HEALTH: HOUSE PASSES BILLS DEFUNGING PORTIONS OF HEALTH CARE LAW

The House this week passed two bills to defund provisions contained in the comprehensive health care law (the “Affordable Care Act”) passed in 2010.

H.R. 1214 passed by a vote of 235-191 on May 4, 2011. The bill repeals provisions in the ACA that provide funding for the construction of school-based health centers. For fiscal years 2010 through 2013, the health care law provides $50 million annually for fiscal 2010 for grants to states for construction or renovation of school-based clinics. The grants may also be used for equipment upgrades or purchases for the clinics, but cannot be used to pay health care professionals. The Congressional Budget Office estimates that cost savings from passage of H.R. 1214 would amount to $100 million over 10 years.

On May 3rd, the House passed H.R.1213, which would repeal mandatory funding provided to states in the ACA to help them establish the health benefit exchanges established in the law. The vote was 238-183. Under ACA, states are required to establish the health insurance exchanges by 2014, or the Department of Health and Human Services will do it. The Congressional Budget Office estimates that H.R. 1213 would save about $14 billion over 10 years, but that HHS would need more funding if the federal grants are eliminated, because it would be required to establish the exchanges.

For more information, go to: http://clerk.house.gov/floorsummary/floor.aspx.

SMALL BUSINESS: SBIR/STTR MOVE IN THE HOUSE BUT STALL IN THE SENATE

By voice vote on Wednesday, May 4, 2011, the House Science, Space and Technology Committee voted to reauthorize two small-business research programs through fiscal 2014. The Creating Jobs Through Small Business Innovation Act of 2011 (H.R. 1425) would reauthorize both the Small Business Innovation Research (SBIR) program and the Small Business Technology Transfer (STTR) program for three years. It would give eligibility for federal research grants for the first time to small businesses that receive mostly...
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venture capital funding. Research and development grants would be increased to $1 million, and grants of $150,000 for exploring the feasibility of new concepts would be available.

Under the current SBIR program, 11 federal agencies that provide more than $100 billion annually in extramural grants, including the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Energy, and the U.S. Department of Agriculture, must devote a minimum of 2.5 percent of their budgets to research funding for small businesses.

The SBIR program expired in 2008 and STTR in 2009, but they have been operating under extensions. The current extensions will expire May 31. Previous reauthorization efforts were unsuccessful partly because of a debate over the extent to which venture-backed companies could participate.

By a 52-44 vote, the Senate failed to cut off debate on their version of the bills on Wednesday, May 4, 2011, and Majority Leader Harry Reid has indicated he will drop further consideration for the time being at least. The motion required 60 votes to succeed. Senate consideration got bogged down partly in debate over non-germane issues, despite general support for the small business programs themselves.

For more information, visit: [http://science.house.gov](http://science.house.gov) and [http://senate.gov](http://senate.gov)

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### HEALTH: HOUSE DISCUSSES MEDICARE PHYSICIAN FEE FORMULA

On Thursday, May 5, 2011, the House Energy and Commerce Committee Health Subcommittee held a hearing titled "The Need to Move Beyond SGR [sustainable growth rate]." SGR, the formula that Medicare uses to calculate physicians' fees, was enacted in 1998 to hold down the growth of those fees. It ties the annual growth of Medicare fees to growth of the real gross domestic product, Medicare caseloads and practice costs.

Witnesses included: Mark B. McClellan, MD, Ph.D., Director, The Brookings Institution; M. Todd Williamson, MD, Coalition of State Medical and National Specialty Societies; Harold Miller, Executive Director, Center for Healthcare Quality and Payment Reform; Cecil B. Wilson, MD, President, American Medical Association; David B. Hoyt, MD, Executive Director, American College of Surgeons; Roland Goertz, MD, President, American Academy of Family Physician; and Michael Chernew, Ph.D., Professor of Health Policy, Harvard Medical School.

The SGR sets both the cumulative and allowed expenditures under the Update Adjustment Factor (UAF) formula and consists of the following components: (1) the estimated percentage changes in physicians fees; (2) the estimated percentage changes in the number of fee-for-service beneficiaries; (3) the estimated percentage growth in real gross domestic product (GDP) (10-year moving average); and, (4) the estimated percentage changes resulting from changes in laws and regulations.

