Appropriations: House Passes Conference Report On Interior & Environment; Includes Continuing Resolution For FY 2010


The Interior & Environment Appropriations includes $32.2 billion in discretionary budget authority, a $4.7 billion increase over the fiscal year 2009 enacted level. Some of the major provisions of the bill are:

- Clean Drinking Water & Wastewater: $3.6 billion to help nearly 1,500 communities improve their drinking water and wastewater systems, an increase of $2 billion above 2009. EPA estimates a $662 billion construction need by 2019 for clean and safe drinking water infrastructure. Included in the funding is:
  - $2.1 billion for the Clean Water State Revolving Fund to fund local sewer improvements and help communities meet the goals of the Clean Water Act.
  - $1.38 billion for the Drinking Water State Revolving Fund to protect public health by improving drinking water systems.
  - $157 million for direct grants to communities for water infrastructure.
  - In addition, a substantial portion of the State Revolving Funds will be available as grants and subsidized loans to communities that cannot afford to pay back conventional loans.
  - Language is included that applies Davis-Bacon prevailing wage requirements to the Clean Water and Drinking Water State Revolving Funds.
- Great Bodies of Water: $641 million, $63 million above the request, to protect the nation's great water bodies including the Great Lakes, San Francisco Bay, Puget Sound, and the Chesapeake Bay
- San Francisco Bay.-The conference agreement includes $7,000,000 to continue the competitive grant program to restore the San Francisco Bay watershed and improve water quality. The Agency can use
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- Wildland Fire: $3.5 billion for efforts to prevent and fight wildfires at the Forest Service and the Department of the Interior, including hazardous fuels reduction projects, State and volunteer fire assistance activities, and forest health projects.
- $1.855 billion for wildfire suppression, $526 million above 2009, and the largest non-emergency increase for firefighting ever provided.
- $474 million for the newly authorized FLAME wildfire suppression reserve accounts. $556.5 million for hazardous fuels reduction projects, $25 million above 2009, to help prevent, and reduce the severity of, wildfires by reducing available material to burn. $474 million for the FLAME Wildfire Suppression Reserve Fund accounts. The FLAME Act of 2009 is included in the bill; it is intended to help create a dedicated, steady and predictable funding stream for wildfire suppression activities.
- Climate Change: $385 million, $155 million above 2009, for programs that address global climate change.
- National Parks: $2.7 billion, $47 million above the request and $218 million above 2009 for the National Park Service

**Climate: Senate Committee Tackles Global Climate Change Legislation; Prepares for Markup**

The Senate Environment and Public Works Committee, chaired by Senator Barbara Boxer, concluded three days of hearings on S. 1733, the Clean Energy Jobs and American Power Act, on October 29, 2009. During the hearings, Senators heard testimony from nine panels totaling 54 witnesses over the course of three days. California witnesses included: Mr. Ronald E. Young, President of the California Association of Sanitation Agencies; Mr. Dan Reicher, Director of Climate Initiatives at Google; Mr. Mike McKeever, Executive Director of the Sacramento Area Council of Governments (SACOG); and the Honorable Linda Adams, Secretary of the California Environmental Protection Agency.

