TRANSPORTATION: HOUSE COMMITTEE EXAMINES HIGH SPEED RAIL PROGRAM

The House Transportation and Infrastructure Committee held a hearing on December 6, 2011 entitled "The Federal Railroad Administration's [FRA] High Speed Intercity Passenger Rail Program [HSIPR]: Mistakes and Lessons Learned."

The hearing examined the implementation of the 2009 federal stimulus, which provided over $10 billion in federal funding for approximately 140 rail projects (most of which were not high-speed, according to Committee documents). The Committee cited its concerns with the refusal of more than $3 billion in funding by three states as well as the insufficient focus of the projects in the region "where high-speed rail has the most chance for success: the Northeast Corridor."

Witnesses included: The Honorable Ray LaHood, Secretary, Department of Transportation; The Honorable Joan McDonald, Chairman, Corridor Infrastructure and Operations Advisory Commission; Ken Orski, Editor/Publisher, Innovation News Brief; Richard Geddes, Adjunct Scholar, American Enterprise Institute; and Ross Capon, President and CEO, National Association of Railroad Passengers.

Secretary LaHood testified that the HSIPR program has come far since its creation in 2008 and funding in 2009. It has since "developed a sophisticated grants management apparatus for one of the largest discretionary infrastructure programs in the U.S." and has "distributed $10.19 billion in Recovery Act, FY 2009, and FY 2010 appropriations to 32 States, D.C., and Amtrak." His testimony pointed out that of this funding, about 90-percent went to five key rail corridors and over 95 percent is committed to projects that will operate trains at high speeds (greater than 90 miles per hour). Furthermore, he stated that $1.4 billion is currently being spent on construction on various lines including Chicago to St. Louis and in various states, such as California. An additional $1.2 billion will be spent in FY 2012.

The Secretary went on to highlight California's high speed rail efforts, saying "California continues to move forward on the nation's first world-class high-speed rail system. The California High-Speed Rail Authority is close to completing several major milestones, including … initiation of construction in the Fresno area by late 2012."
Chairman McDonald highlighted the absolute need for increased rail service in the North East Corridor, stating that it is the "densest region in the nation and home to four of the ten largest metropolitan areas" and that the "service we have today is simply not enough to meet future needs." She also assured the Committee that "there is no doubt" that the Northeast is a good market for high-speed rail, highlighting examples from similar regions in other nations where high-speed rail has been successful.

Mr. Orski testified that he agrees with the need for intercity rail, but that the Administration's implementation of the program is affected by misleading representations and a lack of focus in pursuing the high-speed objective. He stated that the Administration misrepresented the program, and it in most cases does not provide 80 percent of Americans access to "bullet trains" within 25 years. He testified that except for in California, most of the money is being spent on "incremental improvements on Class One freight railroads" and increases in passenger speed will be small (some trains may be able to reach 110 miles per hour). These increases are modest because most of the money is not going towards "new rail beds in dedicated rights-of-way," as is being done in California. Mr. Orski also cited the Administration's "lack of focus" which he stated resulted in too many projects with too little noticeable service improvements instead of focusing on specific projects. He stated that the "scant attention" received by the Northeast Corridor is disappointing, as he believes it is the only region in the nation "that has all the attributes necessary for effective and economical high-speed rail service."

Mr. Geddes testified on the importance of Public-Private Partnerships and private investment in high-speed rail, and agreed with Mr. Orski that the Northeast Corridor "may be the only" corridor in the U.S. able to support a self-sufficient high-speed rail network.

Mr. Capon highlighted the importance of federal leadership and funding to the improvement of rail service, saying that "the big break" for rail improvement came in the form of Recovery Act funds in 2009. Until then, he testified that some states had made improvements "in spite of federal policy" and that states such as California, which accounts for 18 percent of all Amtrak customers on just three lines, enjoy broad support. He also testified on the expected downward trends in short-haul aviation costs, as they relate to rail usage.

