Agriculture & Wine Industry: Calistoga Earns Viticultural Appellation

After a six year effort, vintners in Napa Valley have won their battle to establish Calistoga as an American Viticultural Area (AVA). The Treasury Department’s Alcohol and Tobacco Tax and Trade Bureau (TTB) published the Final Rule in the December 8, 2009 Federal Register establishing the area (27 CFR Part 9). The designated Calistoga AVA is entirely within the existing Napa Valley viticultural area, which already has 14 AVAs. The federal government designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may choose to purchase. The Calistoga area comprises about 36, mostly small, wineries that produce only a few thousand crates yearly, but is well regarded as producing quality wine.

Part of the reason for the six-year delay in getting the designation was the opposition of the Calistoga Cellars winery, which is outside the area but still uses the Calistoga name. Under the Final Rule, it will have until December 10, 2012 to either change its name or start using Calistoga grapes in its wines. To use an AVA designated name, at least 85 percent of a wine’s grapes must come from that area. Calistoga Cellars had argued that the grapes are too expensive for its mid-price wines and are not readily available. Both arguments were ultimately rejected by TTB.

Reps. Mike Thompson (St. Helena) and George Radanovich (Mariposa), co-chairs of the Congressional Wine Caucus, strongly supported the effort to establish the AVA. “I am extremely pleased to announce that Calistoga has finally been designated as an American Viticultural Area, a long overdue and much deserved distinction,” Thompson said. “I look forward to celebrating this tremendous victory with the wine supporters here in the Napa Valley and across the globe who have worked tirelessly to recognize one of world’s premier growing regions.”

For more information, the Federal Register rule can be found at: http://frwebgate.access.gpo.gov/cgi-bin/multidb.cgi.
APPROPRIATIONS: HOUSE PASSES CONSOLIDATED FY10 APPROPRIATIONS BILL  On December 10, 2009, the House passed H.R. 3288, by a vote of 221-202, a $446.8 billion bill consolidating six of the remaining seven FY2010 appropriations: Transportation-HUD; Commerce-Justice-Science; Financial Services; Labor-HHS; Military Construction-VA; and State-Foreign Operations. The Defense appropriations will be handled separately. Among the major provisions of the consolidated appropriations are:

Commerce-Justice-Science

The Commerce-Justice-Science appropriations provides $64.4 billion in discretionary funds, a 12 percent increase over the fiscal 2009 (excluding ARRA funding). The bill funds the State Criminal Alien Assistance Program (SCAAP) at $330 million, a $70 million cut from FY 09 funding. California historically has received about 40 percent of this funding.

Overall, including SCAAP, $2.28 billion is provided for Office of Justice Program grants to state and local governments, including $519 million for Byrne Justice Assistance Grants, $45 million for drug courts, and $494 million for programs for at-risk youth and missing, exploited or abused children.

- $2 billion, $81 million above 2009, is included to combat illegal drugs through the Drug Enforcement Administration (DEA). These funds will provide for 128 new DEA positions on the Southwest border to combat Mexican drug cartels.

- The Southwest Border Initiative will receive $1.5 billion, $338 million above 2009, for activities to combat violence, stop the flow of illegal weapons and drug trafficking, bring dangerous criminals to justice, and improve law enforcement capabilities along the southwest border.

Science Education: $1.2 billion, $113 million above 2009, to combat the decline in U.S. student interest and performance in math and science fields.

NASA will receive $18.7 billion, the same as the Senate version and President Obama’s request. The House-passed CJS bill had allocated $18.2 billion to NASA.

National Science Foundation will be funded at $6.9 billion, $436 million above 2009.

Labor, Health and Education

Overall, the Departments of Labor, Health and Human Services, and Education will be funded at $163.5 billion, an $8.5 billion increase over fiscal 2009, again not counting stimulus funds.

Community Health Centers: $2.2 billion, matching the request and FY 2009 funding, to provide primary health care to 17 million patients, of whom 40 percent are uninsured, in 7,500 service delivery sites.

State Health Access Grants: $75 million, matching the request and 2009, to provide a second year of grants for the program designed to allow states to implement innovative healthcare solutions. States can use this funding to expand coverage for segments of their population and/or to test new ideas.