The bill as written in the Chairman's Mark:
- Specifies the allowance distribution established under the Pollution Reduction and Investment Program. The allocations are focused in the following areas: energy intensive and trade exposed industries; small local energy distribution companies; transit grants; energy efficiency; renewable energy; research and development activities; agriculture and forestry; and worker training.
- Generally allocates: 35-percent of pollution permits to electric utility customers; 10-percent of pollution permits to states; 9-percent of pollution permits to natural gas companies; 5-percent for activities to prevent deforestation of tropical rain forests; 4-percent of permits to the manufacturing industry through 2013, and 15-per cent to the manufacturing industry by 2015; 2-percent to clean transportation technology; 1-percent to agriculture and renewable energy; and 1-percent for carbon capture and sequestration of coal emissions, rising to 5-percent after 2020.
- Includes provisions to encourage the development of carbon capture and sequestration technologies (CCS) and clean coal technologies.
- Increases investments in renewable energy and energy efficiency, and emphasizes support for public housing retrofits and low income housing energy efficiency efforts
- Includes a new energy star program for building operators and owners
- Increases investments in emissions-reducing transit efforts and the Clean Vehicles program, with an emphasis on encouraging domestic manufacturing. SACOG spokesman and Executive Director Mike McKeever, encouraged the committee to increase the allowances for clean transportation projects beyond the 3 percent provided in the bill, stating that "the transportation sector contributes nearly 30 percent of the greenhouse gas emissions in the country, and there is a lot of evidence that there are viable ways that sector can produce major reductions in emissions, both in the short term and over the long term. A higher transportation allowance would send a stronger signal to the states and regions that improvements in the transportation sector are a high national priority."
- Increases allowances for rural energy initiatives and companies and establishes a wood stove replacement program
- Clarifies the definition of bio-fuels to include algae-based and other advanced fuels
- Guarantees allocations to Tribes for energy efficiency and renewable energy programs
- Increases the size of the market stability reserve
- Increases assistance to small business refiners, and increases the time for compliance with the Pollution Reduction and Investment Program.

The Chairman's mark of the bill, which was released on October 23, 2009, is similar to the house climate bill, H.R. 2454 (Waxman, Markey), which was narrowly voted out of the House in June, 2009. EPA analysis indicates that the bills are fundamentally similar in approach, caps, offsets, and other critical design parameters. The Environmental Protection Agency (EPA) released a detailed economic analysis of S. 1733 that found little change in the estimated cost to American families, compared with H.R. 2454, the Waxman-Markey legislation passed this summer by the House of Representatives. The analysis indicated that the "average household consumption would be reduced by less than 1% in all years" compared with a business-as-usual scenario, and estimated the overall impact on the average household would be 22 to 30 cents per day ($80 to $111 per year).

Witnesses – particularly California's witnesses – generally applauded the Committee's commitment to address climate change. Dan Reicher of Google urged the Committee to put emphasis on research and development of advanced energy technologies and to set strong national standards to accelerate the uptake of cleaner and more efficient technologies.

Senator Boxer has indicated that the EPW Committee will mark up the legislation as soon as possible following the completion of legislative hearings. More information can be found at: http://www.epw.senate.gov.

**ENERGY: SUBCOMMITTEE ASSESSES LEGISLATION AIMED AT PROTECTING THE ELECTRIC GRID, PREVENTING CYBER ATTACKS**

On October 27, 2009, the Energy and Environment Subcommittee of the House Energy and Commerce Committee held a hearing on two pending bills: HR 2165 and HR 2195. HR 2165 would amend Part II of the Federal Power Act to address known cyber-security threats to the reliability of the bulk power system and, specifically to provide the Federal Energy Regulatory Commission emergency authority to address future cyber-security threats to the reliability of the bulk power system. HR 2195 would amend the Federal Power Act to provide additional authorities to adequately protect the critical electric infrastructure against cyber attack. Witnesses included: Joseph McClelland, director, Office of Electric Reliability, Federal Energy Regulatory Commission; Patricia Hoffman, principal deputy assistant secretary of Energy, Office of Electricity; Gary A. Brown, chairman, New York Public Service Commission; David Cook, vice president and general counsel, North American Electric Reliability Corporation; and John DiStasio, general manager and CEO, Sacramento Municipal Utility District.
According to Mr. McClelland, “the Commission’s jurisdiction and reliability authority is limited to the ‘bulk power system,’ as defined in the FPA, and therefore excludes Alaska and Hawaii, including any federal installations located therein. The current interpretation of ‘bulk power system’ also excludes some transmission and all local distribution facilities, including virtually all of the grid facilities in certain large cities such as New York, thus precluding Commission action to mitigate cyber or other national security threats to reliability that involve such facilities and major population areas…Simply put, the federal government at this time does not have sufficient ability to timely protect the electric grid against cyber or physical attacks.”