The Visa Waiver Program (VWP) allows nationals from 36 member countries to apply for admission to the United States as temporary visitors for business or pleasure without a visa. From fiscal year 2005 through fiscal year 2010, over 98 million visitors were admitted to the United States under the Visa Waiver Program. During that time period, the Department of State issued more than 36 million nonimmigrant visas to other foreign nationals for temporary travel to the United States.

Rep. Quigley testified in support of H.R. 959, which he has introduced. The bill would allow the Secretary of Homeland Security to bring additional eligible countries into the Visa Waiver Program by modifying primary qualifying criteria for entry. He specifically supported adding Poland to the list of countries for which no visa would be needed for travel to the United States.

Secretary Heyman detailed the security benefits of the VWP. For example, he said, all VWP travelers—regardless of their country of nationality—must use secure travel documents that meet internationally recognized standards for machine readability; additionally, the majority of VWP travelers, depending on the country and date of issuance, are required to use e-passports, which have an embedded chip that includes the bearer’s biometric information and are difficult to falsify. VWP countries are also required to meet heightened security standards and undergo initial and periodic country reviews that DHS conducts to inspect, among other things, the country’s security standards for passport issuance and border screening.

Mr. Heyman also discussed the progress that DHS has made in complying with recommendations made by GAO and the need to bring VWP countries into compliance with the information sharing requirements enacted by Congress in the 9/11 Act.

Mr. Heyman also testified on visa overstays and improving exit tracking. DHS is taking a number of steps in order to improve its capabilities in recording exits, which will allow for better reporting of data on VWP and non-VWP countries alike, he said. For instance, the department is enhancing its existing biographic air exit system to better be able to match records and thus identify overstays.

Mr. Stana testified that GAO has made recommendations in prior reports for DHS to, among other things, strengthen plans to address certain risks of the Visa Waiver Program and for overstay enforcement efforts. DHS generally concurred with these recommendations, Stana testified, and has actions planned or underway to address them.

Ms. Vaughn testified that proposals to modify the eligibility criteria and expand the number of participating countries in the VWP are “very premature.” She argued that DHS “has yet to implement the Congressional mandates for systems that can produce metrics that would permit a proper evaluation of countries’ eligibility – most importantly, an effective visitor exit recording system.” It also has not fully implemented and managed the security enhancements that were used to justify the last VWP expansion. Also, she cited as reasons for not expanding the program the lack of a robust interior immigration enforcement capability to address the inevitable abuses of the program, and law enforcement concerns about visitors from some of the potential countries included in an expanded VWP program.

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

**Homeland Security: House Subcommittee Holds Hearing on Cybersecurity Proposal**

On Tuesday, December 6, 2011, the House Committee on Homeland Security's Subcommittee on Cybersecurity, Infrastructure Protection and Security Technologies held a hearing on a draft legislative proposal on Cybersecurity.

The draft would amend the Homeland Security Act of 2002 to make certain improvements in the laws relating to cybersecurity. As proposed, this includes a focus on a risk-based approach to cybersecurity and emphasis on information sharing. It would also establish a National Information Sharing Organization (NISO) "as a 'not-for-profit organization' for sharing cyber threat information and exchanging technical..."
assistance, advice, and support and developing and disseminating necessary information security technology." The NISO would have a 15-person Board of Directors that would be appointed by the Secretary of Homeland Security.

Witnesses included: Ms. Cheri McGuire, Vice President of Global Government Affairs And Cybersecurity Policy, Symantec Corporation; Dr. Greg Shannon, Chief Scientist for Computer Emergency Readiness Team, Software Engineering Institute, Carnegie Mellon University; Mr. Gregory T. Nojeim, Senior Counsel and Director, Project on Freedom, Security & Technology, Center for Democracy & Technology; and Mr. Kevin R. Kosar, Analyst in American Government, Congressional Research Service.