Head Start: $7.2 billion, matching the request and $122 million above 2009, for about 978,000 low-income children before they enter school.

Title I Grants for Low-Income Children: $14.5 billion, $1.5 billion above the request, for Title I grants to provide for about 20 million disadvantaged children in nearly 55,000 public schools. These funds may also be used to support early childhood education activities.
Striving Readers: $250 million aimed at making Striving Readers a new comprehensive literacy initiative from pre-K through grade 12 to help students build their literacy skills and improve the integration of reading initiatives across the Department of Education.

Pell Grants: $17.495 billion to maintain the discretionary portion of the maximum Pell Grant award at $4,860, which, combined with a mandatory supplement of $690, will support a $5,550 maximum Pell Grant in fiscal year 2010, an increase of $200 over the 2009 award level.

Dislocated Worker Employment and Training Activities: $1.4 billion, matching the request and $71 million above 2009, for training and supportive services to workers affected by layoffs and plant closures.

**Transportation-Housing and Urban Development**

The Transportation-HUD portion of the omnibus would appropriate about $122 billion, about $15 billion more than enacted in fiscal 2009 and about $1 billion less than the President requested. This includes about $67.9 billion in discretionary budgetary authority. Included is:

- Highway Infrastructure: $41.8 billion to improve and repair highway infrastructure, including $41.1 billion for the Federal-aid highway program and an additional $650 million for highway investments.
- National Infrastructure Investment: $600 million for grants to support significant transportation projects in a wide variety of modes, including highways and bridges, public transportation, passenger and freight railroads, and port infrastructure.
- Federal Transit Administration: $10.73 billion, $397 million above the request and $602 million above 2009. Funding includes:
  - New Construction: $2 billion, $172.7 million above the request and $190.8 million above 2009, for Capital Investment Grants for the expansion of public transportation and commuter rail service to increase use of mass transit, alleviate traffic congestion, reduce gas consumption, and save commuters time and money.
  - Transit Formula Grants: $8.34 billion, matching the request and $82.6 million above 2009, for Formula and Bus Grants for on-going capital and operating needs of urban and rural transit systems, including funding for new buses, stations, intermodal facilities, and technology improvements.
- Conferences agreed to fund the Department of Housing and Urban Development at $46 billion, about $4.5 billion more than enacted last year and about $576 million more than the President requested. Of that sum, the conference agreement would appropriate:
  - $18.2 billion for Section 8 Tenant Based Vouchers, $348 million above the request and $1.2 billion above 2009, and $8.5 billion for Section 8 Project Based Vouchers, $457 million above the request and $1.4 billion above 2009.
  - $2.5 billion to the Public Housing Capital Fund, about $50 million more than enacted last year;
  - almost $4.8 billion to the Public Housing Operating Fund, about $320 million more than enacted last year and about $175 million more than the President requested;
  - $4.45 billion for Community Development Block Grants, equal to the President’s request; and $550 million above 2009;
  - $825 million for housing for the elderly, about $60 million more than enacted last year and about $100 million more than the President requested;

For brownfields redevelopment - $17.5 million, $7.5 million above 2009 and $17.5 million above the request. The U.S. Government Accountability Office estimates that there are as many as 425,000 sites throughout the United States.

More detailed information on the omnibus can be found at: [http://appropriations.house.gov](http://appropriations.house.gov).

