THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
1608 Rhode Island Avenue, NW, Suite 213, Washington, D.C. 20036
202-974-6384 fax:202-223-2330 e-mail: ransdell@calinst.org web: http://www.calinst.org

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.

APPROPRIATIONS: SENATE APPROPRIATIONS APPROVES CJS SPENDING BILL

The Senate Appropriations Committee favorably reported its FY 2009 funding for Commerce, Justice, and Science, on Thursday, June 19, 2008. The bill provides total funding of $57.9 billion, about $1.1 billion more than the House Appropriations bill; $4.1 billion more than the Administration's request; and $6.1 billion more than the FY08 funding level.

The Department of Justice funding level is set at $25.8 billion. The House's version is about $400 million less; the Administration's request was $5.1 billion less, and FY08 funding is $2.3 billion less. State and local law enforcement programs would be funded at $1.387 billion – about $478.9 million above the FY08 enacted level, and $983 million above the budget request. Within that, SCAAP is funded at $400 million, however, $45 million of that is set aside for border prosecution programs, leaving SCAAP itself with just $355 million. Last year's omnibus funded SCAAP at $410 million. Byrne grants would get $580 million, with an additional $190 million for Byrne discretionary grants.

The Commerce Department would also see a boost in funding. The $9.4 billion allocated to the Department is about $700 million more than the House appropriations version, as well as greater than the President's request. Included in that is a significant increase for the National Oceanic and Atmospheric Administration (NOAA). It would get $4.5 billion – $200 million more than the House bill, $600 million more than FY08 funding, and $380 million more than the Administration's FY09 request. The Appropriations Committee provided $17.8 billion to NASA, which is the same as the House figure, but $500 million more than FY08 funding and $200 million more than requested.

For more information, go to http://appropriations.senate.gov/

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California Institute for Federal Policy Research
1608 Rhode Island Ave, NW, Suite 213
Washington, DC 20036 www.calinst.org

APPROPRIATIONS: HOMELAND SPENDING MARKED UP IN HOUSE FULL COMMITTEE

On Tuesday, June 24, 2008, the House Appropriations Committee marked up and approved their version of the FY 2009 Homeland Security appropriations bill. It had been marked up at the subcommittee level on June 11. Total discretionary funding is $40 billion, which is about $2.2 billion above both the fiscal year 2008 amount and the level requested in February by the Administration's budget proposal.

In a statement about the bill, Subcommittee Chairman David Price (NC) commented that the "primary objective" was correcting funding deficiencies, and he said that, "Prime among these was the President's proposal to cut first responder, transit, and port grant programs by $2 billion, or 49 percent." The House bill proposes to restore these programs to their 2008 levels. It would also restore $140 million that the President's budget had eliminated for explosive detection equipment at airports, bringing the total spending for the program back to the FY 2008 level of $544 million. (The Administration had counted on offsetting revenue from a new passenger surcharge, which the Committee predicts will not be enacted.)

The bill rejected the President's proposal to reduce $2 billion from homeland security grant programs, and it increases funds in high priority areas including the security of ports and rail and transit systems. It would increase funds for border patrol agents to allow hiring of 2,200 new agents.

For First Responder and Port Security Grants, the bill provides level funding of $3.7 billion: including $950 million for state homeland security grants used to plan, equip and train local first responders to respond to terrorist attacks and catastrophic incidents; $850 million for Urban Area Grants ($30 million above 2008 and $25 million above the President's request); $400 million for transit grants to help protect infrastructure such as freight rail, Amtrak and ferry systems in high-threat areas; $315 million for Emergency Management Performance Grants; $800 million for Fire Grants (including SAFER); $50 million for the Metropolitan Medical Response System; and $50 million for Interoperable Communications. (Under a separate Maritime Security, Safety and Environmental Protection category, port security grants are provided $400 million, the same level as 2008.)

Also included are $775 million for the President's request for border security needs, including fencing, infrastructure, and technology, with $30 million of that to address problems with communications interoperability at the U.S. border, as well as $390 million for the US-VISIT program to tracking foreign visitors to the U.S.

For Immigration and Customs Enforcement (ICE), the bill proposes $4.8 billion, $78 million above 2008 and $65 million above the President's request. The total includes $800 million for Prioritizing Criminal Aliens -- in order to identify dangerous criminal aliens and prioritize these individuals for removal once an immigration judge orders them deported. ICE is also required to prioritize requests from correctional facilities for delegation of immigration enforcement authority.

The Transportation Security Administration (TSA) would receive $4.6 billion, including $544 million to increase the purchase of explosive detection systems for baggage; $110 million for air cargo security; and $400 million for specialized screening programs.

The bill proposes $382 million to Customs and Border Protection for container security, including Secure Freight Initiative pilots and overseas programs, and $544 million for Domestic Nuclear Detection efforts. It would provide $100 million to help states to comply with the REAL ID Act, which requires state licenses to meet new standards in order to be used for federal identification purposes. This includes $50 million, requested by the President, for DHS to develop a data hub that links state DMVs to other record-keeping agencies to allow State governments to verify applicants' identity documents when they apply for new drivers licenses.

