HOMELAND SECURITY: TRANSPORTATION COMMITTEE EXAMINES BORDER STATION CONSTRUCTION

The House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management held a fourth hearing on Wednesday, December 2, 2009 on tracking stimulus funding. This hearing was on Ensuring Money Means Security when Building GSA Border Stations. Witnesses included Mr. William Guerin, Recovery Program Management Office, U.S. General Services Administration; and Mr. Trent Frazier, Director, Land Port of Entry Modernization Program Management Office, Customs and Border Protection, Department of Homeland Security.

Mr. Guerin discussed GSA’s Land Ports of Entry (LPOE) projects funded under the American Recovery and Reinvestment Act (ARRA). As of November 27, 2009, GSA has obligated over $1.4 billion for federal building construction and renovation projects under by ARRA, and has expended over $85 million. Of that amount, more than $76 million, Guerin said, was obligated and over $34 million expended for LPOEs. Guerin said that ARRA designated $300 million specifically for LPOEs under GSA jurisdiction. In selecting projects, he stated, GSA used two overarching criteria: the ability of the project to put people back to work quickly, and transforming federal buildings into “high-performance green buildings.”

Among the projects funded by GSA with ARRA money is the Otay Mesa Land Port of Entry in California, which is slated to receive a total of $21,296,000.

Guerin also testified that GSA has set interim target dates for project awards in each quarter to ensure that it obligates $5 billion of the $5.5 billion it received in ARRA funds by the end of FY 2010. Pursuant to the Recovery Act, all remaining funds will be obligated by the end of FY 2011.

Mr. Frazier testified that ARRA specifically directed $720 million to CBP and GSA to improve security at LPOEs. CBP received $420 million for CBP-owned LPOEs and GSA received $300 million for its LPOEs. Of the 43 CBP-owned LPOEs, Mr. Frazier pointed out, 39 are located along the northern border, which most ports along the southern border are owned or leased by GSA. He stated that CBP expects that its expenditure of ARRA funds will eventually result in the creation of 4,000 jobs.

For the testimony of all the witnesses, go to: http://transportation.house.gov.
HOMELAND SECURITY: SENATE COMMERCE LOOKS AT PASS ACT, OTHER SECURITY ISSUES

The Senate Commerce, Science, and Technology Committee held a hearing on December 2, 2009 to examine Transportation Security Challenges Post 9/11. The Committee heard testimony from Secretary of Homeland Security Janet Napolitano.

Secretary Napolitano covered a wide range of transportation security issues in her testimony, including the PASS ID license standards bill, maritime cargo security, and the US-VISIT program. Regarding PASS ID (S. 1261), she called on the Senate to move quickly to pass the legislation, which would replace the REAL ID Act. The deadline for implementation of REAL ID, establishing national drivers’ license standards, is January 1, 2010 if Congress does not act to replace it. The states have argued that implementing REAL ID will be financially burdensome. Estimates are that it will cost the states $4 billion to implement REAL ID, but only about $2 billion to implement PASS ID. S. 1261 was approved by the Senate Homeland Security and Governmental Affairs Committee in July, but has not been taken up on the Senate floor. With the Senate’s full legislative agenda, whether there is time to consider PASS ID before the end of the year is uncertain.

Regarding the 100 percent scanning of maritime cargo, the Secretary acknowledged the serious problems that have hampered implementation. She said that in order to meet the 2012 deadline of 100 percent scanning, DHS would require “significant resources for greater manpower and technology, technologies that do not currently exist, and the redesign of many ports. These are all prohibitive challenges that will require the Department to seek the time extensions authorized by law.”

US-VISIT is intended to develop an automated capability to record when visitors leave the United States, which will be an important tool in addressing visa overstays. The Secretary reported that DHS has tested biometric air exit procedures at the Detroit and Atlanta airports this past year, in accordance with a Congressional requirement that additional biometric collection testing be done prior to publishing a final rule on the topic. These evaluations will be used to help inform DHS of the best final rule to promulgate.

To obtain the Secretary’s testimony, go to: http://commerce.senate.gov

AGRICULTURE: SUBCOMMITTEE DISCUSSES ECONOMIC IMPACTS OF CLIMATE CHANGE, AGRICULTURAL OFFSETS

This week, the Conservation, Credit, Energy, and Research Subcommittee (Chairman Tim Holden, Pa.) of House Agriculture Committee held two hearings, the first on the potential economic impact of climate change on the farm sector and the second on the costs and benefits of agricultural offsets.