**RESOURCES: SENATE EPW ASSESSES FEDERAL DRINKING WATER PROGRAMS**

On December 8, 2009, the Senate Environment and Public Works Committee held an oversight hearing on the Safe Drinking Water Act. Witnesses included: Peter Silva, Assistant Administrator for Water, Environmental Protection Agency; Cynthia Giles, Assistant Administrator for Enforcement and Compliance Assurance, Environmental Protection Agency; Matthew Larsen, Associate Director for Water, U.S. Geological Survey; and Michael Baker, President, Association of State Drinking Water Administrators.
In her opening remarks, Chairwoman Barbara Boxer noted that Congress amended the Act in 1996. The amendments established a drinking water state revolving loan fund (DWSRF) to address health risks; added programs to improve small system compliance; created a new program to protect sources of drinking water; expanded public disclosure of drinking water’s composition; and strengthened existing enforcement authorities. She is concerned that the government has not done enough in recent years to maintain and improve drinking water safeguards, and specifically cited the previous Administration’s refusal to set a drinking water standard for perchlorate. Boxer also noted the Committee’s bi-partisan support for water infrastructure improvements, citing S. 1005, the Water Infrastructure Financing Act, which would provide nearly $15 billion from 2010-2014 for EPA’s Drinking Water State Revolving Fund program. In addition, the American Recovery and Reinvestment Act provided approximately $2 billion for the DWSRF.

Administrator Silva reiterated the Administration’s commitment to ensure safe drinking water. He noted specifically the need to help small systems serving less that 10,000 people, because that is where 96 percent of health based violations occur.

In terms of enforcement, Silva allowed that most often EPA allows the states to deal with non-compliance violations, although EPA has the power to take federal action to get water systems back in compliance. Of the 5,875 enforcement actions taken in, the vast majority were state enforcement actions, he said.

Mr. Baker explained that ASDWA represents the collective interests of the 50 state drinking water programs, the District of Columbia, the five territories, and the Navajo Nation in their efforts to provide safe drinking water to their citizens. He testified that while most U.S. residents receive their water from large community water systems, the overwhelming number of total systems are small (serving less than 10,000 people). That presents a real challenge for the states, EPA, and water systems in complying with drinking water regulations. Effective public health protection, therefore, must involve strategies for both addressing the greater number of citizens served by larger water systems as well as approaches designed to help medium and small water systems comply with all applicable drinking water requirements. State drinking water programs act to inform water systems of federal requirements; ensure they have the capability to implement and comply with those requirements; and provide oversight to ensure they continue to comply. The overarching objective of states, in all of these efforts, Baker said, is to get and keep water utilities in compliance, thereby protecting public health. If water systems do not meet federal standards, states will then undertake an escalating series of compliance and enforcement actions to return a facility to compliance, he said. EPA’s responsibility is to oversee the activities of the states in their respective regions in connection with compliance and enforcement activities. Additionally, EPA is also engaged in the above mentioned state responsibilities, in concert with their state counterparts.

In discussing the array of approaches that the States use to ensure compliance with drinking water regulations and support water system needs, Mr. Baker cited the success of California’s Drinking Water Program, which partners with assistance providers to help communities like Rainbird Valley work through rate setting exercises and roles/responsibilities training for Boards of Directors. This assistance has led to interest in forming a regional water supply entity in concert with 13 other local very small water systems. This consolidation will offer greater economies of scale; improve system operations and management; and collectively help the systems attain and maintain compliance, he said.

In acknowledging that one hundred percent compliance by all water systems is not achieved, Mr. Baker noted the challenges presented by point and nonpoint sources of pollution – consisting of both regulated and unregulated contaminants. Particularly challenging are contaminants, including nutrients, associated with non-point source runoff, he said. Water facilities must then attempt to remove these contaminants, which can be both technically challenging and expensive.

He called on Congress to continue to increase funding to help state water systems provide safe drinking water. Congress provided $2 billion in supplemental appropriations through the American Recovery and Reinvestment Act in FY09 (on top of the baseline appropriation of approximately $830 million) and about $1.4 billion in FY 10 for the Drinking Water SRF, as well as additional funding for the Clean Water SRF.
Mr. Baker also made several recommendations for provisions to be included in the Clean Water Act and Safe Drinking Act reauthorizations.

The testimony of all the witnesses can be found at: http://epw.senate.gov.

**ENERGY: COMMITTEE DISCUSSES ROLE OF GRID-SCALE ENERGY STORAGE IN MEETING CLIMATE AND ENERGY GOALS**

On December 10, 2009 the Senate Energy and Natural Resources Committee held a hearing on the role of grid-scale energy storage as it relates to U.S. energy and climate goals. Hearing witnesses included: Jon Wellinghoff, Chairman, Federal Energy Regulatory Commission; Steven Koonin, Undersecretary for Science, Department of Energy; Robert McGrath, Deputy Director for Science and Technology, National Renewable Energy Laboratory; Ralph Masiello, Senior Vice President, Energy Systems Consulting, KEMA Inc.; Kenneth Huber, Senior Technology and Education Principal, PJM Interconnection LLC; and Elliot Mainzer, Executive Vice President for Corporate Strategy, Bonneville Power Administration.