APPROPRIATIONS: HOUSE PANEL REPORTS FY09 COMMERCE, JUSTICE, SCIENCE BILL

On June 25, 2008, the House Appropriations Committee by voice vote approved its FY 2009 funding bill for Commerce, Justice, Science. The bill provides total funding of $56.9 billion, about $3.2 billion above the President’s request.

State and Local Law Enforcement and Crime Prevention Grants are funded at $3.13 billion, about $447 million above the FY08 enacted level. Within that, the State Criminal Alien Assistance Program (SCAAP) would receive $420 million; last year’s enacted level was $410 million. The Community Oriented Policing Services (COPS) program would get $627 million, $40 million above FY08, and with $40 million included for the “COPS on the Beat” hiring program. Office of Justice Programs are funded at $1.87 billion, $177 million above FY08. This includes Byrne Justice Assistance Grants, the State Criminal Alien Assistance Program, drug courts, and programs for at risk youth and missing or abused children. The Committee also provides $68 million, $45 million above the President’s request, for fighting Methamphetamines.

Science and Science Education funding is set at $26 billion, $1.7 billion above 2008 and $500 million above the President’s request. This includes $1.9 billion for efforts to address global climate change at NASA, NOAA, the National Science Foundation, and the Economic Development Administration, $181 million above 2008.

NASA funding in the bill is set at $17.8 billion, $459 million above 2008 and $155 million above the President’s request. The bill requires NASA to report to Congress the full costs of retiring the Space Shuttle by November 2009, and 2 shuttle flights to complete work on the international space station before NASA can retire the Space Shuttle. The National Science Foundation would receive $6.9 billion, $790 million above 2008 and the same as the President’s request. However, $50 million above the President’s request is included for Science, Technology, Engineering, and Mathematics Education activities.

For more information, go to: http://appropriations.house.gov .

APPROPRIATIONS: HOUSE TRANSPORTATION AND HOUSING SUBCOMMITTEE MARKS UP FY 2009 SPENDING

On Friday, June 20, 2008, the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, marked-up the Subcommittee’s FY 2009 legislation. The bill was approved and reported to the full committee.

Funding highlights for this year’s legislation include:

Housing:

- $75 million to fund 10,000 new housing vouchers for homeless veterans through the Veterans Affairs Supportive Housing program, otherwise known as the VASH program
- $30 million for 4,000 new housing vouchers for the disabled
- $75 million for foreclosure counseling and assistance to assist more than 200,000 families at risk of losing their homes; and
- $1.69 billion for Homeless Assistance Grants, an additional $55 million above the President’s request and over $100 million more than last year.

- $4 billion for Community Development Block Grants, $134 million above 2008 and $1 billion above the Administration's request;
- $16.57 billion for the Section 8 Tenant Based housing program, which is enough funding to ensure that no one that has a housing voucher will lose that voucher
- $120 million for the HOPE VI program to rebuild severely distressed public housing

Transportation:

- $3.5 billion for the Airport Improvement Program, an increase of $765 million above the budget request and the same as last year, to continue infrastructure improvements at the nation's airports.
- $1.5 billion for intercity passenger rail, including $60 million for Capital Assistance to States.

For more information visit www.appropriations.house.gov

APPROPRIATIONS: SENATE PANEL APPROVES FY 2009 LABOR-HHS-EDUCATION BILL

On Thursday, June 26, 2008, the Senate Appropriations Committee approved the Fiscal Year 2009 Labor, Health and Human Services, Education and Related Agencies appropriations bill. Following are some highlights from the legislation.

Department of Labor:

- **Job Training** – Provides more than **$2.9 billion** for state grants for job training, an increase of $25 million over last year and $499 million over the budget request. In addition, the bill includes more than **$1.6 billion** for the Office of Job Corps, an increase of $40 million over the fiscal year 2008 level and $85 million more than the President's budget request.
- **Worker Protection –** The Committee legislation provides more than **$851 million** to ensure the health and safety of workers, including **$504 million** for the Occupational Safety and Health Administration (OSHA) and **$346 million** for the Mine Safety and Health Administration (MSHA). This total is an increase of $33.7 million above the fiscal year 2008 level.

Department of Health and Human Services:

- **National Institutes of Health (NIH) –** More than **$30.2 billion** is included to fund biomedical research at the 27 Institutes and Centers that comprise the NIH. This is a $1.025 billion increase over the fiscal year 2008 level and the budget request.
- **Health Centers** – The bill includes more than **$2.2 billion** for health centers, a $150 million increase over the fiscal 2008 level.
- **Nursing Education –** The bill includes more than **$167 million** for nursing education, which is an increase of more than $11.6 million over the fiscal year 2008 level.
- **Substance Abuse and Mental Health** – The bill provides more than **$3.3 billion** for substance abuse and mental health programs. Included in this amount is more than $2.1 billion for substance abuse treatment, more than $191 million for substance abuse prevention and more than $930 million for mental health programs.
- **Head Start –** The bill includes **$7.1 billion** for the Head Start Program. This represents an increase of more than $223 million over the fiscal year 2008 level.