McClelland urged that any new legislation should: allow the FERC to take action before cyber or physical national security incidents have occurred; allow FERC to keep pertinent information confidential; include Alaska and Hawaii in the definition of bulk power system or allow FERC to monitor and regulate to protect those states from attacks; allow entities to recover costs they incur to mitigate vulnerabilities and threats; and to address not only cyber security threats but also intentional physical malicious acts (targeting, for example, critical substations and generating stations) including threats from an electromagnetic pulse.

General Manager John DiStasio indicated that SMUD and the industry coalition support H.R. 2165 “because it best delineates the necessary new process for the federal government to interact with the industry in the event of a cyber security emergency while not disrupting the existing regulatory structure set forward in the Federal Power Act.” In terms of H.R. 2195, DiStasio raised concerns that: 1) the “inclusion of potentially all electric utility industry assets, including distribution, is overly broad;” 2) FERC discretion “appears to be broad and unfettered;” and 3) FERC and DOE emergency procedure authorities are potentially redundant.

More information can be found at: http://energycommerce.house.gov.

TRANSPORTATION: SENATE MOVING TOWARD LONG-TERM TRANSPORTATION REAUTHORIZATION

Retreating from its earlier position, the Senate leadership now appears to be moving toward a long-term reauthorization of transportation legislation in 2010. On October 23, 2009, the Senate dropped its plans to move for an 18 month extension of SAFETEA-LU (PL 109-59). Instead, the leadership is now working on a six-month extension. The move indicates growing support for a major reauthorization next year.

House Transportation and Infrastructure Chairman James Oberstar (MN) has balked at a long-term extension, insisting that a full five-year reauthorization, among other things, will produce jobs. The SAFETEA-LU authorization expired September 30, 2009. With the expiration, billions of dollars in budget authority were rescinded. The House has passed a three-month extension, but the Senate’s attempt to pass it and restore the lost budget authority failed. Passage would have required unanimous consent, because the extension does not comply with the Pay-Go rules requiring offsets for new spending.

The extension the Senate is now working on would last for six months, through the end of March 2010.

AGRICULTURE: SENATE COMMITTEES EXAMINE DAIRY CRISIS

On October 27, 2009, the Senate Agriculture Subcommittees on Domestic and Foreign Marketing, Inspection, and Plant & Animal Health and on Production, Income Protection & Price Support held a joint hearing on “Responding to Low Dairy Prices: Exploring Avenues for Federal Action.” The witnesses included Mr. Ray Souza, President of Western United Dairymen, Mel-Delin Dairy, Turlock, CA.

Mr. Souza detailed the crisis that the California dairy industry is currently facing. He said that in the last year $2.6 billion in equity has been lost in the California industry. In addition to the national recession, he cited as among the causes of the crisis the dramatic rise in feed costs, and the as much as fifty percent drop in the prices paid to dairy farmers for milk.

He testified, along with the other witnesses, that the current safety net support program was inadequate, because the support price is frozen and, thus, has had no impact. Souza stated the producers cannot compete in a global marketplace with the current prices. The Western United Dairymen do support
the CWT program, which is a producer-controlled supply management program. Souza said that retiring cows from production has had an impact.

To obtain the testimony of all the witnesses, go to: http://agriculture.senate.gov.


On October 27, 2009, the House Homeland Security Subcommittee on Emergency Communications, Preparedness, and Response held a hearing on “Preparedness: What has $29 billion in homeland security grants bought and how do we know?” Witnesses were: Timothy Manning, Deputy Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security; Ms. Kathy Crandall, Director, Franklin County Office of Homeland Security & Justice Programs; and Mr. David Maxwell, Director, Arkansas Department of Emergency Management.

Administrator Manning testified that since Fiscal Year 2002, the Department of Homeland Security’s (DHS) homeland security grant programs have provided more than $27 billion to state, local, tribal, and territorial jurisdictions across the nation. He acknowledged that the Department’s offices had never asked grantees to measure outcomes from grant dollars. “Therefore, existing data tells us very little about our return on investment or our level of preparedness,” Manning said. To measure the effectiveness of homeland grant investment, FEMA is now assessing two questions – “What have we bought?” and “Are we better prepared?” To respond to these questions, the agency has undertaken several initiatives. One approach is FEMA’s “Cost-to-Capabilities” (C2C) initiative, which is a “multi-year effort to develop, test, and implement a method to better enable local, state, tribal, and federal levels of governments to strategically manage the portfolio of homeland security grant programs and optimize the impact of those grant dollars on preparedness efforts.”