According to the National Renewable Energy Laboratory (NREL) and the U.S. Environmental Protection Agency, electricity generation accounts for approximately 40 percent of energy resource consumption and produces one-third of our nation's carbon emissions. The present grid generally requires that energy that is produced be instantly consumed. Because renewables are often intermittent and variable sources of energy, the energy that is produced must be used as it is generated or it is shed and lost.

The Department of Energy's Office of Electricity Delivery and Energy Reliability is leading Department of Energy efforts to research, develop, analyze and demonstrate energy storage technologies as they pertain to the electric grid. To date, the Office has identified six Energy Frontier Research Centers and has jointly-funded multiple storage demonstration projects. The American Recovery and Reinvestment Act of 2009 also provided funding for 16 energy storage demonstration projects in conjunction with the selection of Smart Grid demonstration projects. These projects include a Peak Reduction and Wind Farm Integration project which is funding California-based battery facilities in the 8 to 25 megawatt-scale, and a Compressed Air Energy Storage project that will fund a California-based 300 megawatt CAES plant that will use saline porous rock formations situated next to a transmission line receiving power from a 4,000 megawatt wind farm.

As California increases its use of intermittent renewable power, California's utilities are responding. As one of California's largest utilities, Pacific Gas and Electric Company is working to develop storage options such as pumped hydropower, compressed air and batteries, and supports federal policies to advance these technologies. Southern California Edison is also actively pursuing energy storage technologies for enhanced grid operations and renewable resource integration involving battery technologies, compressed air energy storage, superconducting materials and mechanical storage devices as part of its Smart Grid development efforts. Today, Edison has four different battery technology demonstrations underway, totaling about $62 million including matching funds from DoE smart grid demonstrations grants. SCE serves a population of nearly 14 million people via 4.9 million customer accounts in a 50,000-square-mile service area within Central, Coastal and Southern California.

Witnesses indicated that the benefits of developing large scale energy storage technologies include: increasing the performance of the electric infrastructure by decreasing congestion, enhancing stability, and decreasing grid strain; improving the reliability and power quality of the electric grid; decreasing greenhouse gas emissions; decreasing the use of fossil fuel base-load power sources; and increasing the use of renewable energy resources. Witnesses also highlighted barriers to the successful development and deployment of grid-scale energy storage. These barriers include: lack of technological understanding and the need for more research; lack of uniform standards; regulatory and market barriers; tariff treatment; and high costs which do not allow reasonable rates of returns for investors.

More information and witness testimony can be found at: http://energy.senate.gov/.
Taxes: House Passes 45 Tax Extensions, Including R&D Credit

On December 9, 2009, the House by a vote of 241 to 181 passed. H. R. 4213, the Tax Extenders Act of 2009. The bill includes 45 extensions of tax deductions and credits which were set to expire at the end of this year. The cost of the bill is estimated at $31 billion. H.R. 4213 does not address the Alternative Minimum Tax (AMT).