Ms. McGuire testified that cybersecurity is not a problem that can be solved, but an issue whose risk must be successfully managed in order to preserve the technology we rely on for "virtually everything we do," including critical infrastructure. She also stated that cybercrime affects 431 million adult victims globally per year and costs $388 billion globally (based on financial losses and time lost). Ms. McGuire testified that public-private partnerships are vital to managing risk, and that she and her firm support the draft bill's efforts to bolster partnerships, information sharing, and changes to risk assessment.

Dr. Shannon testified that he would endorse the "Committee's proposal to position a non-profit private entity to serve as a national clearinghouse for the exchange of cyber threat information - the NISO." He further offered recommendations for the Committee to use to make the draft's language clearer, ensuring that the legislation's language emphasizes the need for "operationally and scientifically sound capabilities."

Mr. Nojeim testified in support of the draft, but also offered suggestions for improvement. These include:
1) Increasing the draft's reliance on market incentives rather than government mandates to increase security;
2) More specifically defining critical infrastructure owners and operators, who would be subject to direct regulation;
3) Strengthening the Department of Homeland Security as the lead federal agency for cybersecurity for the civilian government and private sectors;
4) Strengthening protections against government shut down or limiting of Internet traffic in a "cybersecurity emergency;" and
5) Negotiating the need for information sharing and its impacts on privacy.

Mr. Kosar testified on the historical basis for, feasibility of, and organization of the NISO. He noted that NISO would be categorized as a "quasi governmental entity" but would not neatly fit into any of the predefined subcategories of agency-related non-profit organizations seen in the past. He also cautioned, "with quasi governmental entities there also may come a cost-reduced accountability to federal governmental direction."

For more information, please visit:

**ENVIRONMENT: HOUSE COMMITTEE HOLDS OVERSIGHT HEARING ON ENDANGERED SPECIES ACT**

On December 6, 2011, the House Natural Resources Committee held an oversight hearing titled *The Endangered Species Act: How Litigation is Costing Jobs and Impeding True Recovery Efforts*.

This hearing is the first in a series that will examine the Endangered Species Act (ESA). According to Committee documents, this hearing was called to focus on "how litigation has driven the ESA to the detriment of species and taxpayers" and how "saving endangered species is an important and worthy goal, yet the ESA statute's deadlines and other provisions foster lawsuits that undermine its effectiveness and help environmental organizations use taxpayer dollars to sue the federal government."
Witnesses on panel one at the hearing included: Ms. Karen Budd-Falen, Attorney, Budd-Falen Law Offices, Wyoming; Mr. Doug Miller, General Manager, Public Utility District # 2 of Pacific County, Washington; Mr. Kieran Suckling, Executive Director, Center for Biological Diversity, Arizona; Mr. Jay Tutcher, General Counsel, WildEarth Guardians, New Mexico; Mr. John Leshy, Professor, UC-Hastings College of the Law, California; and Mr. Brandon Middleton, Attorney, Pacific Legal Foundation, California. The second panel included testimony from The Honorable Dan Ashe, Director, U.S. Fish and Wildlife Service and Mr. Eric Schwaab, Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration.

Chairman Doc Hastings (WA) opened the hearing, stating that it was meant to bring forth "honest conversation about the strengths and weaknesses of the ESA" in order to see if "there are ways to update the law to make it work better for both species and people." The Chairman stated his concerns that the law had "become a tool for excessive litigation" at the expense of "real recovery efforts" and "job-creating projects."

Ms. Budd-Falen testified that while she and her clients do not support repeal of ESA, it does represent a threat to families, ranchers, and rural counties and communities, because its interpretation unnecessarily restricts "private property use." She testified that there are "significant flaws in the Act and loopholes that should be closed," including litigation fee issues, and suggested that "American landowners can be important and vital partners in protecting species and the habitats in which they live and the American taxpayer money should be spent on habitat improvement rather than attorneys fees and litigation."

