percent of their deliveries in the U.S. have gone beyond the border commercial zones."

For further information on the hearing, go to: <http://commerce.senate.gov> .

EDUCATION: SUBCOMMITTEE ADDRESSES PRESIDENT'S PROPOSALS FOR FEDERAL AFTER SCHOOL PROGRAMS

On Tuesday, March 11, 2008, the House Subcommittee on Early Childhood Education held a hearing, entitled "After School Programs: How the Bush Administration's Budget Impacts Children and Families", which addressed the potential effects of the President's budget and its reductions in after school program spending.

The committee chairman, Rep. Dale Kildee (MI), expressed his concerns, commenting: "It is beyond me why the President would propose not only to slash after school funding by 26 percent or \$281 million, but also to turn the program into a voucher program.... By the administration's own calculations, its proposal could result in more than one million fewer students receiving services. I had hoped that the President's final education budget would be an improvement over his previous ones, but it is hard to see much positive

about...cuts to drug and violence prevention and after school programs...and divisive private school and after school voucher proposals.”

One of the major programs that faces significant cuts is the 21st Century Community Learning Center (CLCC), which is held in high regards by its administrators and other educational experts. The 21st CLCC program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that can complement their regular academic programs; and offers literacy and other educational services to the families of participating children.

Priscilla Little, on behalf of the Harvard Family Research Project, and Ladonna Gamble, Interim Project Director of Flint Community Schools Bridges to the Future after school program, delivered the primary witness testimony. Little testified to the proven benefits of after school programs. She commented: “After school programs are a critical component of children’s education and development and, in part thanks to the 21st CLCC grants program, we have a good solid evidence base to support this claim. Participation in well implemented after school programs can support academic achievement and school success. It can result in: less disciplinary action; lower dropout rates; better academic performance in school, including better grades and test scores; greater on-time promotion; improved homework completion; and improved work habits.

“A two-year longitudinal Study of Promising After-School Programs examined the effects of participation in quality after school programs ... indicate(d) that elementary and middle school students who participated in high-quality after school programs, alone or in combination with other activities, across two years demonstrated significant gains in standardized math test scores, when compared to their peers who were regularly unsupervised after school.”

Gamble said that as the administrator of the Bridges to the Future after school program, and a voice from the field, she sees “what a difference after school makes in the lives of our children and their families.” She expressed her disagreement with the President’s proposal to revamp the 21st CLCC initiative into a voucher program, as well as to his proposed budget cut for after school. “I think both are very bad ideas that would have a disastrous effect on after school programs in Flint, across Michigan, and around the nation”, she said.

Instead, she said, what the President should do for the 21st CLCC initiative “is to increase funding to get it closer to the level authorized under the *No Child Left Behind Act* -- \$2.5 billion.” Gamble went on to argue that the President’s proposal is at odds with independent, scientific valuations of after school programs. She cited a recent study, “Study of Promising After school Programs,” by scholars Deborah Lowe Vandell and Kim Pierce of the University of California at Irvine, and Elizabeth Reisner of Policy Studies Associates, that “showed that regular participation in high quality programs led to significant gains in test scores and work habits.” These affects would promote successfully reaching some goals of the No Child Left Behind.

For more information visit www.edlabor.house.gov .

HOUSING: SENATE HOUSING ADDRESSES HOUSING AND URBAN DEVELOPMENT BUDGET

On Wednesday, March 12, 2008, the Senate Banking, Housing, and Urban Affairs Committee held an oversight hearing on the Housing and Urban Development (HUD) Department and the implications of the President’s fiscal year 2009 budget proposal. Primary testimony was delivered by The Honorable Alphonso R. Jackson, Secretary of the Department of Housing and Urban Development, and by Mr. Hector Pinero, Sr. Vice President of the Related Management Company, representing the National Multi Housing Council (NMHC) and the National Leased Housing Association (NLHA).

Secretary Alfonso argued that the President’s budget “reflects America’s compassion and commitment.” It will “ensure housing assistance for those in need, preserve and promote homeownership by addressing subprime mortgages, strengthen communities by sustaining homeownership gains, make further progress towards ending chronic homelessness, and continue the trend of improving HUD’s management and

performance.... I believe we have a good budget. It is fiscally sound, supports our mission, and fits in well with the overall vision for the President's entire fiscal year request", he said.

The Secretary highlighted that the budget contains \$3 billion in Community Development Block Grant (CDBG) funding for states and local governments, and that it also "supports public housing operations with a request for \$4.3 billion, the highest proposed funding level in history. This will cover the necessary operating expenses for 1.2 million public housing units."

