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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.

EDUCATION: HOUSE PASSES BIPARTISAN STUDENT LOAN ACCESSIBILITY ACT

The House passed HR 5715, the Ensuring Continued Access to Student Loans Act of 2008, by a vote of 383-27 on Thursday April 17, 2008. Rep. George Miller (Martinez), Chairman of the Education and Labor Committee and sponsor of the bill, offered a manager's amendment, which was agreed to 413-0. The bill is designed to increase student access to federal loans in light of the current housing and credit market crunch. It would allow undergraduates who are dependents of their parents to borrow up to \$31,000 in federal loans, up from a current limit of \$23,000. The total for independent students would increase from \$46,000 to \$57,500.

Current law requires parent borrowers to begin repayment of federal Parent Loans for Undergraduate Students (PLUS) 60 days after the disbursement of the loan. H.R. 5715 would give parents the option to defer repayment until up to six months after their children leave school, giving families more flexibility in hard economic times. Parents with an adverse credit history are currently ineligible to receive a parent PLUS loan (except under extenuating circumstances), but this would also be amended by the bill, which would temporarily classify as an extenuating circumstance delinquencies on home mortgages of up to 180 days, therefore making it possible for parents feeling strained by the current housing market to secure loans for their children.

H.R. 5715 would also clarify that existing law gives the U.S. Education Secretary the mandatory authority to advance federal funds to guaranty agencies operating as lenders of last resort in the event that they do not have sufficient capital to originate new loans. The bill would also allow guaranty agencies to carry out the functions of lender of last resort on a school-wide basis.

Rep. Buck McKeon (Santa Clarita), ranking Republican on the Education & Labor Committee, called the bill “a first step to prevent a crisis in the student loan program.” Chairman Miller said that, given the difficult economy, “students and families shouldn’t have to worry about whether or not the federal student aid they need to help pay for college is in jeopardy.”

For more information on the bill and floor action on amendments, visit: <http://clerk.house.gov/> .

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AGRICULTURE: DESPITE CONFERENCE PROGRESS, STOPGAP BILL USED TO EXTEND CURRENT FARM BILL ONE WEEK

As the April 18, 2008 expiration date of the last Farm Bill extension loomed, the House and Senate found themselves once again in disagreement over spending, reaching only an agreement that the current provisions should be extended one more week. The House passed a one-week extension on Wednesday, and the Senate followed suit Thursday.

Leaders hope they can finish the legislation within this week long period. The bill has been stuck in Conference since last year. Conferees are close to settling most policy based disputes, but still have not come together on how to pay for the package. House members object to \$2.5 billion in alternative energy tax credits the Senate insists on adding to the farm bill's \$560 billion baseline. That's in addition to an extra \$10 billion the Senate is proposing to fund new farm programs and disaster aid. Negotiators are also still in disagreement about prioritizing new spending and how to create offsets.

TECHNOLOGY: SCIENCE COMMITTEE EXAMINES NANOTECHNOLOGY INITIATIVE

On Wednesday, April 16, 2008, the Committee on Science and Technology held a hearing to review the National Nanotechnology Initiative (NNI) Amendments Act. The legislation includes changes to strengthen the planning and implementation of the environment, health, & safety (EHS) component of NNI; to increase emphasis on nanomanufacturing research, technology transfer, and commercialization of research results flowing from the program; to create a new NNI component of focused, large-scale research and development projects in areas of national importance; and to enhance support for K-16 nanotechnology-related education programs. An earlier hearing this year, *The Transfer of National Nanotechnology Initiative Research Outcomes for Commercial and Public Benefit*, was held on March 11, 2008 by the Subcommittee on Research and Science Education.

Witnesses included: Mr. Floyd E. Kvamme, a Silicon Valley venture capitalist who serves as Co-Chair of the President's Council of Advisors on Science and Technology; Sean Murdock, Executive Director of the NanoBusiness Alliance; and Dr. Robert R. Doering, Senior Fellow and Research Strategy Manager for Texas Instruments, who spoke on behalf of the Semiconductor Industry Association.