Department of Education:

- **Student Financial Aid –** The bill includes more than **$18 billion** for student financial assistance and the maximum discretionary Pell Grant Program award level is increased to $4,310. This funding, combined with mandatory funding provided in the College Cost Reduction and Access Act, would increase the maximum award to $4,800 for the 2009/2010 school year. The Committee bill includes $70 million for Federal Perkins loan cancellations, an increase of more than $5.6 million over fiscal year 2008.
- **Higher Education Initiatives –** The bill provides more than $1.8 billion for initiatives to provide greater opportunities for higher education, including: more than $838 million for Federal TRIO programs, and more than $308 million for GEAR UP. The bill also provides more than $47 million for Teacher Quality Enhancement Grants, an increase of $13.9 million over the fiscal year 2008 level.

For more information visit www.appropriations.senate.gov

APPROPRIATIONS: HOUSE SUBCOMMITTEE PASSES AGRICULTURE BILL; FULL COMMITTEE NEEDS MORE TIME

On June 19, 2008, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies marked-up its FY 2009 bill. The approved version of the bill includes $20.6 billion in discretionary spending.

- The Department of Agriculture is funded at $18.4 billion – $1.6 billion above the budget request.

- The Food and Drug Administration is funded at $2.1 billion – $282 million above the budget request.

- The Commodities Future Trading Commission is funded at $135 million - $5 million above the budget request

Following is a list of a few specific allocations pertinent to issues facing California:

-Watershed and Flood Prevention Operations: Chairman's Mark: $29.8 million; Pres. Request: 0; FY 2008: $29.8 million

- Watershed Rehabilitation Program: Chairman's Mark: $40 million; Pres. Request: $5.9 million

- Rural Business Loans and Grants Chairman's Mark: $125.7 million (61% above Pres. Request); Pres. Request: $49.0 million; FY 2008: $173.2 million

- Farm Labor Housing Loans and Grants Chairman's Mark: $21.5 million; Pres. Request: 0; FY 2008: $21.8 million

The bill was reported to the Full Committee, but due to disagreements over funding its markup on June 26th was adjourned early and has yet to be rescheduled.

For more information visit www.appropriations.house.gov

RESOURCES: HOUSE RESOURCES CONFRONTS QUAGGA MUSSELS THREAT

On Tuesday, June 24, 2008, the House Resources Subcommittee on Water and Power held a hearing on "The Silent Invasion: Finding Solutions to Minimize the Impacts of Invasive Quagga Mussels on Water Rates, Water Infrastructure and the Environment." The Subcommittee, chaired by Rep. Grace Napolitano (Norwalk) heard from a number of witnesses, including: Karl Wirkus, Deputy Commissioner for Operations, Bureau of Reclamation; Ric De Leon, Ph.D, Water System Operations Manager, Metropolitan Water District of Southern California; and Jim Klark, Southern California Marine Association, Orange, CA.

In her opening remarks, Chair Napolitano noted that quagga mussels were discovered by divers on January 6, 2007 attached to water intake structures in the Lake Mead National Recreation Area. Without proper maintenance, the mussels would eventually block and clog pipe systems, and when scraped off create rust.

Commissioner Wirkus testified that Interior has been monitoring these mussels since they first appeared in the Great Lakes, and in 1998 created the U.S. Fish and Wildlife Service's (Service) 100th Meridian Initiative to prevent or slow the appearance of invasive mussels in the west. Although they have now shown up in the west, Interior believes that initiative and other actions slowed the westward migration by ten years. In addition, other Meridian actions, including a rapid response hotline provide capacity to prevent further spread of invasive mussels and protect the rest of the west. Also, he noted Interior is better prepared to deal with the presence of quaggas and zebras because of what it has learned through these activities. He said that in FY 2008 Reclamation's research spending on quaggas and zebras is $800,000, and it plans to expend $1.5 million on a variety of initiatives in fiscal year 2009. It has also reprioritized its research program, making invasive mussels a top research priority.

Mr. DeLeon decried the threat of the mussels to the west. He said "It has been estimated that zebra mussels cost the power industry $3.1 billion over the period from 1993 to 1999, while the impact on industries, businesses, and communities has exceeded $5 billion. The U.S. Fish and Wildlife Service estimates the potential economic impact at $5 billion from 2000-2010 to U.S. and Canadian water users within the Great Lakes region alone." He noted that rapid proliferation has occurred at MWD's water intake in Lake Havasu with mussel densities at 1-2 per square meter in February 2007 to 10,000 per square meter in January 2008. Because of this, MWD has "undertaken rapid actions for control of quagga mussels including aqueduct shutdowns, facility inspections and facility upgrades for chlorination of water entering the Colorado River aqueduct and leaving two of our water reservoirs, Lakes Mathews and Skinner which are already colonized." He urged federal agencies to provide immediate funding and resources to address the infestation, to provide infrastructure protection, and to support research and development for more effective control of invasive mussels.