On December 2, 2009, the U.S. Department of Agriculture’s Chief Economist and witnesses representing academic institutions and research organizations provided testimony about the results of analyses of the potential economic impacts on agriculture associated with climate change and climate change legislation. “It is clear … that there is still a lot of uncertainty with some of the modeling assumptions and data used to estimate the potential
impact of climate change and climate change legislation on agriculture," said Chairman Holden. "The expert testimony of our witnesses from USDA and those analysts and economists on the front lines of climate change research reaffirm that additional questions must be asked and answered before we draw any definitive conclusions."

Ranking Member Bob Goodlattee (VA) stated that the "hearing demonstrated that there are serious economic consequences for our farmers under cap and trade due to higher energy prices and increased operating costs associated with it." He urged the committee to "continue to study the impact climate change legislation would have on the future of agriculture."

On December 3, 2009, the Subcommittee held a second hearing to focus on research related to the potential costs and benefits of agriculture offset proposals to address climate change. Witnesses included: Dr. Joseph Glauber, Chief Economist, U.S. Department of Agriculture; Dr. Joseph Kile, Assistant Director for Microeconomic Studies, Congressional Budget Office; and Dr. Michael Wara, Assistant Professor, Stanford Law School, California.

"I believe that offsets hold limited promise, both as a cost control mechanism and as a method for reducing emissions beyond the sectors covered by a cap and trade scheme," said Dr. Wara. "For U.S. farmers, this may translate into higher than anticipated costs for agricultural inputs and lower than anticipated benefits from the sale of offsets."


**RESOURCES/ENVIRONMENT: HOUSE SELECT COMMITTEE EXPLORES THE STATE OF CLIMATE SCIENCE**

With the international climate change talks in Copenhagen set for next week, there is an increased focus in Washington on the issue of climate change and the US strategy to address and prevent climate change. In a December 2, 2009 hearing, the House Select Committee on Energy Independence and Global Warming (Chairman Ed Markey, MA) explored with climate scientists from the Obama administration the state of climate science. Witnesses included: John Holdren, Director, Office of Science and Technology Policy, and former director, Woods Hole Research Center; and Jane Lubchenco, Administrator, National Oceanic and Atmospheric Administration.

According to NASA, the past decade has been the hottest in recorded history, with all of the years since 2001 being in the top 10 of hottest. This summer, the world's oceans were the warmest in NOAA's 130 years of record-keeping, Lubchenco said. Meanwhile, global heat-trapping pollution continues to rise. "I want to emphasize that in my judgment and that of the vast majority of other scientists who have seriously studied this matter, the current state of knowledge about it (even though incomplete, as science always is) is sufficient to make clear that failure to act promptly to reduce global emissions to the atmosphere of carbon dioxide and other heat-trapping substances is overwhelmingly likely to lead to changes in climate too extreme and too damaging to be adequately addressed by any adaptation measures that can be foreseen" said Holdren in his opening statement.

During the hearing, Lubchenco identified some of the most recent scientific findings, including:

- Global average surface temperature has risen by about 1.5°F since 1900 and is projected to rise another 2°-11.5°F by 2100 (IPCC 2007 and GCCI 2009).
- Seven of the last ten Northern Hemisphere winters featured above-average snow cover, including two of the four largest winter snow cover extents since observations began in 1967. Nine of the last ten Northern Hemisphere springs have featured below-average snow cover, including two of the four smallest spring snow cover extents (NCDC Global State of the Climate, 2009).
- U.S. average temperature has risen more than 2°F over the past 50 years and is projected to rise more in the future (GCCI 2009).
- Under a higher emissions scenario, the U.S. as a whole is projected to warm 7-11°F by the end of this century, while under a lower emissions scenario, temperature increase would be approximately
4-6.5°F. Stabilizing emissions at still lower levels would yield lower temperatures - potentially limiting it to around 2°F higher than present (3.5°F higher than pre-industrial) (GCC 2009).

- Precipitation has increased an average of about 5 percent over the past 50 years. Projections of future precipitation generally indicate that northern areas will become wetter, and southern areas, particularly the West, will become drier (GCC 2009).

- In the U.S., the amount of rain falling in the heaviest downpours has increased 20 percent on average in the last century and this is expected to continue, with the largest increases in the wettest places (GCC 2009).

- Extreme events such as heavy downpours and droughts are likely to reduce crop yields because excesses or deficits of water have negative impacts on plant growth (GCC 2009).

- Global sea level has risen approximately 8 inches this century (IPCC 2007, GCC 2009).

- Widespread climate-related impacts are occurring now and are expected to increase. Climate changes are already affecting water resources; energy and transportation infrastructure; agriculture; ecosystems; and human health. These impacts vary from region to region and will grow under projected climate change (GCC 2009).