In his testimony, Mr. Kvamme stated that: "The provision in the draft reauthorizing legislation that the NNI collectively allocate a minimum of 10% of its nanotechnology R&D to EHS-related research is problematic in both practice and principle." In practice, he said, the funding of each agency is fundamentally independent of the NNI and, therefore, cannot be directed by the Nanoscale Science, Engineering, and Technology Subcommittee of the National Science and Technology Council. Furthermore, he argued, "it is not feasible or reasonable to exclusively designate projects (or portions of projects) as exclusively 'EHS' or not." In principle, he stated, "this set-aside appears to be arbitrary and not based on a sound scientific analysis of the current NNI portfolio of relevant research (including extensive relevant

research not reported under the EHS program component area) and what is strategically needed.” Instead, he urged that support should be “guided by the identified gaps and sequential priorities identified in the NNI’s nanotechnology EHS research strategy.”

Dr. Doering focused his testimony on two core aspects that TI and the U.S. semiconductor industry see as key components to the legislation: identification of areas of national importance and the translation of basic research into innovations that can be commercialized. Regarding the section on areas of national importance, he stated that “is an essential element to the bill. The identification of the areas specifically named in the bill as well as subsequently by the Advisory Panel, will facilitate prioritization of interagency activity and resources around nanotechnology research that addresses the most critical challenges facing our country.” Regarding the research to commercialization sections of the bill, Dr. Doering said: “We applaud the Committee for recognizing that appropriate critical areas of basic research must have a mechanism for translating research into commercial applications. This must be balanced with sustained emphasis on continuing the exploratory research itself, which is required to answer remaining fundamental questions in the science and engineering of nanotechnology. We believe that industry can play an important role in establishing this balance by providing insights on appropriate goals and needs for both “directed” basic research and its potential commercialization.” In conclusion, he said, “The draft bill makes a number of improvements to the planning and implementation of the NNI. We strongly support the focus on areas of national interest, and specifically the language on nanoelectronics. The translation of basic research to commercialization must occur to ensure that the NNI maximizes the contributions to U.S. economic competitiveness and maintains our country’s leadership in nanotechnology.”

For the testimony of all witnesses and further information about the subject, visit <http://science.house.gov>.

ENVIRONMENT: HOUSE FLOOR VOTES TO REAUTHORIZE BEACH ACT

The House passed HR 2537 by voice vote on Thursday April 17, 2008. This bill reauthorizes through fiscal year 2012 the Beaches Environmental Assessment and Coastal Health Act (PL 106-284), which set uniform criteria for testing beach waters for bacteria and other pollutants and notifying the public if waters are unsafe.

This year’s Beach Protection Act specifies that local authorities must notify the public within 24 hours of finding a contaminated sample and that if the beach is not closed, a sign be posted indicating that the water is probably contaminated. The bill also allows greater flexibility in the way that states use federal grants for monitoring and notification programs, including for tracking sources of beach water pollution. It increases the amount of these federal grants from \$30 million to \$40 million.

The bill enhances EPA's review of individual states' compliance with the requirements of the BEACH Act by requiring the Administrator to conduct an annual review of implementation of the BEACH Act by State and local governments, and to take corrective action for State and local governments that are not in compliance with the BEACH Act requirements. It also requires the EPA to carry out a study of the formula for the distribution of coastal recreation water quality monitoring and notification program development and implementation grants under the BEACH Act and to report to Congress on the results of the study, including any recommendations for revision of the existing formula. The Government Accountability Office will be required to review and report on EPA's administration of the BEACH Act.

For more about Thursday’s floor activity, go to <http://clerk.house.gov> . For details regarding the bill, visit <http://transportation.house.gov/> .

ENERGY: JOINT COMMITTEE ADDRESSES IMPACT OF ENERGY CORRIDOR SELECTION

On Tuesday, April 15, 2008, two House Natural Resources Subcommittees -- one on National Parks, Forests, and Public Lands, and the other on Energy and Mineral Resources -- held a joint oversight hearing on the impact on states and communities of the process for selecting sites for energy corridors.