Chairman Fred Upton (MI) explained in his opening statement that in 2009, fee-for-service (FFS) Medicare spent about $64 billion dollars on physician and other health professional services, accounting for 13 percent of total Medicare spending and 20 percent of Medicare's FFS spending. According to the most recent Congressional Budget Office (CBO) estimate, if nothing is done, physicians will see reimbursement for services provided to Medicare patients cut by 29.4% on January
According to surveys by the American Medical Association, faced with cuts of this magnitude, as many as 82 percent of physicians say that they will need to make significant changes in their practices that will affect access to care. Maintaining the current system with zero percent updates through 2020 would cost $275.8 billion dollars.

Mr. McClellan testified that Medicare spending already accounts for roughly 3.5 percent of GDP. If scheduled physician payment reductions continue to be overridden, and provider payments continue to grow at current rates, then Medicare expenditures could surpass 5% of GDP by 2030. McClellan proposed a different approach to the physician payment system. "If we are able to design a payment system that aligns reimbursement with quality and efficiency, we can better encourage physicians to provide the type of care that is best suited for our beneficiaries: care focused on prevention and treating complications; care focused on the most effective, proven treatments available" he said.

Mr. Williamson said any Medicare reform legislation should establish a new Medicare payment option whereby patients and physicians would be free to contract for medical care without penalty; allow patients to apply their Medicare benefits to the physician of their choice and to contract for any amount not covered by Medicare; and allow physicians to opt in or out of Medicare on a per-patient basis, while patients could pay for their care as they see fit and be reimbursed for an amount equal to that paid to "participating" Medicare physicians.

Other issues discussed included:
- What an ideal payment/delivery should system look like;
- What is the role of newer payment/delivery systems now being evaluated;
- How to measure quality;
- How to you pay for value, not volume;
- The role for private contracting or balance-billing; and
- How to incentivize beneficiaries to make better choices.

For more information, visit: http://energycommerce.house.gov/.

**ENERGY**: **SENATE COMMITTEE EXAMINES CYBERSECURITY OF THE POWER SYSTEM**

On Thursday, May 5, 2011, the Senate Energy and Natural Resources Committee held a hearing on a joint staff discussion draft pertaining to cyber security of the bulk-power system and electric infrastructure. Witnesses included: Patricia Hoffman, Assistant Secretary for the Office of Electricity Delivery and Energy, U.S. Department of Energy; Joseph McClelland, Director, Office of Energy Projects, Federal Energy Regulatory Commission; Gerry Cauley, President and Chief Executive Officer, North American Electric Reliability Corporation; David Owens, Executive Vice President, Business Operations, Edison Electric Institute; and William Tedeschi, Senior Scientist, Engineer, Sandia National Laboratories.

The protection and resilience of critical national infrastructures is a shared responsibility of the private sector, government, communities, and individuals, explained Patricia Hoffman of the U.S. Department of Energy (DOE). As the complexity, scale, and interconnectedness of today's infrastructures have increased, she said, it has changed the way services and products are delivered, as well as the traditional roles of owners, operators, regulators, vendors, and customers.

Mr. David Owens, Executive Vice President in charge of the Business Operations Group at the Edison Electric Institute (EEI), testified on behalf EEI's member companies. EEI is the trade association of U.S. shareholder-owned electric companies whose U.S. members serve 95 percent of the ultimate customers in the shareholder-owned segment of the industry and represent about 70 percent of the U.S. electric power industry. Mr. Owen's testimony focused on the value of this cooperative relationship, the unique nature of threats to the power grid, and the ongoing efforts of the nation's electric sector to respond to those threats. "In the case of securing the electric grid, there is unanimous support for a regime that leverages the strength of both the public and private sectors to improve cyber security," Owens told the committee.
Mr. Owens emphasized the importance of leveraging public and private sector expertise, while including robust information sharing between government and the private sector, and creating a cyber security policy with clear regulatory structure that focuses resources and attention on protecting truly critical assets from imminent threats. Owens said, "Promoting clearly defined roles and responsibilities, as well as ongoing consultation and sharing of information between government and the private sector, is the best approach to improving cyber security."