Another major initiative underway to assess FEMA’s preparedness and response capability is FEMA’s Gap Analysis Program (GAP), which focuses on the performance of six distinct phases. These six phases are: (1) Selection of Disaster Scenario, (2) Estimation of Response Requirements, (3) Measurement of Baseline Preparedness, (4) Identification of Gaps, (5) Development and Implementation of strategies, and (6) Evaluation and Application of Lessons Learned.

After detailing these initiatives for the Subcommittee, Administrator Manning concluded by saying that “continuing to establish a meaningful framework for the measurement of preparedness is a priority at FEMA, and we look forward to working with this Committee and the Congress toward a methodology that will inform future decision making without placing undue burden on our partners in tribal, state, local and territorial government.”

To obtain the testimony of all the witnesses, go to: http://homeland.house.gov.

**Agriculture: House Ag Subcommittee Holds Hearing on Organic, Specialty Crops**

On October 28, 2009, the House Agriculture Subcommittee on Horticulture and Organic Agriculture held a hearing to review implementation of Title X of the Farm Bill -- the Food, Conservation and Energy Act of 2008. Chairman Dennis Cardoza (Atwater) called the hearing to examine the implementation of Farm Bill provisions regarding specialty crops, organic agriculture, and plant pest and disease management.


The Food, Conservation and Energy Act of 2008 is the first Farm Bill to contain a separate title for issues related to specialty crops and organic agriculture. The bill dedicated almost $3 billion in funding over five years to these areas, including nutrition, farmers markets, plant, pest and disease management, trade, and conservation. Chairman Cardoza said: “It is clear that USDA has much more work to do to fully implement Congress’s direction in the Farm Bill, and I intend to hold additional hearings into these issues.”

For more information, go to: http://agriculture.house.gov.
SCIENCE AND R&D: HOUSE SCIENCE SUBCOMMITTEE HOLDS HEARING ON FUSION ENERGY

On Thursday, October 29, 2009 the House Science & Technology Subcommittee on Energy and Environment held a hearing entitled “The Next Generation of Fusion Energy Research.” The hearing was to examine research activities conducted by the Department of Energy (DOE) Office of Science’s Fusion Energy Sciences (FES) program, as well as its collaborations with DOE’s National Nuclear Security Administration (NNSA). In addition, the Subcommittee examined the status of international partnerships in fusion energy research.

Dr. Edmund Synakowski, Director of FES, testified on DOE’s current fusion research activities and his vision for how the program should evolve over the next ten years. Dr. Stewart Prager, Director of the Princeton Plasma Physics Laboratory (PPPL), and former Chair of DOE’s Fusion Energy Sciences Advisory Committee (FESAC), testified on PPPL’s current and future roles as a center of fusion energy research. Dr. Thom Mason, Director of Oak Ridge National Laboratory (ORNL) in Oak Ridge, TN, described the current status of the ITER international fusion project and the role of ORNL as the headquarters of the U.S. ITER Project Office.

Dr. Riccardo Betti is Assistant Director of the University of Rochester’s Laboratory for Laser Energetics, and former Chair of the National Academies Plasma Science Committee. He was also Chair of a 2009 DOE report on “Advancing the Science of High Energy Density Laboratory Plasmas.” Dr. Betti testified on the status of inertial fusion energy (IFE) research and his vision for how DOE should steward IFE over the next ten years. Dr. Raymond Fonck is a Professor of Engineering Physics at the University of Wisconsin – Madison and former Director of FES. He was also Chair of the 2004 National Academies report “Burning Plasma: Bringing a Star to Earth.” Dr. Fonck testified on his experience as FES Director and his vision for a viable U.S. fusion program over the next several decades.

Testimony of the witnesses can be found at: http://science.house.gov.