According to a Bureau of Land Management representative, a designated energy corridor is a "linear" parcel of land – a piece of real property specifying a centerline and a width – identified in a land use plan as

the preferred location for facilities that require future rights-of-way. Energy corridors include federal lands through which oil, gas and hydrogen pipelines and electricity transmission and distribution facilities are routed. California is one of the 11 Western states that compose "West-wide corridors," which was the focus of the hearing.

Rep. Jim Costa (Fresno), Chairman of the Subcommittee on Energy and Mineral Resources, remarked on the importance of energy corridors in meeting the energy needs of California. He said that one of the major concerns for California is not only energy production, but energy transmission. He commented: "Twenty-percent of California's electricity comes from out of state. [Energy corridors] impact all of California as well as other parts of the West." He also spoke about California's effort to increase its use of renewable energy, and the role energy corridors play in meeting those goals. "Transmission is one of the biggest problems we face with renewable energy.... Corridor planning is intricately tied to the renewable portfolio standards we are trying to establish. Million of acres are affected by transmission of renewable energies," he said.

To speak directly to the scope, challenges, and importance of the site selection process, Mr. Luke Johnson, Deputy Director, Programs and Policy, Bureau of Land Management and Mr. Leslie Starck, Vice President of Local Public Affairs, Southern California Edison, delivered testimony. Mr. Johnson addressed the need for, and benefits of, designated energy corridors. "What remains a constant", he said, "is the need to connect sources of energy with the people that depend on that energy to heat and power their homes, communities and local industry." In order to meet these needs, energy must be transmitted between states and inevitably across federal lands. On implementing transmission schemes, Johnson commented: "[T]he advantages of designating corridors far outweigh the disadvantages. It ultimately results in a smaller footprint on the land we manage than if the siting for projects were handled on a case-by-case basis because designated corridors provide land managers with an important tool for controlling the proliferation of energy transport projects across the landscape. Co-locating projects within corridors reduces impacts, such as habitat fragmentation, the spread of invasive species, and migration barriers." He said that there are times when these corridors somewhat encroach upon protected lands, but that is usually when they are designating corridors that are following existing infrastructure. When this happens, the Bureau works with local communities to minimize impacts, Johnson testified.

Mr. Starck, Vice President of Local Public Affairs for Southern California Edison (SCE), spoke about SCE's dependence on transmission that utilizes energy corridors, and its commitment to renewable energy sources, which also depend heavily on transmission through these corridors. He commented: "SCE constructs, owns, and maintains transmission and generation facilities, many of which are located on federal land. SCE also purchases power from generators located inside and outside of California. As such, SCE relies on the electric grid throughout the western United States, in addition to our own transmission system, to ensure we have a reliable supply of power for our customers.

"In the meantime, SCE leads the nation in renewable power delivery, procuring approximately 12.5 billion kWh of renewable energy annually; more than any other utility in the United States. This makes renewable energy 16% of SCE's total energy portfolio.

"However, demand response and energy-efficiency programs are not a silver bullet. The need for added transmission infrastructure continues despite our efforts to reduce customer demand for electricity. Thus, to meet both load growth and an increasing number of customers on our system, SCE must purchase more power and build more transmission facilities.

"To facilitate the timely construction of these needed transmission facilities, utilities must have streamlined siting and permitting processes. SCE's transmission investments are expected to: 1) increase the capability for transfers of power between California and other regions; 2) facilitate the development and delivery of remotely-located renewable resources to customers; 3) maintain reliability of the electric system; and (4) serve growing customer load.

"The designation of the corridors on Federal lands is critical in meeting, in a timely fashion, growing electricity demand, accessing new diversified generating resources, increasing reliability on the SCE

transmission grid, and mitigating potential transmission congestion due to significant load growth in Southern California. In fact, it is nearly impossible to bring transmission lines to the Southern California area without crossing Federal lands.”

Southern California Edison is one of California's largest utility providers, serving 13 million people in 180 cities in 50,000 square miles of service area, encompassing 11 counties in central, coastal and Southern California.