The Department of Energy's Office of Electricity Delivery and Energy Reliability (OE) recently launched several new initiatives to enhance cyber security in the energy sector, Mrs. Hoffman explained. OE has conducted several cyber threat information sharing workshops to analyze classified information, determine the impact to the sector, and develop mitigations that were specifically designed to work in the sector. Additionally, OE, in coordination with the National Institute of Standards and Technology (NIST) and NERC, is leading a collaborative effort to develop a cyber security risk management guideline. Hoffman said the objective of this effort is to provide a consistent, repeatable, and adaptable process for the electric sector, and enable organizations to proactively manage risk. "Ensuring the cyber security of a modern, digital electricity infrastructure is a key objective of national smart grid efforts," Hoffman testified.

For more information, visit: http://energy.senate.gov.

**Space: Commercial Space Transportation’s FY12 Budget Reviewed**

The House Science, Space and Technology Subcommittee on Space and Aeronautics held a hearing on the proposed fiscal 2012 budget for commercial space transportation on Thursday, May 5, 2011. Witnesses included: George C. Nield, Associate Administrator for Commercial Space Transportation, Federal Aviation Administration; Gerald Dillingham, Director, Physical Infrastructure Issues, Government Accountability Office; and Henry R. Hertzfeld, Research Professor of Space Policy and International Affairs, Elliott School of International Affairs, The George Washington University.

Space transportation activities in the United States fall into three main sectors: the civil sector, where the National Aeronautics and Space Administration (NASA) has the primary lead; the national security sector, involving the Department of Defense and the intelligence community; and the commercial sector, which is regulated by the FAA. The Office of Commercial Space Transportation (AST) is tasked with ensuring that commercial launches are undertaken with the highest level of safety. Its record of achievement is significant, licensing over 200 launches without any loss of life, serious injury, or notable property damage to the general public. AST is also responsible for licensing the operation of launch and reentry sites or "spaceports," as they are popularly known. The Office has licensed the operation of the California Spaceport at Vandenberg Air Force Base and the Mojave Air and Space Port in California.

The AST’s FY2012 budget request totals approximately $26.6 million and provides for 103 full-time employees (FTEs), at a cost of approximately $15.8 million. The request represents a 75% increase over the FY10 enacted level and an expansion of its workforce by nearly 50%. A significant portion of the increase would be spent hiring additional staff to develop and implement new safety requirements for sub-orbital and orbital commercial human spaceflight launch systems. AST also proposes to establish a new program - modeled after NASA's Centennial Challenges prize – to incentivize development of space transportation technologies. Finally, the budget request proposes creation of a Commercial Spaceflight Technical Center at NASA's Kennedy Space Center that would initially employ a small number of aerospace engineers, but could over time hire as many as a couple of hundred. The request is silent on associated infrastructure costs.

Mr. George Nield testified that it may be necessary for the FAA to revisit some of the statutes and regulations that govern the commercial space launch activities in the coming months and years. Specifically, he said, the FAA's legislative authority may require expansion to ensure public safety in space and on Earth, as the commercial space flight sector evolves. Potentially, there may be a need for greater regulatory authority in the areas of transportation on orbit as well as launch and reentry, Nield said. In addition, he said
the FAA's licensing authority may also require revision regarding operations associated with commercial hybrid launch systems and commercial cargo vehicles intentionally returning to Earth, regardless of whether they return substantially intact. Niell concluded, "The commercial space industry is ready to expand - and with your support, we are ready for lift-off."

The hearing convened on the 50th anniversary of the first flight of an American astronaut into outer space.

For more information, visit: http://science.house.gov/.


The House Homeland Security Committee held a hearing titled "Securing Our Nation's Mass Transit Systems Against a Terrorist Attack" on Wednesday, May 4, 2011. Witnesses included: John S. Pistole, Administrator, Transportation Security Administration (TSA), Department of Homeland Security (DHS); W. Craig Fugate, Administrator, Federal Emergency Management Agency (FEMA), DHS; Richard Daddario, Deputy Commissioner for Counterterrorism, New York City Police Department; Richard L. Rodriguez, President, Chicago Transit Authority; and Daniel O. Hartwig, Deputy Chief for Operations, Bay Area Rapid Transit Police Department, San Francisco, California.

Mr. Pistole testified that mass transit systems and passenger railroads are critical parts of the system that the TSA is charged with protecting. Together, these systems - which include subways, bus transit systems, ferries, the National Railroad Passenger Corporation (Amtrak), and commuter railroads, among others - provide over 10 billion passenger trips per year. The U.S. mass transit and passenger rail systems remain a target for terrorist groups and have been the subject of numerous plots in the United States, as well as attacks overseas, Pistole said.