Included in the extensions are the following:
- Extension of the above-the-line deduction for qualified tuition and related expenses. The bill would extend for one year (through 2010) the above-the-line tax deduction for qualified education expenses. This proposal is estimated to cost $1.529 billion over 10 years.
- Extension of the R&D credit. The bill would extend for one year (through 2010) the research credit. This proposal is estimated to cost $6.966 billion over 10 years.
- Extension of special expensing rules for U.S. film and television productions. The bill would extend for one year (through 2010) the provision that allows film and television producers to expense the first $15 million of production costs incurred in the United States ($20 million if the costs are incurred in economically depressed areas in the United States). This proposal is estimated to cost $51 million over 10 years.
- Extension of expensing of “brownfields” environmental remediation costs. The bill would extend for one year (through 2010) the provision that allows for the expensing of costs associated with cleaning up hazardous (“brownfield”) sites. This proposal is estimated to cost $159 million over 10 years.
- Extension of enhanced deduction for corporate contributions of computer equipment for educational purposes. The bill would extend for one year (through 2010) the provision that encourages businesses to contribute computer equipment and software to elementary, secondary, and post-secondary schools by allowing an enhanced deduction for such contributions. This proposal is estimated to cost $195 million over 10 years.
- Extension of exclusion of gain on the sale or exchange of certain brownfield sites from unrelated business taxable income. The bill would extend for one year (through 2010) the provision that excludes any gain or less from the qualified sale, exchange, or other disposition of any qualified brownfield property from unrelated business taxable income. This proposal is estimated to cost $47 million over 10 years.
- Extension of tax incentives for Empowerment Zones. The bill would extend for one year (through 2010) the designation of certain economically depressed census tracts as Empowerment Zones. Businesses and individual residents within Empowerment Zones are eligible for special tax incentives. This proposal is estimated to cost $381 million over 10 years.
- Extension of tax incentives for Renewal Communities. The bill would extend for one year (through 2010) the designation of certain economically depressed census tracts as Renewal Communities. Businesses and individual residents within Renewal Communities are eligible for special tax incentives. This proposal is estimated to cost $786 million over 10 years.
- Election for refundable low-income housing credit for 2010. The bill would extend for one year (through 2010) the program that was enacted as part of the American Recovery and Reinvestment Act of 2009 that allows state housing agencies to elect to receive a payment in lieu of a portion of the State’s allocation of low-income housing tax credits. This proposal is estimated to cost $471 million over 10 years.
- Extension of tax incentives for biodiesel and renewable diesel. The bill would extend for one year (through 2010) the $1.00 per gallon production tax credit for biodiesel and the small agri-biodiesel producer credit of 10 cents per gallon. The bill would also extend for one year (through 2010) the $1.00 per gallon production tax credit for diesel fuel created from biomass. This proposal is estimated to cost $1.008 billion over 10 years.
- Extension of the alternative motor vehicle credit for heavy hybrids. The bill would extend for one year (through 2010) the alternative motor vehicle credit for so-called heavy hybrids (i.e., hybrid motor vehicles that are not passenger automobiles or light trucks). This proposal is estimated to cost $7 million over 10 years.
- Extension of tax incentive for natural gas and propane used as a fuel in transportation vehicles. The bill would extend for one year (through 2010) the $0.50 per gallon production tax credit for natural gas and propane used as a transportation fuel. The bill would not extend this credit for propane used to power forklifts. This proposal is estimated to cost $125 million over 10 years.

- Extension of special rule for sales of electric transmission property. The bill would extend for one year (for sales prior to January 1, 2011) the present law deferral of gain on sales of transmission property by vertically integrated electric utilities to FERC-approved independent transmission companies. Rather than recognizing the full amount of gain in the year of sale, this provision would allow gain on such sales to be recognized ratably over an eight-year period. This proposal is revenue neutral over 10 years.

Further information on the extensions can be found at: http://www.waysandmeans.house.gov

EDUCATION: IMPROVING COMPETITIVENESS THROUGH EDUCATION, COMMITTEE

DISCUSSES A STATE LED APPROACH

On December 8, 2009, the House Education and Labor Committee, chaired by Rep. George Miller (Martinez), held a hearing titled "Improving Our Competitiveness: Common Core Education Standards." This is the second hearing in a series examining ways to improve global competitiveness by adopting a common core of internationally benchmarked education standards. The focus of the hearing was on a state-led effort to improve academic standards. To date, forty-eight states have signed on to the initiative. Witnesses included: The Honorable Bill Ritter, Jr., Governor of Colorado; and Gene Wilhoit, Executive Director, Council of Chief State School Officers.

"Without a unified set of strong expectations, many states chose to lower the bar -- creating a race to the bottom," stated Chairman Miller. "An important step is a state-led effort for a common core of internationally-benchmarked standards that can prepare all children in this country to achieve and succeed in this global economy."