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

IMMIGRATION: HOUSE JUDICIARY PANEL ASSESSES GUEST WORKER PROGRAM

The House Judiciary Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, chaired by Rep. Zoe Lofgren (San Jose), held an oversight hearing on April 16, 2008 on the H-2B Program, under which immigrants come to the United States temporarily to fill jobs for which American workers are not available.

Witnesses included: Rep. George Miller (Martinez), Chair of the House Education and Labor Committee; Ross Eisenbrey, Vice President, Economic Policy Institute; Steven Camarota, Director of Research, Center for Immigration Studies; and Mary Bauer, Director, Immigrant Justice Project, Southern Poverty Law Center.

Rep. Miller began his testimony by stating: “I believe Congress should not pass any new guest worker legislation, including expansions of existing programs, unless it is combined with strong, common-sense labor protections.” He went on to discuss three areas of H-2B labor reform: strengthening the recruitment of U.S. workers; protecting U.S. workers’ wages and working conditions; and stopping abusive foreign labor recruiting practices.

He argued that Congress must strengthen the requirement that employers recruit U.S. workers before turning to guest workers. “Employers should only be permitted to use H-2B workers when they have established that qualified U.S. workers are truly unavailable,” Miller stated. Second, “The H-2B program needs to be reformed to protect U.S. workers from a race to the bottom.” He argued that the prevailing wage requirements in the H-2B program have been weakened in recent years, and this has meant that U.S. workers have less access to these jobs. “It also means the wages of U.S. workers are driven downward. We need a real and clear prevailing wage requirement in the H-2B program that ensures the employment of guest workers will not adversely affect U.S. workers’ wages and working conditions,” Miller stated.

Finally, he argued that Congress must ensure that foreign workers are not lured into the H-2B program by “unscrupulous” foreign labor recruiters “under false promises or coercive conditions. He noted that last year he introduced the Indentured Servitude Abolition Act (H.R. 1763), which would require clear and accurate disclosure of terms of employment to recruited workers. It would also outlaw charging workers recruitment fees, and includes enforcement provisions. He urged the subcommittee to attach the major provisions of his bill, along with other H-2B labor reforms, to any legislation on the issue.

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

HOUSING: LENDERS BEGIN OFFERING “CONFORMING JUMBO” MORTGAGES IN STATE

The nation’s primary and secondary mortgage lenders have begun to make offerings to stimulate the mortgage market in high-cost areas like California. Both Freddie Mac and Fannie Mae on Thursday, April 17, 2008, announced that they would give strong 90-day underwriting commitments on the pricing of so-called jumbo conforming mortgages.

Pursuant to the March 2008 Economic Stimulus package, the federal government issued guidelines for new lending at far higher levels than had been allowed in the past -- as high as \$729,500 -- but since then and until now, there had been little further action in the market.

With this greater certainty in the secondary mortgage, Wells Fargo, WAMU, CitiMortgage and JP Morgan Chase all subsequently announced plans to provide billions of dollars of conforming jumbo

mortgages in high cost locations. The new class of conforming jumbo loans are expected to have lower rates (perhaps by 0.5 points) than the traditional jumbo loans that had been, until now, limited to \$417,000.

The revised guidelines relieve stresses for California more than for any other state, given the relatively high costs throughout the state and particularly in urban and suburban areas.

“No single issue affects California's housing recovery more than access to mortgage credit that fits California's home prices, commented Governor Arnold Schwarzenegger. “These actions will help more California families achieve the dream of homeownership and provide another tool in our effort to reduce foreclosures.”

TRANSPORTATION: SENATE SUBCOMMITTEE TACKLES SURFACE TRANSPORTATION AND THE GLOBAL ECONOMY

On Wednesday, April 16, 2008, the Senate Subcommittee on Transportation and Infrastructure held a hearing to address surface transportation and its impact on the global economy. The hearing comes as a precursor to the pending reauthorization of the surface transportation laws and the Highway Trust Fund. Chairman Max Baucus (MT) asked the witnesses to focus on how surface transportation and infrastructure affect the United States' global economic competitiveness, and to provide examples of how other countries' investments in transportation infrastructure have bolstered their economies.