TSA utilizes a number of programs to secure and safeguard mass transit and passenger rail operations. In keeping with the themes that guided the March 2010 Surface Transportation Security Priority Assessment, many of these programs enhance security by addressing policy gaps and obstacles, enhancing coordination and unity of effort, and maximizing the use of partner strengths and capabilities. For example, DHS has a comprehensive Transit Security Grant Program (TSGP) that provides awards to eligible transit agencies to support State and local governments in devising and implementing initiatives to improve security. TSA also deploys Visible Intermodal Prevention and Response (VIPR) teams in the mass transit and passenger rail domains with local law enforcement entities to augment the security protocols provided by the local systems, Pistole testified. In 2010, the TSGP provided $273.4 million to the transit and passenger rail industry and a total of $1.6 billion since 2006.

Mr. Hartwig, Deputy Chief for Operations, Bay Area Rapid Transit (BART) Police Department (San Francisco) testified on the safety and security of the BART system. A normal weekday for BART, Hartwig said, means providing on-time service for about 350,000 Bay Area residents across 105 miles of track, 44 stations in 4 counties and 26 cities. Mr. Hartwig testified that soon after September 11th, 2001 BART's administration aggressively focused upon identifying targets vulnerable to acts of terrorism in the BART system. After completing four threat/vulnerability assessments with three government agencies and one private security firm, early on BART identified a need to complete an estimated $250 million in security projects. Recognizing it's most critical and vulnerable asset, BART immediately invested capital funds to begin the hardening process. Beginning in 2003 and continuing through 2005, Urban Area Security Initiative (UASI) dollars helped to fund the specific projects to further harden the critical infrastructure of the BART system. BART continues to use Transit Security Grant Program funds, as well as other Local, State and Federal funds, to strategically and methodically eliminate identified vulnerabilities from the previously mentioned threat/vulnerability assessments. BART would struggle without the support of DHS and TSA, Hartwig said.
The following projects and programs were accomplished at BART with the support of DHS and TSA, he testified:
- Financial support for major capital projects to harden BART's critical infrastructure
- TSA Explosives Detection K9 Program;
- Operational Pack funding the Critical Asset Patrol Team assigned to the critical asset Corridor;
- Training for BART's frontline employees on terrorism awareness and identification;
- Visible Intermodal Protection and Response (VIPR) teams partnering with BART police officers to patrol critical assets and special events; and
- RailSafe, linking transit agencies across the country on the same date and time focusing on "high visibility" within our properties.

For more information, visit: http://homeland.house.gov.

INFORMATION TECHNOLOGY: HOUSE SUBCOMMITTEE EXPLORES NET NEUTRALITY & ANTITRUST


Chairman Genachowski laid out the four rules to ensure Internet freedom that he advocates for the FCC: transparency; no blocking of lawful Internet content or services; a level playing field; and flexibility for Internet service providers — flexibility to manage broadband networks, recognizing legitimate differences between wired and wireless technologies; flexibility to deal with congestion or harmful traffic, to pursue innovation in business models, and, of course, to earn a meaningful return on investment. Although some think this framework doesn’t go far enough, and others believe it goes too far, Genachowski believes it’s just right and “a pragmatic balance of innovation, economic growth, and crucial investment in the Internet,” as it was described by one venture capitalist.

He defended the net neutrality rule that the FCC completed in December, and said that “to undo our framework would increase uncertainty, decrease investment, and hurt job creation. Some argue that, rather than acting, the FCC should have allowed antitrust laws to be the sole remedy for violations of Internet freedom. In my view, while critically important, antitrust laws alone would not adequately preserve the freedom and openness of the Internet or provide enough certainty and confidence to drive investment in our innovation future,” he testified. “Antitrust enforcement is expensive to pursue, takes a long time, and kicks in only after damage is done. Especially for start-ups in a fast-moving area like the Internet, that’s not a practical solution,” Genachowski explained.

After noting that more than 90 percent of the FCC’s actions are not only bipartisan, but unanimous, Commissioner McDowell summarized his reasons for dissenting in the FCC’s net neutrality rule:
- nothing is broken in the broadband Internet access market that needs fixing;
- Congress never gave the FCC the legal authority to act as it did;
- the order is likely to cause more harm than good; and
- sufficient antitrust and consumer protection laws exist to prevent and cure any of the contemplated harms outlined in the order.