Witnesses discussed state efforts to improve standards. According to Mr. Wilhoit, in April 2009, over forty states met to discuss the possibility of creating common core standards in English language arts and mathematics grounded in these principles. Ultimately, 48 states signed on to be a part of the standards’ development work. Since then CCSSO and leaders from participating states have worked to develop college and career readiness standards and to back-map those standards through K-12, grade-by-grade. "Using experts and practitioners from across the nation and throughout the world, we have remained true to our original timeline. We have developed the initial version of the college and career readiness standards, which was released in September of this year," said Wilhoit. "These standards have already been reviewed by states, the public, and a range of national organizations and experts. Based upon the college and career readiness standards, we have begun the development of the K-12 standards, which are currently being reviewed by states and others. The development of the K-12 expectations will be complete in early February 2010 once the states and the public have had a chance to weigh in.” Once developed, states will begin the process of adopting and implementing the proposed standards.

According to CCSSO, adoption of the common core standards is defined as the following: a state must adopt one hundred percent of the common core standards; in addition to one hundred percent of the common core, states are able to add up to an additional fifteen percent at their discretion; and, the standards’ authorizing body within the state must take formal action to adopt and implement the common core. Ultimately, states are responsible for demonstrating that they have adhered to this definition of adoption and states are expected within three years to fully implement the standards by developing instructional supports and aligning assessments.

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

ENERGY: SUBCOMMITTEE HOLDS HEARING ON SEVERAL ENERGY-RELATED BILLS

The Energy Subcommittee of the Senate Energy and Natural Resources Committee held a hearing on pending legislation on December 8, 2009. Kristina M. Johnson, Undersecretary of the Department of Energy, was the hearing's only witness. The subcommittee discussed several bills, including the following,
and Secretary Johnson provided the Department’s position.

- HR 957, which would authorize higher education curriculum development and graduate training in advanced energy and green building technologies. Johnson urged the committee to strengthen the bill to further promote and address the larger issue of energy education, green jobs creation, and workforce training.

- HR 2729, which would authorize the designation of National Environmental Research Parks by the Secretary of Energy. According to Miss Johnson, "this legislation may also have a few unintended consequences. “Any official designation of park lands as ‘protected sites’ could impede the park’s future use for mission priority activities and could restrict the Department's current authority at the proposed sites. While the research parks are well-suited for conducting the research proposed by the bill, much of this research is outside the scope of the Department's mission and core competencies. An example would be H.R. 2729's proposed research regarding the general ecology of the site and region in addition to population biology and ecology. Such research should continue to be supported by other, more appropriate Federal agencies."

- HR 3165, a bill that would provide for a program of wind energy research, development and demonstration. Johnson urged the committee to include a specific authorization for environmental research.

- HR 3246, which would provide for a program of research, development, demonstration and commercial application in vehicle technologies at the Department of Energy. The Department agrees with the suite of technologies authorized in H.R. 3246. However, the inclusion of hydrogen and fuel cell activities in H.R. 3246 would result in duplicative authorizations and potential budgetary issues, Johnson testified.

- HR 3585, which would guide and provide for U.S. research, development and demonstration of solar energy technologies. Johnson raised concerns about Section 105, which specifies a solar-technology demonstration plan that may not embody the most appropriate scale of projects encompassing the most effective mix of technologies, as might be determined by the Secretary; and Sections 103 and 108 of the bill which would require the Department to form a semi-autonomous committee that will largely govern the solar energy activities at the Department. "As written, the proposed legislation binds the Department's R&D efforts to the recommendations of the Roadmap Committee, requiring the Department to follow the Committee's recommendations for 75 percent of all appropriations by 2015," said Johnson. "We urge the Congress instead to stipulate that the Committee would provide the kinds of non-binding advice and recommendations traditionally provided by publicly-chartered Federal advisory committees."

- S 737, a bill to amend the Energy Independence and Security Act of 2007 to authorize the Secretary of Energy to conduct research, development and demonstration to make biofuels more compatible with small non-road engines. Johnson articulated support for the investigation of potential issues with the utilization of higher-biofuel blends in small nonroad engines, but noted that DOE already funds a number of research projects on nonroad engines, and as a result, the Department does not see a need for the legislation.