The Chairman referred to the infrastructure investments in China as an example of how investment in infrastructure is integral to growing the economy. He said that Americans are up to the challenge and must examine ways to improve our infrastructure in order to stay competitive.

Witnesses delivering testimony included Siva Yam, President of the U.S.-China Chamber of Commerce, and Edward Wytkind, President of the Transportation Trades Department for the AFL-CIO. Yam said that China's emergence as an economic leader has less to do with labor costs – he cited numerous other countries with cheaper labor – and more to do with the will of the government and the investment in infrastructure to efficiently move the goods produced in their export based economy. His testimony was aimed at sharing observations in regard to the rapid development of China's economy and its relationship with surface transportation.

“For a developing economy that depends on exports,” he said, “it is essential that goods can be shipped from the factories to the port, energy sources can be redirected to the power stations that supply to the factories, raw materials and parts can be transported to the assembly lines, and overseas buyers and engineers are able to get to the factories without extended delay.” Yam said that prior to China's investment in infrastructure, “the economic development of China concentrated on the coastal region and southern part of China because goods could easily be shipped to foreign countries. With a concerted effort, China began an aggressive plan of building a national network of surface transportation.”

It is expected that in 2020, all cities with a population of over 200,000 will be connected. The continuing effort toward building its transportation system is essential to the sustainability of its economy. A more efficient surface transportation system will also allow specialization of industries in certain regions that have a comparative advantage so as to achieve a higher degree of efficiency. Without a well developed surface transportation system, this will not be achieved. There are conditions, Yam said, that make China unique in its ability to move so swiftly, such as the lack of private land ownership that allows China to relocate citizens into areas where labor is most needed. However, China's efficiency in transportation infrastructure is still one of the biggest pieces of their growing economic framework.

According to Edward Wytkind, President of the Transportation Trades Department of the AFL-CIO, the U.S. could similarly benefit from a new large investment in transportation infrastructure. In fact, he thinks it's integral to our future economic prominence. He commented: "If the United States fails to achieve and maintain a first-class transportation network, our ability to compete in the global marketplace will suffer, and the millions of businesses and workers dependant on a safe and efficient transportation network will be put at a competitive disadvantage. We simply cannot allow this to happen.

"Investing in transportation creates and sustains millions of good jobs in this country and at the same time provides a critical ingredient for our nation's economic growth. We know, for example, that building and maintaining roads, bridges, rail lines, transit systems and ports puts millions of our members to work every day. Thanks to strong collective bargaining rights and prevailing wage laws, these are good-paying jobs, with strong benefits - the type of quality jobs that evade millions of Americans."

Wytkind referred to past investments in infrastructure in the U.S. that had a direct beneficial impact on the U.S. economy, such as the construction of the Erie Canal, the Pacific Railroad Bill, and the Federal Aid Highway Act. With the current transportation challenges facing the nation, Wytkind said that "Congress and the federal government have an opportunity to define this as the generation that rebuilt America."

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

HOMELAND SECURITY: SENATE COMMITTEE CHECKS PROGRESS OF FUSION CENTERS

On Thursday, April 17, 2008, the Senate Homeland Security Committee heard testimony on the progress of Fusion Centers across the country. The hearing, "Focus on Fusion Centers: A Progress Report", centered on the relationship between the federal government and Fusion Centers, and whether the centers were being used as effectively as possible, and getting as much support as needed.

According to the Department of Homeland Security, Fusion Centers blend relevant law enforcement and intelligence information analysis and coordinate security measures in order to reduce threats in local communities. The Department of Homeland Security has provided more than \$254 million from FY 2004-2007 to state and local governments in support of the 58 Fusion Centers nationwide. Fusion Centers provide critical sources of unique law enforcement and threat information; facilitate sharing information across jurisdictions and function; and provide a conduit between men and women on the ground protecting their local communities and state and federal agencies. Matthew Bettenhausen, Homeland Security Adviser for the State of California, and Eileen Larence, Director of Homeland Security and Justice Issues for the U.S. Government Accountability Office, delivered testimony.