Mr. Klark cautioned against taking unreasonable measures that would completely prevent recreational boating in inland waters. He noted such action would have an immediate and serious negative economic impact on the boating industry and the local communities. Instead he urged that everyone work together to" find both a preventative and containment solution to this problem." He noted that the California Science Advisory Panel in its May 2007 recommendations to the California Incident Command, proposed a series of measures which could help prevent, contain and eradicate the quagga mussels. "At no point in its report does the Advisory Panel recommend closures for lakes that have not been infested," he said. In conclusion, he stated: "The recent efforts to effectively ban boating demonstrate the need for strong, comprehensive federal, state, and local invasive species partnerships that are based on sound science and are focused on results rather than fear. Communities who are facing an AIS threat need to be able to turn to experts for advice and immediately put in place commonsense methods to protect against the spread of AIS."

For the testimony of all the witnesses, go to: http://resourcescommittee.house.gov .

INTELLECTUAL PROPERTY: SENATE JUDICIARY LINKS CONSUMERS AND INTELLECTUAL PROPERTY PROTECTION

The Senate Committee on the Judiciary held a hearing on "Protecting Consumers by Protecting Intellectual Property" on Tuesday, June 17, 2008. Witnesses were: Dr. Loren Yager, Ph.D, Director, International Affairs and Trade, U.S. Government Accountability Office; Brian H. Monks, Vice President, Anti-Counterfeiting Operations, Underwriters Laboratories, Melville, NY; Mike Rose, Vice President, Supply Chain Technology, Johnson & Johnson, Fountainville, PA; and Jeffrey Thurnau, Counsel, Gates Corporation, Denver, CO.

In his opening remarks, Chairman Patrick Leahy (VT) called protecting intellectual property "a significant economic issue confronting our Nation." He stressed the unprecedented levels piracy and counterfeiting have reached in recent years, and cited its cost to the U.S. economy of at least $200 billion and the loss of 750,000 jobs per year. Moreover, he said, "[w]hile this theft alone is unacceptable, it is not the only cost incurred by piracy and counterfeiting. One need only look at reports of poisoned counterfeit toothpaste or dangerous counterfeit automobile parts that are entering U.S. markets -- and which are sold disproportionately to lower income Americans -- to see how important the enforcement of IP laws is to protecting the health and safety of the American people."

Sen. Leahy also noted that he has been "troubled by reports from the GAO that have shown the ineffectiveness of the current enforcement strategies being employed by the Federal Government. The lack of coordination among the Federal agencies responsible for IP enforcement seems to be one of the biggest hurdles we face; I am interested in hearing what other roadblocks are preventing effective IP enforcement and what suggestions the GAO has for improvements to the current system," he said.

Dr. Yager's testimony focused on this concern, addressing two topics: the need for greater leadership and permanence in the national IP enforcement strategy and coordination structure; and improvement in key agencies' criminal IP enforcement data collection and analysis. The Director allowed that "federal IP enforcement actions generally increased during fiscal years 2001–2006, but the agencies have not taken steps to assess their achievements. For example, despite the importance assigned to targeting IP crimes that affect public health and safety, most agencies lack data on their efforts to address these types of crimes.

Also, most have not systematically analyzed their IP enforcement statistics to inform management and resource allocation decisions or established IP-related performance measures or targets. In addition, the National Intellectual Property Rights Coordination Center, created to coordinate federal IP investigative efforts, has not achieved its mission. Participating agencies have lacked a common understanding of the center's purpose and their roles in relation to it, and staff levels have declined."

Yager explained that the National Intellectual Property Law Enforcement Coordination Council (NIPLECC), created by Congress in 1999, serves to coordinate IP protection and enforcement across multiple agencies; and the Strategy for Targeting Organized Piracy (STOP), initiated by the White House in 2004, is the strategy that guides the council. GAO has found that NIPLECC "has struggled to define its purpose and retains an image of inactivity within the private sector. It continues to have leadership problems despite enhancements made by Congress in December 2004 to strengthen its role. In contrast, STOP, which is led by the National Security Council, has a more positive image compared to NIPLECC, but lacks permanence since its authority and influence could disappear after the current administration," Yager said. GAO recommends that agencies within the Departments of Justice, Homeland Security, and Health and Human Services that play a role in fighting IP crimes need to improve their collection, analysis, and reporting of IP enforcement data. This would help them better manage resources and performance and improve their accountability to Congress and affected parties.

For the testimony of all the witnesses, go to: http://judiciary.senate.gov .

EDUCATION/DISABILITY: HOUSE ED & LABOR MARKS UP ADA ACT, OTHER BILLS

On Wednesday, June 18, 2008, the House Education and Labor Committee held a full committee mark-up on the following three bills: HR 3195, The ADA Restoration Act of 2007; HR 2343, the Education Begins at Home Act; and HR 3036, The No Child Left Inside Act of 2007. All three bills were reported favorably to the House floor.

HR 3195, the ADA Act, was passed by a vote of 43-1. Chairman George Miller (Martinez) remarked on the bill: "since enactment of this landmark civil rights law, the rights it afforded have been eroded. Several Supreme Court rulings have dramatically reduced the number of workers with disabilities who are protected from employment discrimination under the ADA.... These court rulings have effectively made the very workers Congress intended to cover nearly two decades ago subject to legal employment discrimination today. We will begin to remedy this problem today."