Mr. Middleton testified that in statutes: "Incentives matter. Unfortunately, when it comes to the ESA, the incentives favor the environmental community without providing a meaningful benefit to the species that the statute seeks to protect." He stated, "numerous environmental groups enjoy successful practices that depend on Endangered Species Act restrictions of property owners, natural resource users, and government agencies alike. This is a testament to how much the statute encourages and fosters Endangered Species Act lawsuits."

Mr. Suckling countered the testimony of Ms. Budd-Falen and Mr. Middleton, saying that his group, a main litigator against the federal government, recovers "little money" from "fees and costs in federal litigation, and even less under the Equal Access to Justice Act." Furthermore, litigation fees are not the reason for the lawsuits the group brings forth. He stated his main complaint about the process is "that such groups and their Congressional allies hypocritically ignore all industry suits and fee recoveries, while complaining bitterly about environmental suits."

Prof. Leshy testified that across the country, contrary to the hearing's title, the ESA "is being successfully implemented with only rare resort to the courts." When that does happen, he stated that "about as many ESA cases are brought by those claiming over-regulation as by those claiming under-regulation," and that most of the time the main defendant is the government, who usually wins the case (but not always). Mr. Leshy also testified that the ESA "protected economic health and saved jobs" in most cases. He suggested that the focus surrounding the ESA should lie upon habitat preservation to prevent the listing of at-risk species and suggested that small amounts of increased funding could make things less difficult for those regulated by the ESA.

Mr. Ashe highlighted the benefits of conservation and the successes of the ESA, and detailed a 6-year work plan for the Listing Program, created through mediated settlement agreements of cases in Multi-District Litigation (MDL) with the Center for Biological Diversity and WildEarth Guardians. The plan was created in order to "reduce litigation and shift litigation-related resources to improving implementation of the ESA." He also stated that nationwide "in FY 2011, the Service spent approximately $1.24 million to manage, coordinate, track, and support ESA litigation." This figure does not include staff time and resources to prepare administrative records, other administrative expenses, salaries, or expenses related to litigation for the Department of the Interior's Office of the Solicitor.

Mr. Schwaab testified that beyond litigation and other changes, there are several ways to improve the implementation of ESA. These include addressing regulatory improvements, improving state-to-state
coordination, and increasing public involvement. He also cautioned the Committee to not judge the success of the ESA on the number of species it has historically removed from the List, but by its success "in stabilizing endangered and threatened species by addressing threats that caused their decline and promoting conservation programs that are designed for their recovery."

For more information, visit:

**SPACE/NASA: HOUSE COMMITTEE EXAMINES THE JAMES WEBB SPACE TELESCOPE**

The House Committee on Science, Space and Technology held a hearing on Tuesday, December 6, 2011 titled *The Next Great Observatory: Assessing the James Webb Space Telescope.*

The James Webb Space Telescope (JWST) in 2001 was ranked as the highest priority large space mission by the National Academies of Science in their decadal survey *Astronomy and Astrophysics in the New Millennium.* When complete, the JWST will be 100 times more sensitive than the Hubble Space Telescope and eight times more powerful than the Spitzer Space Telescope. At the time, the decadal committee estimated that the cost of the project would be $1 billion and that launch would occur in 2007. However, NASA recently developed a revised plan for JWST that would enable completion and launch by October 2018, contingent on full funding (life cycle costs now total around $8.8 billion).

The purpose of the hearing was to examine the progress and remaining challenges associated with completing JWST on time and within budget. Witnesses included: Mr. Rick Howard, Program Director, JWST, NASA; Dr. Roger Blandford, Professor of Physics, Stanford University and Former Chair, Committee for the Decadal Survey of Astronomy and Astrophysics, National Research Council; Dr. Garth Illingworth, Professor & Astronomer, UCO/Lick Observatory, University of California, Santa Cruz; and Mr. Jeffrey D. Grant, Sector Vice President & General Manager, Space Systems Division, Northrop Grumman Aerospace Systems.