Bettenhausen said the function of Fusion Centers is important because "terrorism prevention is everybody's business." He cited examples of occasions where local law enforcement officers, conducting regular business but trained to spot terrorists, were responsible for halting terror plots. For example, local law enforcement officers in Southern California responding to a series of robberies were able to connect them to a terror cell that was planning to attack Los Angeles International Airport. He said their training helped them discover the links.

Bettenhausen believes that the importance of local law enforcement, and state and federal coordination with those officers, is of paramount importance. "They are our local eyes and ears", he said, "preventing terror is more than about the federal government and Intel agencies."

Fusion Centers must remain an integral part to reaching our counterterrorism goals. And Bettenhausen believes that "unless we enlist local law enforcement, we will not have an effective counter terrorism system." He also argued that fusion centers should be focused on all types of crime because terrorists sometimes use petty crimes, like convenience store robberies, to fund bigger plots. They also need to be focused on identifying hazards to our critical infrastructure that could be exploited.

Despite the successes of some Fusion Centers, Bettenhausen says there is still more work to be done to make them more effective. There is a disconnect between federal and local agencies that needs to be addressed, and the sharing of information needs to be streamlined and flow in both directions for effective use as Intel, he said.

Eileen Larence, Director of Homeland Security and Justice Issues at the U.S. Government Accountability Office (GAO), gave an outlook on the structure of Fusion Centers and she highlighted some of the concerns mentioned by Fusion Center directors and what DHS is doing to address them. Larence reported: "Almost all states and several local governments have established, or are in the process of establishing, fusion centers that vary in their characteristics. Centers were generally established to address gaps in information sharing, and the majority of the centers GAO contacted had adopted broad missions that could include both

counterterrorism and law enforcement-related information. While law enforcement entities, such as state police, are the lead or managing agencies in the majority of the centers GAO contacted, the centers varied in their staff sizes and partnerships with other agencies. The majority of the operational fusion centers GAO contacted had federal personnel, including from DHS or the Federal Bureau of Investigation (FBI), assigned to them as of September 2007.”

She said that DHS and DOJ have several efforts under way that begin to address challenges fusion center officials identified. Among the most notable are:

- DHS and DOJ have provided many fusion centers access to their information systems, but fusion center officials cited challenges accessing and managing multiple information systems.
- Both DHS and the FBI have provided security clearances for state and local personnel and set timeliness goals for granting clearances. However, officials cited challenges obtaining and using clearances.
- Officials in 54 centers reported challenges with funding, some of which affected these centers' sustainability. To support fusion centers, both DHS and the FBI have assigned, and continue to assign, personnel to the centers. To help address funding issues, DHS has provided funding for fusion-center related activities.

For more information visit <http://hsgac.senate.gov> .

RESOURCES: SENATE SUBCOMMITTEE HOLDS HEARING ON WATER INFRASTRUCTURE

The Senate Energy and Natural Resources Water and Power Subcommittee held a hearing on Thursday April 17, 2008 to receive testimony on the increasing number of issues associated with aging water resource infrastructure that is operated and maintained, or owned, by the United States Bureau of Reclamation. Much of this infrastructure is located in the West.

Many witnesses and committee members discussed the January failure of the Fernley canal in Nevada due to damage caused by burrowing rodents. Like most water infrastructure, the canal is owned by the Federal Government, but operated and maintained by local authorities, an arrangement which can create difficulties. While the canal has failed many times before, early failures were less of an issue because the surrounding area was farmland. Today, the canal is near a large community, and 600 homes were damaged in the flood, which caused up to eight feet of standing water. Community members expect the government to help them recover losses and many have sued. Mayor Todd Cutler reported that some residents don't have the resources to pay for repairs and may be forced into foreclosure. Sen. Harry Reid noted how costly these disasters are and implored that more be done to maintain the infrastructure, much of which was built near the turn of the century. Robert Johnson, Commissioner of the Bureau of Reclamation, responded to questions about the canal breach and noted that a maintenance review was completed in 2006. The review did not find any need for significant repairs.