Among its provisions, HR 3195 specifically rejects the Supreme Court decisions that have reduced the protections for people with disabilities under the ADA; makes clear that the ADA is intended to provide broad coverage to protect anyone who faces discrimination on the basis of disability; and clarifies the definition of disability, including what it means to be "substantially limited in a major life activity.".

HR 2343, The Education Begins at Home Act, was approved by a voice vote. Chairman Miller commented: "Research tells us that the parent-child relationships that form during the first three years of children's lives – when 85 percent of their brain growth occurs – are especially influential on children's cognitive and behavioral development. Children with active and involved parents are more likely to get good grades, graduate from high school, and attend college. Early childhood home visitation programs focus on the needs of parents and children from birth through age five. These programs provide parents with a vital support system to help them cope with the day-to-day stresses of parenting and help them better understand their children's development." This legislation would augment and expand these programs.

Among the major provisions in HR 2343 are the creation of a federal funding stream to help states and communities expand access to high quality programs; authorization of $400 million in grants to states, tribal organizations, and territories over three years; and the creation of two competitive grant programs of $50 million each to expand access to home visitation services for English language learners in military families.

HR 3036, the No Child Left Inside Act, passed by a vote of 37 to 8. HR 3036 creates opportunities for enhanced and ongoing professional development in environmental education; brings teachers into contact with working professionals in environmental fields and encourages mid-career environmental professionals to pursue careers in environmental education; adds a new program to help develop capacity for environmental education; and authorizes funds to expand environmental education, develop state environmental literacy plans, and disseminate information on proven environmental education programs.

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

RESOURCES: HOUSES PASSES SEVERAL CALIFORNIA BILLS FROM NATURAL RESOURCES COMMITTEE

On Monday, June 9, 2008, the House of Representatives approved the following two California bills under the jurisdiction of the House Natural Resources Committee:

- H.R. 3022 (Rep. Jim Costa (Fresno)), a bill to designate the John Krebs Wilderness in California, and to add certain land to the Sequoia-Kings Canyon National Park Wilderness, was passed by voice vote.
- H.R. 3682 (Rep. Mary Bono Mack (Palm Springs)), a bill to designate certain federal lands in Riverside County as wilderness; to designate certain river segments in Riverside County as a wild, scenic, or recreational river; and to adjust the boundary of the Santa Rosa and San Jacinto Mountains National Monument was also passed by voice vote.

On Tuesday, June 17, the House also considered under suspension of the rules and passed by voice vote the following California bill under the jurisdiction of the House Natural Resources Committee:

- H. Res. 1199 (Rep. Loretta Sanchez(Anaheim)), a resolution commending the Orange County Water District and its employees for their sound financial management and innovative groundwater management, water quality, water efficiency, and environmental programs, on its 75th anniversary.

ENERGY: HOUSE AGRICULTURE COMMITTEE REVIEWS TRADING IN ENERGY MARKETS

On Tuesday, June 24, 2008, the House Agriculture Committee held a hearing to review trading in energy markets. Mr. Walter Lukken, Acting Chairman of the Commodity Futures Trading Commission (CFTC) in Washington, D.C., delivered the sole witness testimony.

Lukken spoke about the expansion of markets in recent years, stating that the commodities market has shown a “500 percent growth in both volume and products listed.” Aiding in this expansion are the “technology-driven corporations that primarily trade electronically, 24 hours a day, all around the globe,” he said. About $5 trillion in transactions flow through U.S. exchanges and clearing houses daily. These factors together pose challenges for regulators, but the challenges are exacerbated by the sub-prime crisis and the credit crunch.

Lukken emphasized that CFTC shares the concerns of Congress about the increasing cost of crude oil and other commodities. He affirmed CFTC is “committed to ensuring that out nation’s futures markets operate fairly and efficiently, and that the prices of commodities, including crude oil, are determined by the fundamental forces of supply and demand, rather than abusive or manipulative practices.

He noted the concerns over the role of speculators and index traders in the commodities market. To address these concerns, CFTC is launching several initiatives directed at enhancing oversight of the energy and agricultural markets. The initiatives fall into five broad categories, he reported: 1) Increasing Information Transparency, 2) Ensuring Proper Market Controls, 3) Continuing Aggressive Enforcement Efforts, 4) Improving Oversight coordination, and 5) Seeking increased funding.

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

CLIMATE: HOUSE ENERGY AND COMMERCE COMMITTEE ADDRESSES REDUCING GREENHOUSE GASES

On Thursday, June 19, 2008, the House Energy and Commerce Subcommittees on Energy and Air Quality addressed proposed legislative solutions to curbing greenhouse gas emissions; specifically, cap-and-trade programs. The Committee heard from industry and environmental experts on their organizations’ views on how to effectively implement cap-and-trade programs that will reduce greenhouse gases. Current legislation dealing with cap-and-trade programs that were discussed included HR 1590 (Rep. Henry Waxman(Los Angeles)), and S. 2191 and Senate Amendment 4825 (to S. 2191) introduced by Senator Barbara Boxer (California).