For more in depth analysis of his reasoning, Commissioner McDowell referred the subcommittee to his dissent, which was attached to his testimony.

For that dissent, as well as the complete testimony of the witnesses, go to: http://judiciary.house.gov.
HOMELAND SECURITY: HOUSE SUBCOMMITTEE EXAMINES BORDER SECURITY & LOCAL LAW ENFORCEMENT


Witnesses were: Mr. Kumar Kibble, Deputy Director, U.S. Immigration and Customs Enforcement, Department of Homeland Security; Mr. Ronald Vitiello, Deputy Chief, U.S. Customs and Border Protection, Department of Homeland Security; Sheriff Larry Dever, Cochise County Sheriff’s Office, Arizona; Sheriff Todd Entrekin, Etowah County Sheriff’s Office, Alabama; and Mr. Gomecindo Lopez, Commander, Special Operations Bureau, El Paso County Sheriff’s Office, Texas.

Mr. Kibble detailed ICE’s cooperative efforts with state and local law enforcement. Among those efforts is Border Enforcement Security Task Force (BEST) initiative, which was adopted in 2006 to leverage federal, state, local, tribal, and foreign law enforcement and intelligence resources in an effort to identify, disrupt, and dismantle organizations that seek to exploit vulnerabilities along U.S. borders and threaten the American public. As of fiscal year 2011, the BEST initiative is comprised of approximately 355 members representing various federal, state, local, and foreign law enforcement agencies who work jointly in a variety of capacities to investigate transnational criminal activity along the land borders and in major seaports. Currently there are over 55 state and local law enforcement agencies participating in the 21 BEST task forces along the Southwest and Northern borders, at seaports, and in Mexico City, Kibble said.

Another initiative is Operation Community Shield, an ICE-led anti-gang program, which is aimed at increasing public safety by combating the growth and proliferation of transnational gangs in communities throughout the United States. ICE conducts targeted enforcement operations using criminal arrest and administrative removal authorities against gang members, thereby disrupting the ability of gangs to operate. In addition, these targeted enforcement operations lead to the development of information critical to the successful prosecution of transnational gang members for conspiracy- and racketeering-related violations, Kibble said.

Through Community Shield, ICE partners with state and local law enforcement agencies in both formal and informal arrangements. ICE currently has seven domestic Operation Community Shield Task Forces, with 48 state and local law enforcement agencies participating. ICE Homeland Security Investigations (HSI) also works with hundreds of state and local law enforcement agencies on a more informal basis.

Kibble also outlined other initiatives dealing with cash smuggling, visa and document fraud, and other illegal activities. For instance, through the Secure Communities program, when state and local law enforcement agencies make an arrest and book a subject into custody, the fingerprints they submit to the Federal Bureau of Investigation’s (FBI) Integrated Automated Fingerprint Identification System (IAFIS) are checked against the biometrics-based immigration and law enforcement records in DHS’ Automated Biometric Identification System, he explained.

He also discussed the 287(g) program, which allows a state or local law enforcement entity to enter into a partnership with ICE under a joint Memorandum of Agreement (MOA) authorizing them to perform certain immigration functions otherwise reserved for federal officials. In 2009, ICE fundamentally reformed the 287(g) Program, Kibble testified, renegotiated and issued a standardized MOA, strengthening public safety and ensuring consistency in immigration enforcement across the country by prioritizing the arrest and detention of criminal aliens. ICE now requires 287(g) officers to maintain comprehensive alien arrest, detention, and removal data in order to ensure operations focused on criminal aliens, who pose the greatest risk to public safety and community. ICE also strengthened the 287(g) basic training course and created a refresher training course, providing detailed instruction on the terms of the new MOA and the responsibilities of a 287(g) officer, he said.

For the testimony of all the witnesses, go to: http://homeland.house.gov.
TRANSPORTATION: House Reviews Transportation Stimulus Efforts

On Wednesday, May 4, 2011, the House Transportation and Infrastructure Committee held a hearing titled "Stimulus Status: Two Years and Counting." The purpose of the hearing was to examine the audit work performed by the Government Accountability Office (GAO), the Department of Transportation Inspector General (DOT IG), and the Environmental Protection Agency Inspector General (EPA IG). Witnesses included: Calvin L. Scovel III, Department of Transportation Inspector General; Arthur A. Elkins Jr., Environmental Protection Agency Inspector General; Phillip Herr, Government Accountability Office; David Trimble, Government Accountability Office; and Roy Kienitz, Undersecretary for Policy Department of Transportation.