- S 1617, which would require the Secretary of Commerce to establish a program for the award of grants to states to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency and produce clean energy technology. DOE urged the Committee to build off the Department’s existing programs, but generally supported the legislation.

- S 2744, which would amend the Energy Policy Act of 2005 to expand the authority for awarding technology prizes by the Secretary of Energy to include a financial award for separation of carbon dioxide from dilute sources. Under Section 7, the bill states that the "applicant will agree to vest the intellectual property of the application derived from the technology in one or more entities that are incorporated in the U.S." Johnson testified that S. 2744's Intellectual Property language is a significant departure from previous prize legislation and is concerned that the language will deter qualified applicants from entering the competition. She urged the Committee to ensure that the recommendations outlined in the legislation not be proscriptive or limit the Department in its efforts to formulate carbon capture technology R&D prizes.

- S 2773, which would require the Secretary of Energy to carry out a program to support the research, demonstration and development of commercial applications for offshore wind energy, and for other purposes. Johnson raised a series of concerns, including that the bill’s authorization language should
include research aimed at optimizing installation methodology, electrical transmission design, operations and maintenance practices, installation vessel design, and manufacturing and assembly; and while the Department supports establishing a comprehensive National Offshore Wind Energy R&D Program as contemplated by S. 2773 in which multiple research, development, and demonstration projects play a critical role, such projects should be established through grants awarded on a competitive basis.

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

TRANSPORTATION: COMMITTEE EXAMINES STIMULUS SPENDING ON TRANSPORTATION PROGRAMS

On December 10, 2009, the House Transportation and Infrastructure Committee held a hearing titled "Recovery Act: Progress Report for Transportation Infrastructure Investment." The purpose of the hearing was to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing specifically addressed implementation efforts in transportation programs under the Committee's jurisdiction, including highways, bridges, public transportation, rail, and aviation.

Witnesses included: The Honorable John D. Porcari, Deputy Secretary U.S. Department of Transportation; Ms. Katherine A. Siggerud, Managing Director, Physical Infrastructure Issues, Government Accountability Office; Ms. Rosemarie S. Andolino, Commissioner of Aviation, Chicago Department of Aviation representing the American Association of Airport Executives; Mr. Joseph Calabrese, General Manager, Greater Cleveland Regional Transit Authority, representing the American Public Transportation Association; The Honorable Gary Ridley, Secretary, Oklahoma Department of Transportation, representing the American Association of State Highway and Transportation Officials; and Mr. James W. Van Buren, Vice President of Development and Chief Operating Officer, New Enterprise Stone and Lime Co., Inc., on behalf of the American Road and Transportation Builders Association.

The Committee previously held hearings on the Recovery Act and transportation funding on Jan. 22, April 29, June 25, July 31 and Oct. 1. The Recovery Act provided $48.1 billion of transportation investment for programs within the jurisdiction of the Committee, including:

- $27.5 billion for highways and bridges;
- $8.4 billion for transit;
- $9.3 billion for passenger rail;
- $1.5 billion for competitive surface transportation grants;
- $1.3 billion for aviation; and
- $100 million for small shipyard grants.

The Committee requested that Federal agencies implementing programs receiving Recovery Act funds under the Committee's jurisdiction submit a specific list of announced Recovery Act projects as of November 20, 2009. Of the $64.1 billion provided for both transportation and infrastructure programs under the Recovery Act, Federal, State, and local agencies administering programs within the Committee's jurisdiction have announced 14,654 transportation and other infrastructure projects totaling $44.7 billion, representing 70 percent of the total available funds, as of November 20, 2009. Within this total, States and agencies have obligated $37.8 billion for 13,882 projects, representing 59 percent of the available funds.

The list of California specific projects can be accessed by visiting the following link: http://transportation.house.gov/News/Default.aspx. More information on the hearing can also be found at: http://transportation.house.gov.