Thomas Donnelly, Executive Vice President of the National Water Resources Association, agreed that we can not afford to have existing infrastructure fail due to lack of modernization. He called for a review of the scope of the problem in the West and said that he would be happy to work with the federal government to provide financing for local communities that do not have the money for such projects. Additionally, other needed projects have the ability to pay for themselves, only are unable to do so within one year, as currently required. He suggested that the Senate work with the Bureau of Reclamation to create legislation to allow to local governments to pay back those costs over time.

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

HOMELAND SECURITY: HOMELAND SECURITY LOOKS AT PASSPORT REQUIREMENT

On April 16, 2008, the House Homeland Security Subcommittee on Border, Maritime and Global Counterterrorism, chaired by Rep. Loretta Sanchez (Anaheim), held a hearing entitled “Moving Beyond the First Five Years: Ensuring Successful Implementation of the Western Hemisphere Travel Initiative.” The WHTI was mandated by Congress in response to a recommendation of the 9/11 Commission, and requires the use of passports, or equivalent legal identification, for entry at U.S. land borders, including Canada and

Mexico. Last year, with the deadline for using passports approaching, the State Department's capacity to issue new passports was overwhelmed by new applications.

Witnesses at the hearing included: Ms. Kathleen Kraninger, Deputy Assistant Secretary for Policy, Screening Coordination Office at the Department of Homeland Security; Mr. Robert Jacksta, Executive Director, Traveler Security and Facilitation for the U.S. Customs and Border Protection; and Mr. Derwood "Woody" Staeben, Senior Advisor, Western Hemisphere Travel Initiative at the Department of State.

Kraninger and Jacksta assured the Subcommittee that DHS is taking the necessary action to ensure that WHTI can be implemented at land and sea ports on June 1, 2009. They pointed out that DHS published the WHTI Land and Sea Final Rule 14 months prior to implementation to ensure adequate time for planning, education, and communication. During the next 14 months, they said, DHS and State "will work diligently so that travelers will know what documents will be needed, how to obtain these documents, and when they will need them."

Staeben noted that State processed 50 percent more passport applications in FY2007 than it had in FY2006, and thus far in FY08, the demand is up seven percent over the FY07 number. He assured the Subcommittee that State is meeting this demand and is within its four-week processing period for standard applications and two-weeks for expedited passports. To meet the increasing demand, which State does not expect will diminish over time, it has hired hundreds of new passport adjudicators and support staff, and opened in 2007 a "mega-processing" center in Arkansas. He also briefed the Subcommittee on the new Passport Card, a more portable and less expensive but equally official document, which State will begin producing in July 2008.

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

HOUSING: SENATE COMMUNITY DEVELOPMENT PANEL HOLDS HEARING ON SECTION 8 REFORMS

The Housing, Transportation, and Community Development Subcommittee of the Senate Banking, Housing and Urban Affairs Committee held a hearing entitled "Affordable Housing Opportunities: Reforming the Housing Voucher Program" to discuss S. 2684, the Section 8 Voucher Reform Act (SEVRA).

Witnesses at the April 16, 2008 hearing included Shaun Donovan, Commissioner, New York City Department of Housing Preservation and Development (HPD) and Barbara Sard, Director, Housing Policy, Center on Budget and Policy Priorities.

Donovan noted that changing the income recertification requirement from every one to every three years will reduce administrative costs for housing authorities and is reasonable since 62% of HPD's section 8 families are on a fixed income. The Senate bill also proposes several changes to the way in which the tenants' rent contribution is calculated. While HPD and NYCHA support these changes, Robert discussed the importance of HUD providing additional public housing operating subsidies to those agencies that experience a reduction in rent revenues as a result of the recalculation. Under SEVRA, a public housing authorities' voucher funding will be based on actual costs in the preceding year and PHAs would now be able to count on the fact that vouchers leased this year will be renewed next year. This restores predictability to the way in which Section 8 funds are awarded and will ease administration.