Chairman Rick Boucher (VA) began the hearing by welcoming Rep. Doris Matsui (Sacramento) as a member of the Full Committee and the Subcommittee. In their opening statements members discussed the lack of alternatives to cap-and-trade programs in the current legislation, the need to focus on agricultural emissions as well as vehicles and energy production, and the "safety valves" needed to keep the legislation from having a major negative economic impact.

Rep. Jane Harman (Venice) said addressing global warning is a threefold issue. First, she said, the "looming likelihood of $5 a gallon gas has created the political will to address this issue", but now "political leadership" is needed. Second, she called for reducing our dependence on fossil fuels as an economic, environmental, and national security issue. And third, she concluded, "cap-and-trade is an essential part of the solution but not the only one…we need short, medium, and long-term solutions" that include energy efficiency and conservation, and renewable fuels.

Rep. Matsui called California's drought, wildfires, and Sacramento's flood protection worries a "daily reminder to my constituents that global warming is here and needs to be addressed."

Mr. Thomas R. Kuhn, President of the Edison Electric Institute, and Mr. Michael Goo, Climate Legislative Director for the Natural Resources Defense Council (NRDC), were among witnesses delivering testimony.

Kuhn said the electric industry took the lead in reducing green house gas emissions in 1994, and is responsible for about two-thirds of overall emissions reductions since that time. Edison continues to support emissions reductions, he said, as well as putting a price on carbon through a "carbon tax" or a cap-and-trade system. He emphasized, however, than neither of those policies would sufficiently reduce emissions on their own. "We will need the full suite of technologies to accomplish these goals," he said, and noted that although all of the technologies that are needed are feasible, there use would need significant support from public policy makers.

Kuhn also mentioned the steps Edison thinks are necessary to address global warming with current and developing technologies:

- Energy efficiency should be further advanced through advanced metering information systems, energy efficient buildings, and appliances.
- Renewable energy needs continued support and significant expansion. Wind is the strongest emerging renewable energy source, Kuhn said. Edison believes that current efforts need to be quadrupled and policies must be enacted to allow the transmission of renewable energy to the places where it is needed. Furthermore, there must be an extension of production tax credits for renewables and, he said, nuclear power will have to be in our future energy picture.
- Carbon capture and sequestration and clean coal technologies must be advanced quickly and there must be a great deal of funding for these technologies in the near term.

Mr. Goo, on behalf of the NRDC, emphasized the urgency of action and tried to allay concerns that addressing global warming will have a negative impact on the economy. He commented: "Global warming is upon us now. Since 1974, the percentage of summer time global ice has decreased by 40%. We need action, and we need it now." Goo said the cost of inaction is much greater than the cost of action. He sited a study that showed the "cost of inaction would cost the U.S. more that $3.8 trillion annually by the year 2100." He further emphasized that if S. 2191 is enacted the GDP will continue to grow, just at a slower pace. Between now and 2030, the GDP will be reduced by 1.6% relative to where it would be without action, he testified. Previous cost estimates that predict disastrous economic impacts did not consider energy efficiency, CAFÉ standards, renewable energy, or energy conservation, said Goo, so they do not paint a realistic picture of the economic impact.

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

CLIMATE: CALIFORNIA ARB RELEASES CAP-AND-TRADE PLANNING DOCUMENT

On Thursday, June 26, 2008, California officials formally released a draft plan to pare down the expected greenhouse gas emissions by 30 percent by 2020. It was required by AB32, California's landmark legislation aimed at reducing global warming. A key component of the plan to return to 1990 levels by 2020 is a cap-and-trade program creating a carbon emissions market.

Called the Climate Change Draft Scoping Plan, the document released by the California Air Resources Board (ARB) requires a specific reduction of 10 percent in carbon dioxide as part of a requirement to reduce overall climate-affecting emissions by the 30 percent target. Overall emissions would need to fall by 80 percent by 2050.

The plan is partially modeled after a national cap-and-trade program spurred by the 1990 amendments to the Clean Air Act that sought to limit emissions associated with the production of acid rain. Drafters also drew on the design experiences of those creating a $50 billion market for carbon trading underway in Europe.

The system would allow producers of climate-affecting emissions to trade credits with colleagues in other areas. Still to be worked out is whether or not carbon credits will be distributed free of cost.

The plan itself and other information are available at http://www.arb.ca.gov .

CLIMATE: SENATE COMMERCE, SCIENCE AND TRANSPORTATION ADDRESSES CLIMATE CHANGE IMPACTS ON TRANSPORTATION

On Tuesday, June 24, 2008, the Senate Commerce, Science and Transportation Committee held a hearing on climate change research, mitigation and adaptation efforts in the transportation sector, including surface transportation and aviation. The hearing, entitled "Climate Change Impacts on the Transportation Sector," focused on the projected increases in freight and passenger traffic in each mode of transportation, the contributions of the transportation sector to climate change efforts and the potential impact of climate change on the nation's transportation infrastructure.