The GAO and two Inspector Generals (IGs) have performed extensive audit work on the implementation of funded projects. Mr. Herr testified on behalf of the GAO that as of March 31, 2011, more than $45 billion (about 95 percent) of Recovery Act transportation funds had been obligated for over 15,000 projects nationwide, and more than $26 billion had been expended. States and other recipients continue to report using Recovery Act funds to improve the nation's transportation infrastructure. According to the Bureau of Labor Statistics (BLS), unemployment in February 2011 remains at 8.8% for the nation. The Congressional Budget Office (CBO) originally estimated the total cost of the Stimulus Bill to be $787 billion, but has since revised that figure to $812 billion.

According to the GAO audit, the Federal Highway Administration (FHWA) has obligated for use by states $26.3 billion on the improvement of roads and bridges. FHWA has reimbursed states $18.9 billion or 68% of appropriated funds. The Federal Transit Administration (FTA) has obligated $8.7 billion for the purchase and rehabilitation of buses and other transit vehicles, and the construction or rehabilitation of passenger and maintenance facilities. FTA has reimbursed $5.6 billion to transit authorities, or 63% of its appropriation. The Environmental Protection Agency (EPA) has obligated $4.6 billion for the Clean Water State Revolving Fund, Brownfields, and Superfund programs. The EPA has reimbursed $3.7 billion or 80% of its appropriated funds. Thus far, the Department of Transportation (DOT) has obligated $1.4 billion and has reimbursed $64 million to TIGER grant recipients.


AGRICULTURE: Joint Committee Examines Effects of Pesticide Regulation

On Tuesday, May 3, 2011, the House Agriculture Committee and House Natural Resources Committee held a joint hearing to review costs of federal regulations to jobs, agriculture, health and species. Witnesses included: Eric Schwab, Administrator, National Marine Fisheries Service; Steven Bradbury, Deputy Director, Office of Pesticide Programs, EPA; Joseph Glauber, Chief Economist, Department of Agriculture; Dan Newhouse, Director, Washington State Department of Agriculture; Debra Edwards, Scientist and Former Director, Office of Pesticide Programs, EPA; West Mathison, Board President, Washington State Horticultural Association; Angela Beehler, Senior Director, American Mosquito Control Association; Barry Bushue, President, Oregon Farm Bureau, and Vice President, American Farm Bureau; and Zeke Grader, Executive Director, Pacific Coast Federation of Fishermen.

USDA Chief Economist Dr. Joseph Glauber testified that his office prepared an analysis of the potential impact to agriculture of the proposed no-spray buffers requested as injunctive relief in the Washington Toxics Coalition vs. EPA case. The analysis predicted losses in gross revenue ranging between $37 to $583 million, depending upon whether the no-spray buffers were applied to perennial as well as intermittent water bodies and whether the pesticide application were usually accomplished using aerial or ground spraying. Under the National Marine Fisheries Service Biological Opinion (BiOps) for salmonids, buffer strips would be potentially extended to up to 1,000 feet for some active ingredients and some affected
areas. Depending on the final determination, the impact could thus potentially be larger than estimated under the Washington Toxics injunction order.

Other issues discussed at the hearing include:

- how to extrapolate toxicity data from standardized test organisms to effects on listed species;
- how sub-lethal effects to individuals cascade to effects on populations and species;
- how the toxicity of the active ingredient relates to the toxicity of the product as applied and combined with other registered products;
- how to manage uncertainty, and
- how to use historical agricultural production and pesticide use data when assessing risks over the 15 year duration of a registration decision.

For more information, visit: [http://agriculture.house.gov](http://agriculture.house.gov).

**Homeland Security: Senate Committee Reviews Border Security**

The Senate Homeland Security and Governmental Affairs Committee held a hearing entitled "Securing the Border: Progress at the Federal Level" on May 4, 2011. The only witness was Janet A. Napolitano, Secretary of the U.S. Department of Homeland Security.

The Secretary testified that there has been significant progress in securing the Southwest border over recent years. In the past two years, she noted, seizures of contraband have risen in all categories – in terms of illegal drugs, weapons, and bulk cash. Also, illegal immigration attempts, as measured by Border Patrol apprehensions of illegal aliens, have decreased by 36 percent in the last two years and are less than one third of what they were at their peak a decade ago, she said. In addition, Napolitano testified, Federal Bureau of Investigation (FBI) crime statistics demonstrate that crime rates in border communities have remained steady or dropped in recent years, continuing a decade-long trend.