Mr. Pinero disagreed that the budget was "good", or even sufficient. He commented: "The President's plan would fund [HUD] at \$38.7 billion, which ... is \$330 million above current levels, but insufficient in light of the housing affordability issues plaguing this country. The HUD budget continues to strain efforts to provide decent and safe affordable housing. Over the years, HUD spending has declined significantly, illustrated by the fact that HUD's budget in 1974 was nearly \$70 billion (in today's dollars) as compared to the \$38.7 billion being proposed for FY09. Clearly, such cuts are indicative of the reduced commitment of the Federal Government to affordable rental housing in favor of failed homeownership policies."

He said NMHC/NLHA see the "Section 8 subsidy mechanism is the most effective housing subsidy ever devised by Congress. It is an elastic subsidy that can reach the very poorest families and keep their rent burden proportionately the same as the rent burden of families with more income. However, for Section 8 to be an effective program, HUD must comply with its contractual promise to housing providers to make timely monthly assistance payments." He said that HUD has been making late payments and not meeting its contractual obligations.

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

TRANSPORTATION: SENATE COMMITTEE HOLDS HEARING ON HOW TO ADDRESS THE NATION'S INFRASTRUCTURE NEEDS

On Tuesday March 11, 2008 the Senate Banking, Housing and Urban Affairs Committee conducted a hearing on the nation's infrastructure needs. Mr. Tracy Wolstencroft, Managing Director and Head of Public Sector and Infrastructure Banking at Goldman Sachs, noted that congestion along the Capitol Beltway harms not only the environment but also the economy. Janet Kavinoky, Director, Transportation Infrastructure for the U.S. Chamber of Commerce, commented that "We are a growing people with a failing infrastructure," and cited chronic under investment across all modes of transportation. All agreed that our nation's infrastructure needs are not being met. The panel discussed how to encourage domestic and overseas investment in our infrastructure as well as other financing options as Congress is unlikely to approve more taxes. Mr. Wolstencroft noted that overseas investment may be ideal as the jobs and work can not be outsourced. However, thirty states currently do not allow for public/private partnerships in transportation financing, which is a major impediment to what might otherwise be a workable solution. Tracy noted that pension funds might be interested in investing as they require long-term assets to balance long-term liabilities.

The committee members and witnesses pushed for investment spending and the implementation of other financing options as costs will only increase in time, and because doing so could create just the economic stimulus that is currently needed. While transportation projects take several years to complete and therefore do not have an immediate effect on the economy, Felix Rohatyn, Trustee, Center for Strategic and International Studies, observed that due to the backlog of necessary projects, work might be begun more quickly than usual. It is estimated that one billion dollars in public investment supports 48,000 jobs.

For more information on this hearing, please visit: <http://banking.senate.gov>

EDUCATION: SENATE PASSES ONE-MONTH EXTENSION OF HIGHER EDUCATION LAW

On Friday, March 8, 2008, the Senate passed a one month extension of the higher education law; the primary law governing colleges, universities and federal financial aid. The legislation, S. 2733, extends the Act through April 30, 2008. Both houses are still in conference reconciling their differences in the effort to reauthorize the law.

The law has not been fully renewed since 1998.

AGRICULTURE: HOUSE EXTENDS FARM BILL FOR 30 DAYS

On Wednesday, March 12, 2008, by a voice vote, the House passed S. 2745, a extension to the Farm Bill of 2002; the Senate previously agreed to the extension. The bill's previous 3-month extension was set to expire March 15. The extension comes in an effort to give both houses more time to reconcile their differences in the conference committee.

Leadership in both houses have agreed to spend \$10 billion more than a \$280 billion five-year budget baseline for agricultural subsidies, conservation programs, food stamps and alternative energy incentives. But all additional spending must be offset with cuts elsewhere or new revenue.

TRANSPORTATION: CALIFORNIA INSTITUTE LUNCHEON BRIEFING EXAMINES REPORT BY BLUE-RIBBON PANEL CONVENED TO STUDY U.S. SURFACE TRANSPORTATION

On Monday, March 10, 2008, the California Institute hosted a lunch briefing on the topic of the National Surface Transportation Policy and Revenue Study Commission. The briefing, entitled "Transportation for Tomorrow: The Long View for Surface Transportation in California and the U.S.," featured Steve Heminger, Executive Director of the Metropolitan Transportation Commission (MTC) in San Francisco, and the sole California member of the commission.

Congress created The National Surface Transportation Policy and Revenue Study Commission in 2005 under SAFETEA-LU. The 12-member Commission was comprised of U.S. Transportation Secretary Mary Peters and some of the nation's top transportation experts. It was convened by Congress and the President to examine the condition and future needs of the nation's surface transportation system, as well as short and long-term alternatives to replace or supplement the fuel tax as the principal revenue source to support the Highway Trust Fund over the next 30 years.

Heminger said that the real charge of the commission, in his view, was to assess what the federal government role should be in transportation. The federal government's role became less clear after the completion of the interstate highway system, but it is still funding the highway trust fund. With the emergence of megaregions of congestions, the threat of global warming, and growing urban areas, "we are at a crossroads in transportation, he said. Given the multi-lateral nature of these problems, "there are continued National objectives" and there is a need to continue a federal transportation program.