INTELLECTUAL PROPERTY: GOVERNMENT REFORM SUBCOMMITTEE DISCUSSES PROTECTING INTELLECTUAL PROPERTY RIGHTS

On December 9, 2009, the House Oversight and Government Reform Subcommittee on Government Management, Organization, and Procurement, chaired by Rep. Maxine Watson (Los Angeles), held a hearing on trends and challenges in protecting intellectual property rights in a global economy. The hearing focused on the Federal Government's roles and responsibilities in the global protection and enforcement of
intellectual property rights (IPR). Specific issues addressed included the strategic objectives of the Obama Administration for improving coordination among stakeholder agencies having IPR protection or enforcement responsibilities, as well as legal and diplomatic barriers to protecting IPR in a global economy.

The witnesses included: Mr. Stanford K. McCoy, Assistant U.S. Trade Representative for Intellectual Property and Innovation, Office of the United States Trade Representative; Mr. William E. Craft, Acting Deputy Assistant Secretary, Bureau of Economics, Energy and Business Affairs, United States Department of State; Mr. Loren Yager, Director, International Affairs and Trade, U.S. Government Accountability Office; The Honorable Dan Glickman, Chairman and Chief Executive Officer, Motion Picture Association of America, Inc.; and Mr. Robert W. Holleyman, II, President and Chief Executive Officer, Business Software Alliance.

"Enforcement of intellectual property rights is essential to America's strength in diverse export sectors such as movies, music, software, pharmaceuticals, agricultural chemicals, and medical devices," said Mr. McCoy. "And an intellectual property system consisting of appropriate and enforceable rights, as well as appropriate limitations and exceptions, is also critical to America's strength across a wide range of other sectors as well, including innovation in the manufacturing sector."

Witnesses discussed a range of issues including Special 301: "One of our biggest and strongest magnifying glasses is the one that we use to examine protection and enforcement of intellectual property rights and market access for persons who rely on IP rights," explained McCoy. "I am referring, of course, to the tool the U.S. Congress created for USTR in the Omnibus Trade and Competitiveness Act of 1988, commonly known as the Special 301 Report."

The Special 301 report is used to search the globe for copycats and counterfeiters. "Annually, a broad interagency team considers foreign governments' protection of US intellectual property through the Special 301 process. This critical tool identifies deficiencies in foreign markets and serves as the Administration's overall roadmap for the overseas intellectual property rights agenda each year," stated Dan Glickman, CEO and Chairman of the Motion Picture Association of America. "We believe it should also guide our work with governments that benefit from our trade preference programs."

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

**ECONOMY: COMMITTEES FOCUS ON JOB CREATION EFFORTS**

On December 9, 2009, the Senate Banking Committee’s Economic Policy Subcommittee held a hearing titled "Weathering the Storm: Creating Jobs in the Recession." The witnesses included: Ray Leach, CEO, Jumpstart Inc.; Rick L. Weddle, president and CEO, Research Triangle Park; Bruce Katz, vice president, The Brookings Institution, and founding director, Metropolitan Policy Program; and Ms. Heather Boushey, Senior Economist, Center for American Progress.

Witnesses discussed how to support individuals and families who are unemployed by extending unemployment benefits authorizations; ways to support state and local governments; expanding national service opportunities and promoting the green economy; and the role of tax credits and cuts in spurring spending to increase the speed of economic recovery.

The Senate Commerce, Science and Transportation Committee also held a job creation hearing on December 9, 2009 titled "Research Parks and Job Creation: Innovation Through Cooperation." Witnesses included: John Fernandez, Assistant Secretary of Commerce for Economic Development, Economic Development Administration Panel; Charles W. Wessner, Director, Program on Technology, Innovation and Entrepreneurship, National Research Council; Brian Darmody, President, Association of University Research Parks, and Associate Vice President of Research and Economic Development, University of Maryland; Jonathan Sallet, Managing Director, Glover Park Group; and Anthony Townsend, Research Director, Technology Horizons Program, Institute for the Future. The purpose of the hearing was to explore the potential of research parks to strengthen the economy, increase competition and create jobs. These parks bring together established technology companies, technology incubators and universities to encourage collaboration and facilitate new ideas.

The Joint Economic Committee also held a hearing on job creation on December 10, 2009.