Chairman Ralph Hall (TX) opened the hearing by expressing his support for JWST, but also his concerns that it "is another case-study of NASA's mismanagement of a flagship mission where original cost and schedule estimates are grossly under-stated, project execution is a litany of missed signals and deferred work, and senior agency oversight is invoked only after the project files breach reports."

Mr. Howard began his testimony by recognizing the "challenges NASA's poor management, cost, and schedule performance on JWST have created for the Congress, especially in the current fiscal environment." In 2008, the "JWST Independent Comprehensive Review Panel was established to identify the causes and recommend the quickest path to launch of JWST" and found that "the problems causing cost growth and schedule delays were associated with budgeting and program management, and not technical performance." He also testified that the new baseline life-cycle cost of $8.835 billion and launch readiness date of October 2018 reflects "a solid technical baseline and management approach” that will allow implementation “high confidence of success.”

Dr. Blandford testified in depth about the impact of the JWST. He stated that it would be a scientific "game changer" and, like Hubble, achieve "much unscripted discovery." He also testified on the scientific benefits of the JWST, saying it will have "capacity to trace light from the first stars and galaxies during our Cosmic Dawn and to watch them grow up and change as the universe expanded" and "is expected to revolutionize our understanding of how stars and planets form in our Galaxy today." The JWST will also be able to explore exoplanets orbiting other stars and open the study of their nature and potential habitability.

Dr. Illingworth reiterated the JWST will be a demonstration of U.S. leadership worldwide in scientific endeavors. He testified that after the ICRP review of JWST, NASA has worked to address the Panel's 22 recommendations. He discussed NASA's replan, calling the Agency's efforts to respond to the concerns of policy-makers and funders in Administration and Congress exceptional. Furthermore, he praised
NASA for "responding very positively and quickly to the recommendations in the ICRP report" and for developing a response program that "should lead to a successful outcome."

Mr. Grant ended the testimony, stating that he feels confident that "Northrop Grumman is doing our part to address the technical and programmatic challenges before us. We are taking the proper steps to ensure cost and schedule guidelines are met."

For more information, see: http://science.house.gov/hearing/full-committee-hearing-assessing-james-webb-space-telescope.

**SCIENCE AND R&D: STANFORD UNIVERSITY RECOGNIZED BY U.S. DEPARTMENT OF ENERGY**


The .EDUconnections project selects one university with connections to the DOE's research programs each month as part of OSTI's efforts to connect with university research departments and libraries across the nation, in order to increase awareness of DOE's scientific and technical information. Stanford is featured in the December 2011 edition, which can be found at http://www.osti.gov/EDUconnections/stanford.

Stanford operates the SLAC National Accelerator Laboratory, under a contract from the DOE. SLAC explores the ultimate structure and dynamics of matter and the properties of energy, space and time, operates accelerator based user facilities, and has the following competencies:

- Electron-based accelerator research and technology
- Advanced instrumentation, diagnostics, and systems integration
- Theory and innovative techniques for data analysis, modeling, and simulation in Photon Science, Particle Physics, and Particle Astrophysics
- Management of ultra-large data sets for users and collaborations distributed worldwide

SLAC also operates the following centers, jointly with Stanford:
- Geballe Laboratory for Advance Materials
- Kavil Institute for Particle Astrophysics and Cosmology
- PULSE Institute for Ultrafast Energy Science
- Stanford Institute for Materials and Energy Sciences

For more information on OSTI or .EDUconnections, contact Kate Bannan, Communications and Outreach Associate at OSTI, at Kate.Bannan@science.doe.gov or at 301-903-9395.

**HEALTH: CMS REPORT FINDS CALIFORNIA'S HEALTHCARE SPENDING PER PERSON AMONG LOWEST IN U.S.**


According to the Report, health care spending per person in California ranked 42nd among all of the states, joining Arkansas, Georgia, Texas, Utah, Nevada, Arizona, Colorado and Idaho in the lowest tier. This figure includes spending by insurance companies, individuals, and government agencies. While the 2009 national average per resident was $6,815, California spent only $6,238.