Sard noted that SEVRA enjoys unusually broad bi-partisan support as well as support from the public housing agencies that administer the program, owners and developers that rent housing to voucher holders, and tenant organizations. Worsening economic conditions make it even more important for Congress to act swiftly and approve the legislation this year, she urged. The Senate bill, she noted, omits a House provision to expand HUD's Moving-to-Work (MTW) demonstration, which could affect as many as one third of all voucher holders and public housing residents. Sard argued against the House provision, which she said would place far more tenants at risk of harmful consequences than is necessary to test innovative policies.

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

IMMIGRATION: STATE ASSEMBLY LEADERS ASK DHS TO CURTAIL IMMIGRATION ENFORCEMENT RAIDS

On Thursday, April 17, 2008, California Assembly Speaker Fabian Núñez and more than two dozen Assembly colleagues called on Homeland Security Secretary Michael Chertoff to suspend raids in California by the Immigration and Customs Enforcement division.

The authors cite several examples of questionable practices during the enforcement actions, such as requiring workers to self-segregate by documentation status. In one example, the letter notes, "During the raid itself, ICE officials did not release legal residents and U.S. citizens until they were interrogated," according to the letter. "ICE seemed to assume that the workers were guilty until proven innocent."

It also says that workers were denied access to access to legal counsel, required to wear monitoring devices, and imposed a curfew from 7 pm to 7 am. The signatories concluded, "In the coming weeks, we plan to schedule a meeting with you in which we can have a frank exchange. We hope that during this meeting you can provide us with some assurances as to how you will address the aforementioned issues. We also call on you to conduct an investigation into the practices described in this letter. Until such time as that investigation is completed, we call on you to halt worksite raids that are not conducted based on probable cause, given the serious abuses outlined above."

The region's ACLU is expected to soon offer pertinent materials at <http://www.aclu-sc.org/>.

TRANSPORTATION: ELECTED OFFICIALS URGE FREIGHT FOCUS AS CONGRESS PREPARES FOR 2009 TRANSPORTATION BILL DEBATE

In a House office building on Thursday, April 17, 2008, a cross-section of local and national elected officials and leaders from transportation-related industries came together to discuss ways to relieve traffic congestion at ports, on rail lines, and on the nation's roads and highways. The occasion was an "Ice Cream Social" supported by BNSF Railway and sponsored by the Access Washington DC coalition, the California Institute, and Mobility-21.

The briefing and discussion included remarks by Los Angeles Mayor Antonio Villaraigosa, a number of industry officials, and an array of Members of Congress from California and elsewhere -- including various members of the Congressional Goods Movement Caucus.

Rep. Dana Rohrabacher (Huntington Beach) emphasized the need to be flexible in developing solutions to traffic congestion problems. Rep. Ken Calvert (Corona) highlighted the major economic impact of the Ports of Los Angeles and Long Beach on the economy, and he urged attention to efforts to improve port area infrastructure via new legislation. Mayor Villaraigosa pointed to the national impact of what happens in Southern California, and he said it is important to raise the region's profile nationwide during this debate.

House Transportation & Infrastructure Committee chairman James Oberstar (WI) called the southern California ports "the most important link" in the nation's transportation scheme. He said the Alameda Corridor is doing a "spectacular" job of ameliorating congestion in the region, having eliminated 143 grade crossings and vastly boosting speed, but he said the Alameda Corridor East is now needed. He also drew listeners' attention to a recent report from the National Surface Transportation and Revenue Study Commission (see <http://www.transportationfortomorrow.org>) that recommended the nation spend between \$225 billion and \$350 billion more than it already has spent to date on transportation improvements. He said the U.S. is not spending enough on improvements compared to growing competitors such as China.

Several members of the Goods Movement Caucus addressed the group, including co-chairman Rep. Dave Reichert (WA), who also emphasized the nationwide impact of key port complexes. Rep. Tom Petri (WI), a senior member and former chair of the Highways & Transit subcommittee of the T&I Committee, discussed the recent transportation future report and the potential problem a proposed gas-tax "holiday" might yield for the already lean Highway Trust Fund.