According to Heminger, the commission broke down the job into three overreaching parts: freight, metro-mobility, and fuel efficiency. He said that the Commission recommends that more freight be moved by rail which will help to reduce congestion near major trade corridors. More efficient moving of goods leads to cost savings for businesses and consumers.

He also emphasized that more people need to be moving by rail, addressing another Commission recommendation for increased inter-city rail. Metro-mobility, or addressing congestion in megaregions, is integral to improving transportation systems that affect our every day lives. Congestion 40 hours annually per traveler was once confined to just Los Angeles, California, in 1982; today, there are 25 places in the country with at least this level of congestion, including the San Francisco Bay area and the Central Valley, Sacramento inclusive. Megaregions house 68% of the country's population and have 97% of the country's congestion -- and even more people are moving to the regions. Heminger also noted that fuel efficiency standards have not been updated for 25 years and 40% of CA green house gas emissions are from transit.

The Commission made several recommendations including allowing states to toll the interstate at their discretion and increasing the gas tax. For more information visit: www.transportationfortomorrow.org .

Video of the briefing will be posted in the near future on the California Institute's website at <http://www.calinst.org/video.htm> .

BUDGET: IMPACT OF THE PRESIDENT'S PROPOSED BUDGET ON CALIFORNIA

The California Budget Project released a report the week of March 9, 2008 on the impact of the President's proposed budget on California. The proposed budget restricts funding for domestic "discretionary" programs as well as Medicare and Medicaid. Discretionary programs are programs other than defense and international affairs that are funded annually. A portion of the cuts would shift costs to the state level, creating an additional burden on California's already tight budget.

The reduction would affect millions of Californians who rely on support from public services, CBP finds. These services include education, environmental protection, child care, and energy assistance for low income families and the elderly. This follows a trend of decreased federal spending on such services in the last few years, as well as decreased grants to state and local governments. After adjusting for inflation, grant funding received by California in FFY 2009 would be \$4.6 billion lower than in FFY 2003. Without a significant increase in state or local revenues, there will not be enough funding to cover the proposed reductions and service levels would drop.

Funding for vocational and adult education programs would be cut by \$139.5 million from FFY 2008 (after adjusting for inflation). Funding for K-12 programs and Head Start would also be significantly reduced. Reductions in the Child Care and Development Block Grant would make it more costly for California to comply with the federal work participation requirements for welfare-to-work participants enacted in 2006, according to the report. Inadequate funding of Section 8 Housing Choice Voucher Program would also cause approximately 14,000 fewer families to receive rental assistance.

The President also proposed \$18.2 billion in cuts to the Medicaid program between FFY 2009 and FFY2013, primarily by shifting costs to the state level. Support for state administration activities, viewed as crucial for running Medicaid programs effectively, would be shifted to the state. Federal spending on Medicare would be reduced by \$556 billion over 10 years. This will primarily affect the hospitals and health service providers that serve Medicare beneficiaries. However, it will not reduce payments to managed care programs through the Medicare Advantage program.

To read the California Budget Project's full report, please visit: <http://www.cbp.org/>.

FORUM ON MARCH 20 HOSTED BY FLEISHMAN-HILLARD & ROLL CALL ON 2009 PRIORITIES FEATURES REMARKS BY WILSON, PANETTA, WILSON, KANTOR, KESSLER

On Thursday, March 20, 2008, Fleishman-Hillard International Communications & the Roll Call newspaper will sponsor a forum entitled, "*Looking Toward 2009: Assessing the Priorities for the Next Administration.*"

With a heavy contingent of Californians, the panel discussion will feature a variety of national policy luminaries, including Former White House Chief of Staff and Secretary of Transportation Andrew Card, Former Chief of Naval Operations Admiral Vern Clark, Former House Speaker Newt Gingrich, Former Secretary of Commerce and U.S. Trade Representative Mickey Kantor, Former Food and Drug Administration Commissioner David Kessler, Former White House Office of National Drug Control Policy Director General Barry McCaffrey, Former British Ambassador to the United States Christopher Meyer, Former White House Chief of Staff and Office of Management and Budget Director Leon Panetta, Pennsylvania Governor and U.S. Homeland Security Secretary Tom Ridge, Former Secretary of Health and Human Services Louis Sullivan, and Former California Governor and U.S. Senator Pete Wilson. It will be moderated by Roll Call Executive Editor Morton M. Kondracke

The event will take place Thursday March 20, 2008, from 8:30 am to 10:00 am (with registration and breakfast beginning at 8:00 am) in the State Room of the Mayflower Hotel (yeah, the one that's been in the news a lot lately!), which is located at 1127 Connecticut Avenue NW, in Washington, DC.

Space is limited, so those interested in attending should call 202-403-8903 or else send e-mail to Rsvp.pasummit@Fleishman.com.