- Climate change will stress water resources. Water is an issue in every region but the nature of the potential impacts varies. Drought, related to reduced precipitation, increased evaporation, and increased water loss from plants, is an important issue in many regions, especially in the West. Flood and water quality problems are likely to be amplified by climate change in most regions. Declines in mountain snowpack are important in the West and Alaska where snowpack provides vital natural water storage.

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

RESOURCES/ENVIRONMENT: SENATE ENERGY COMMITTEE REVIEWS POLICY ON REDUCING GREENHOUSE GAS EMISSIONS

On December 2, 2009, the Senate Energy and Natural Resources held a hearing on policy options for reducing greenhouse gas emissions. Specifically, the committee discussed cap-and-trade, carbon taxes, direct regulation, sector-specific approaches and technological innovation. Witnesses included: Ray Kopp, senior fellow and director, Climate Policy Program, Resources for the Future; Ted Gayer, co-director, Economic Studies Program, The Brookings Institution; David Hawkins, director, Climate Center, Natural Resources Defense Council; Jonathan Banks, coordinator, Climate Policy, Clean Air Task Force; and John Alic, independent consultant, Avon, N.C.

Witnesses and members of the committee discussed the impacts of carbon taxes, cap and trade programs, and command-control regulations on behavior. Ted Gayer, of the Brookings Institution, urged the committee to implement a carbon tax, arguing that it would be more efficient than a cap and trade. The committee also discussed proposed climate legislation, focusing specifically on the role of offsets and proposed caps.

Chairman Jeff Bingaman (NM) articulated his support for cap and trade mechanisms to reduce greenhouse gas emissions, but suggested that it was important to understand the "pros and cons of other policy options that may have the ability to achieve the same level of reductions of greenhouse gas emissions." Over the past two months, the committee has held several hearings on global climate change policy, most of which specifically investigated the impacts of cap-and-trade programs on the energy sector and consumers.

More information can be found at: http://energy.senate.gov/public/.

TRANSPORTATION: LAO REVIEWS CALTRANS AND LOCAL USE OF STIMULUS FUNDS

The American Recovery and Reinvestment Act (ARRA) provides California with about
$3.7 billion in one-time funding for transportation programs, based on formulas. The California Legislative Analyst’s Office issued a report on November 23, 2009 entitled “Using Federal Economic Stimulus Funds for Transportation: An Update.”

In the report, LAO reviewed the progress of the California Department of Transportation (Caltrans), local road agencies, and transit operators in their use of ARRA funds. It found that (1) Caltrans has made good progress in the use of almost $1 billion made available to the department, already putting out to bid contracts for 92 percent of the funds; (2) local road agencies have been slower to use their obligated ARRA transportation funds, with contracts for only one-third of their funds out to bid; and (3) the progress of transit system operators is unclear due to a lack of complete information. From the data LAO was able to compile, however, the operators appear to be making good progress. It also found that complete information on the job creation impact of ARRA’s transportation programs is not yet available.

LAO recommended that the state legislature hold oversight hearings on the use of ARRA transportation funds to determine if any actions are necessary to ensure that California meets various ARRA deadlines.


REPORT: PPIC FAULTS CALIFORNIA EDUCATION FOR NOT KEEPING UP WITH DEMAND FOR EDUCATED WORKERS

In a report released in July 2009, Hans Johnson of the Public Policy Institute of California argues that California will face a shortage of skilled workers by 2025 because the state’s education system is not keeping up with the demand to produce highly-skilled workers. California Workforce is part of a briefing kit that highlights the state’s long-term policy challenges in several key areas, including education.

If current trends persist, according to Johnson, only 35 percent of working-age adults in California will have a college degree in 2025, but 41 percent of jobs will require a degree. Failure to improve these statistics will result in a less-productive economy, lower incomes for residents, less tax revenue for the state, and more dependence on social services, he argues.

Among the findings in the report are:
- California’s college enrollment rate is among the lowest in the nation;
- Transfer rates from community colleges to four-year universities are also low; and
- Only half of California State University students graduate within six years of entering as freshmen.

Johnson opines that gradual increases in college enrollment rates from California’s current level to the national average, a 20 percent improvement in transfer rates, and an improvement in completion rates at CSU would, together, reduce the skills gap by one-half by 2025. In addition, he argues that reductions in higher education funding will only make things worse. “Shortchanging education for quick budget fixes could seriously shortchange California’s economic future. One alternative would be to increase fees so that students from higher-income families pay more in fees, and to increase aid so that students from lower-income families face a lower financial burden.” Finally, he also calls for alternative forms of postsecondary training to help close the skills gap.

The report can be obtained at: http://www.ppic.org/content/pubs/report/R_709HJ2R.pdf.