Thomas J. Barrett, Deputy Secretary of Transportation, and Edward R. Hamberger, President and CEO of the Association of American Railroads, delivered witness testimony. Secretary Barrett outlined the goals of the U.S. Department of Transportation as they pertain to Climate Change. He commented: We support the Administration's efforts to reduce the Nation's greenhouse gas emissions, not only by working to reduce greenhouse gas emissions from transportation activities, but also by preparing for the impacts of climate change in order to protect our valuable transportation infrastructure." Barrett laid out the Department's strategies for reducing transportation's impact. He commented, "Our approach focuses on: improving vehicle efficiency; increasing the use of alternative fuels; advancing the efficiency of the transportation system (often by promoting market-based measures and technological innovations); and improving our understanding of the impacts of climate change on transportation infrastructure."

Hamberger spoke about the wide-spread agreement that more investment in rail infrastructure is needed; the efficiency of railroad transit and freight movement; and, the impact increasing rail can have on reducing emissions. He commented: "One area where everyone can and should agree is that greater use of rail transportation offers a simple, cost-effective, and immediate way to meaningfully reduce greenhouse gas emissions without potentially harming the economy...[P]olicymakers should take steps to attract more freight and passengers to railroads and expand the substantial greenhouse gas and other public benefits of rail transportation — for example, by implementing an investment tax credit for rail infrastructure capacity expansion projects; by encouraging greater use of rail-related public-private partnerships; and by adequately funding Amtrak to allow it to...procure new rolling stock, and make additional capital improvements and maintenance over its network."

Hamberger offered a detailed break down of the impacts of increased freight rail on climate change. He remarked: "Freight railroads...are the most fuel efficient mode of surface transportation. In 2007, railroads moved one ton of freight an average of 436 miles per gallon of fuel — roughly the distance from... Boston to

Baltimore. Indeed, on a ton-miles per gallon of fuel basis, freight railroads are three or more times more fuel efficient than trucks. That means that every ton-mile of freight that moves by rail instead of truck reduces greenhouse gas emissions by two thirds or more. The railroad fuel efficiency advantage helps explain why freight railroads account for just 2.6 percent of transportation-related greenhouse gas emissions and just 0.7 percent of total U.S. greenhouse gas emissions, according to the EPA."

Hamberger's testimony provided additional details about current practices, and also provided information on railroads' initiatives to become even more efficient. For more information visit www.commerce.senate.gov .

HOUSING: FINANCIAL SERVICES INVESTIGATES AFFORDABLE HOUSING PRESERVATION

On Thursday, June 19, 2008, the House Financial Services Committee held a hearing to investigate policy proposals aimed at preserving affordable housing and expanding federal programs. The hearing issues related to the protection of tenants, as well as efforts to preserve the nation's existing stock of federally-assisted affordable, multi-family rental housing.

The committee's discussion and testimony centered on the Housing and Urban Development (HUD) Department's policies regarding property owners who provide affordable housing. HUD has been accused of mismanaging accounts, making late payments to property owners, and not providing enough tenant protections when a property owner decides to sell.

Mr. John Garvin, Deputy Assistant Secretary for Multi-Family Housing Programs and Senior Advisor to the Federal Housing Commissioner for the U.S. Department of Housing and Urban Development and Mr. J. Kenneth Pagan, Secretary of the National Affordable Housing Management Association (NAHMA), delivered the primary witness testimony.

Garvin spoke about administrative improvements at HUD and offered its perspective on the reasons owners are leaving the program, as well as the rights of tenants affected by these decisions. He commented: "The Department has preserved the affordability of over 3,500 projects with about 300,000 units. However, the Department does acknowledge the need to continue its efforts to preserve as well as develop affordable rental housing units in communities throughout the country. There are many factors, he believes, that influence an owner's decision to retain a property as affordable or convert to market rate rents. For a profit-motivated owner, the decision may be influenced by financial considerations, the condition of the property and the income levels in the surrounding neighborhood. For a non-profit owner, however, the decision is not likely influenced by cash flow considerations since these owners are not primarily motivated by economic returns and their basic mission is to provide affordable housing. He did not address the issue of whether or not HUD's perceived unreliability was a contributing factor.

He continued: "Currently, there is no statutory requirement for the Department to offer residents special protections, such as enhanced vouchers, when a mortgage matures. In the event of a foreclosure, the residents are a top priority for the Department. If there is project-based rental assistance, the Department attempts to retain the rental assistance at the project. However, if there are conditions that warrant that the residents be relocated and the rental assistance is terminated, the Department provides relocation assistance to all residents (assisted or non-assisted) and provides vouchers to the eligible HUD-assisted residents."

Pagan spoke about the difficulties facing property owners who want to stay in the program, but do not feel like it is a stable environment in which to conduct business. He said that his members face four major obstacles to preservation: market factors which would determine the property's viability as market-rate housing or condominiums; costs and benefits of remaining in the federal programs; long-term financial and physical viability of the property; and experience with HUD as a poor business partner. He specifically mentioned the undependability of section 8 project funding for his members. He commented: "Shortfalls in the project-based Section 8 program have had two immediate impacts on the day-to-day operations of affordable properties: late subsidy payments to owners and 'incremental' or partial funding of the housing assistance payment (HAP) subsidy contracts. When HAP payments are severely late, housing operators have to lay-off staff, cut services to residents, miss mortgage payments, make late utility payments or miss payments to site vendors, borrow from the project's reserves for replacement, postpone maintenance and/or ask owners for loans."