Three primary reasons were postulated as explaining California's below average spending level. California has low Medi-Cal reimbursement rates. According to the study's findings, Medi-Cal ranked last among all states in the amount spent per resident on low-income care in 2009, spending just $4,569 per resident. Additionally, seven million California residents, about one in five, do not have insurance. The report also cited the prevalence of HMOs in the state as helping to keep costs down.

The report also indicated that the upcoming implementation of federal health care reform could extend insurance coverage to up to five million additional Californians, but that access to health care could
be negatively affected. This is due to low reimbursement rates and an increasing number of physicians that do not accept government insurance, according to the report.

In general, states with lower spending per person had younger populations, lower per-capita incomes, and large numbers of uninsured residents, the report found. States with higher spending per resident generally had older and more affluent citizens. And the Report indicates that this gap appears to be growing.

To read the report, visit: http://www.cms.gov/MMRR/Downloads/MMRR2011_001_04_A03.pdf

**TRANSPORTATION: NEXT TEN STUDY FINDS CALIFORNIA LEADS NATION IN SHIFT TO ELECTRIC VEHICLES**

Next Ten released a report in December 2011 called: *Powering Innovation: California is Leading the Shift to Electric Vehicles from R&D to Early Adoption.*

The report tracks key indicators to assess opportunities and obstacles for California in the EV sector and finds that California captures 69 percent of global EV investment in 2011, ranks first in nation in EV patents, and EV jobs increase during downturn.

Findings in the report include:
- In the first half of 2011, California attracted 69 percent of global investment in EV-related sectors and 74 percent of United States investment in EV-related sectors ($467 million).
- California and Michigan rank first in total EV technology patents in the nation – both generating 300 patents each between 2008-2010.
- During the recent downturn, EV jobs expanded four percent in California, while total employment in the state dropped seven percent from January 2009 to 2010. Starting with a relatively modest base in the early days of the EV sector, the report states, jobs in California increased 142 percent from 1995 to 2010 (growing from 740 to 1,800). Over the same time period, jobs in the overall economy grew by 12 percent.
- California ranks first in the nation in total charging stations (609) and first in the nation per capita (16.3 charging stations per million residents).
- California ranks first in the country in total number of electric vehicles and hybrid vehicles.

To read the entire report, go to: http://next10.org/next10/publications/powering_innovation.html.

**ECONOMY: PPIC RELEASES REPORT ON RECESSION AND DISTRIBUTION OF INCOME IN CALIFORNIA**

The Public Policy Institute of California (PPIC) on Thursday, December 8, 2011 released a report titled *The Great Recession and Distribution of Income in California.*

According to the Report, the current percentage of Californians living in middle-income families fell to lower than 50 percent in 2010. When adjusted for cost of living, just 47 percent of Californian families were considered middle income in that year, making between $44,000 and $155,000. This is compared to 60 percent of residents 30 years ago.

Between 2007 and 2009, the years of the official recession, median family incomes declined more than 5 percent, with the trend continuing in 2010. The Report indicates that declines were steeper among lower income brackets, with 10th percentile incomes falling over 20 percent between 2007 to 2010. In addition, Californian families at the high end of the spectrum made more on average than those in other states, while families at the low end of the spectrum made less in comparison. The Report indicates that the result is a continually growing gap between the state's upper- and lower-income families. This gap is larger than that in any other state and is now twice as large as it was three decades ago in 1980.

The Report cites high and persistent unemployment as the main culprit for lower family incomes. But it also notes that even working families in the middle- and lower-income groups saw a decrease in income. According to the Report, this is driven by underemployment and not a decline in wages.
The Report also notes that the largest declines in income occurred in the Central Coast region (18 percent), followed by the Sacramento and San Joaquin regions (16 percent). While the Inland Empire saw no change in median family income from 2007 to 2009, a 10 percent decline occurred in 2010. San Diego County had the only median family income increase during this period.

For the entire report, please go to: http://www.ppic.org/content/pubs/report/R_1211SBR.pdf.