She also detailed new ways that DHS is focusing on to more comprehensively measure results along the border. For instance, U.S. Customs and Border Protection (CBP) has begun the process of developing an index, supported by both CBP and third party data, to comprehensively measure security along the Southwest border and the quality of life in the region. One reason for developing this measure is that false and unsupported claims about the state of the Southwest border feed a misperception that American border communities are wracked by violence, an assertion which has damaging consequences to their economies. Border community leaders have told Napolitano that misperceptions about the border are driving away business and potential visitors.

Secretary Napolitano also discussed E-Verify – DHS's Web-based employment verification system managed by U.S. Citizenship and Immigration Services (USCIS) and designed to assist employers in abiding by the law. As of today, more than 258,000 employers are enrolled in E-Verify, representing more than 881,000 locations. More than 1,300 new employers enroll each week and the number of employers enrolled in E-Verify has more than doubled each fiscal year since 2007. In FY 2010, E-Verify processed 16.4 million employment queries. In March of this year, USCIS also launched the new E-Verify Self-Check feature, she noted, which allows individuals in the United States to check their own employment eligibility status before formally seeking employment.

In addition, to improve E-Verify’s accuracy, USCIS reduced mismatches for naturalized and derivative U.S. citizens by adding naturalization data and U.S. passport data to E-Verify. Because of this enhancement, in FY 2010 more than 81,000 queries that previously would have received an incorrect mismatch were automatically verified as employment authorized. In June 2010, E-Verify launched improved navigational tools to enhance ease-of-use, minimize errors, and bolster compliance with clear terms of use. USCIS also has increased its staffing dedicated to E-Verify monitoring and compliance, adding 80 staff positions since the beginning of FY 2010. Finally, to more effectively address identity theft, USCIS now allows for the verification of passport photos through the E-Verify, the Secretary said.

For the Secretary's complete testimony, go to: [http://hsgac.senate.gov](http://hsgac.senate.gov).
ENERGY: HOUSE ENERGY EXAMINES ALTERNATIVE TRANSPORTATION

The House Energy and Commerce Committee Subcommittee on Energy and Power Subcommittee held a hearing on Thursday, May 5, 2011 to discuss alternative transportation issues. Earlier hearings were held March 17 and April 4, 7, 13 and 15 in a series titled, "The American Energy Initiative: Challenges and Opportunities for Alternative Transportation Fuels and Vehicles."

Witnesses included: Howard K. Gruenspecht, Deputy Administrator, U.S. Energy Information Administration; Margo T. Oge, Director, Office of Transportation and Air Quality, U.S. Environmental Protection Agency; Patrick Davis, Program Manager, Vehicle Technologies Program; U.S. Department of Energy, Diarmuid O'Connell, Vice President of Business Development, Tesla Motors; Richard Kolodziej, President, NGVAmerica; Lucian Pugliaresi, President, Energy Policy Research Foundation, Inc. (EPRINC); James T. Bartis, Senior Policy Researcher, Rand Corporation; Jeffrey G. Miller, Chairman of the Board, National Association of Convenience Stores (NACS); Robert Dinneen, President and Chief Executive Officer, Renewable Fuels Association; and Michael J. McAdams, President, Advanced Biofuels Association.

This day of the testimony focused on the challenges and opportunities facing alternative transportation fuels and vehicles. Witnesses testified on the status of the Renewable Fuels Standard (RFS), other federal programs, and private-sector efforts to encourage the development and use of alternative fuels and vehicles.

The following issues were discussed at the hearing:
  - The current status of the RFS, and implementation challenges facing regulators, producers, and marketers of renewable fuels;
  - The prospects for meeting future conventional and advanced biofuels targets under the RFS, and issues related to their incorporation into the gasoline supply;
  - The prospects for other alternative fuels, such as coal-to-liquids;
  - Current federal research into alternative vehicle technologies and the prospects for future market penetration;
  - Current efforts to expand the use of natural gas and electric vehicles; and,
  - The impacts of various alternative fuels and vehicles on the cost of driving, the economy, jobs, and national security.

For more information and witness testimony, visit: http://energycommerce.house.gov/.