Pagan made the following recommendations for improvement:

- Restoring confidence in the guarantee of timely, fully-funded project-based Section 8 HAP payments is a cornerstone of preservation;
- Ensuring long-term financial and physical sustainability of preserved affordable properties;
- Recognizing the Essential Role of the Section 42 Low Income Housing Tax Credit Program to Preservation;
- Extending tenant protections when mortgages mature and when HAP payments stop;
- Creating incentives to encourage voluntary transfer and preservation of affordable properties; and,
- The highest levels of HUD's leadership should take meaningful, proactive steps to restore a feeling a partnership with the multifamily owner and management agent communities.

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

IMMIGRATION: CALIFORNIA RECEIVES $3.2 MILLION IN GRANTS FOR REAL ID ACT DEMONSTRATION PROJECT

On Friday, June 20, 2008, the Department of Homeland Security (DHS) announced the award of $80 million in competitive grants as part of the FY 2008 REAL ID Demonstration Grant Program. California's share of the grants is $3.2 million.

The REAL ID Act of 2005 mandates that states meet specific standards and requirements when issuing drivers' licenses and identification (ID) cards to be used for federal purposes, such as entering federal buildings or boarding airplanes. It was enacted in May 2005, as part of the fiscal year 2006 emergency supplemental appropriation. States must comply by December 31, 2009, unless granted an extension.

For more information visit www.dhs.gov .

DEFENSE: GAO CALLS FOR REOPENING OF AIR FORCE REFUELING TANKER CONTRACT BIDDING

On Wednesday, June 18, 2008, the Government Accountability Office (GAO) issued a report condemning the Air Force for botching a major aircraft contract bidding process earlier this year. GAO recommended a rebidding within 60 days for a contract to build airborne tankers for in-flight refueling of military aircraft.

In January, the Air Force accepted a $35 billion bid for the contract to build 179 tankers that had been offered by a team led by Northrop Grumman and European Aeronautic Defense and Space (EADS). After it did not win the bid, Boeing filed a formal protest outlining alleged numerous failures and oversights by the Air Force during the process. Wednesday's GAO report agrees with Boeing's allegations, citing "significant errors" by the review personnel. The report stated, "We recommend that the Air Force reopen discussions with the offerors, obtain revised proposals, re-evaluate the revised proposals and make a new source selection decision, consistent with our decision." The Pentagon has indicated that it will review the report and announce its next move after that.

While the team that won the initial bid indicated that much or most of the work would be done in the United States, Boeing and other critics expressed concern about the large offshore portion of the work. EADS is based in France and Germany. (The Boeing bid had stated that no more than 15 percent of work under its proposal would be performed outside the United States.)

In Congress, legislators representing areas likely to see jobs benefits from each of the two proposals have sought to sway the process toward one or the other bidder. But it is more likely that a full repeat of the bidding process will take place, albeit one that receives greater scrutiny from both inside and outside the Pentagon.

BRIEFING: PPIC GIVES CAPITOL HILL BRIEFING RE IMMIGRANT PATHWAYS TO LEGAL PERMANENT RESIDENCE

On Monday, June 23, 2007, Dr. Laura Hill presented to a Capitol Hill briefing her findings from a recent report from the Public Policy Institute of California (PPIC) entitled "Immigrant Pathways to Legal Permanent Residence."

Dr. Hill noted that many immigrants who have become legal permanent residents first lived in the United States illegally. That is particularly true in California, where more than half lived in the state illegally before getting green cards. The report analyzes the pathways immigrants take to become legal permanent residents and finds them far from straightforward. It also found, Hill said, that rather than being new arrivals, most immigrants have lived in the United States for some time when they get their green cards, the official identification of a legal permanent resident.

Among the findings presented at the briefing were:

- Fewer than four in 10 (38%) legal permanent residents were new to the United States when they got their green cards and many had lived here illegally for at least some time. In California, more than half (52%) had lived in the country illegally. They either crossed the border illegally (35%) or violated the terms of their visas by overstaying a tourist visa or by working when they were not authorized (18%). In the United States, about four in 10 (42%) first lived in the country illegally. This group was more evenly divided between those who crossed the border illegally (20%) and those who violated their visa terms (22%).

- In the nation as a whole, the pathways that immigrants – whether legal or illegal – took to legal residency differed significantly according to their home countries. Those who came from Asia and the Pacific were more likely to be new arrivals to the U.S. (53%). Those who came from Latin America and the Caribbean were more likely to have crossed the border illegally (41%) than immigrants from other regions. Those who violated their visa terms at some point before getting green cards were more likely to have come from the Mideast/North Africa (31%) or Europe/Central Asia (27%).

- In the U.S. overall, immigrants who crossed the border illegally before becoming legal permanent residents were likely to be less educated and less proficient in English than recent permanent residents overall, but they were much more likely to be currently employed (72% vs. 56%). Immigrants who had violated the terms of their visas before becoming legal permanent residents were more educated, more likely to speak English well or very well, and also more likely to be currently employed than recent legal permanent residents overall (66% vs. 56%).

To obtain the report, go to: http://www.ppic.org .