IMMIGRATION: SENATE JUDICIARY ADVANCES IMMIGRATION OVERHAUL

On May 21, 2013 by a bipartisan vote of 13-5, the Senate Judiciary Committee approved S. 744, the comprehensive immigration reform bill negotiated by the so-called “Gang of Eight.” After five long days of mark up, with over 300 amendments filed, and over half of those coming to a vote, the Committee left the original bill’s core provisions largely intact, while adding amendments intended to improve the bill and make it more realistic and workable after enactment.

In addition to all Democrats on the Committee voting to report the bill, Sen. Orrin Hatch (UT) joined Gang members Sens. Lindsey Graham (SC) and Jeff Flake (AZ) in supporting the bill. Crucial to getting Sen. Hatch’s approval was acceptance of amendments to the high-skilled worker provisions in the bill. He and the Gang, led by Sen. Chuck Schumer (NY), negotiated a deal on Hatch’s amendments during the course of the markup.

While maintaining the principle of requiring U.S. workers to be hired first, the Hatch amendment raises the cap on H-1B visas from the 110,000 in S. 744 (the current cap is 65,000) to 115,000, with a mechanism for increasing the number up to 180,000. It would prohibit any incremental increase, however, if the employment rate in the specific profession drops to 4.5 percent. In addition, the amendment eases the regulatory requirements for hiring foreign workers for U.S. companies that are not “H-1B dependent” and have a good track record of not abusing the system. It also unites the worker from the specific sponsoring company, making it easier for that worker to change jobs.

Sen. Chuck Grassley (IA) offered several amendments in an attempt to change the Hatch-Schumer compromise, but all were easily defeated. After voting 16-2 to amend previously filed Hatch amendments on the issue, the Committee adopted the negotiated package by voice vote.

On May 20th, the Committee adopted another Hatch amendment, as amended by Sen. Schumer. It requires that by 2 years after enactment the top ten largest U.S. airports must have in place a biometric entry and exit tracking system, and within 6 years, the largest 30 airports must have
implemented biometric tracking. The amendment also requires that reports on the effectiveness of the system be submitted to Congress. The amendment was approved 13-5.

Solidarity for the underlying bill was shown over and over as Republican Gang members Graham and Flake joined all Democrats in voting down amendments that would have changed the major provisions in the bill. Among them were two offered by Sen. Ted Cruz (TX). The first would have stripped out the pathway to citizenship in the bill. The Committee voted 5-13 against it, with Hatch joining the other two Republicans. They also defeated an amendment by Cruz that would bar previously undocumented immigrants from receiving any means-tested federal benefits even after they have legalized. The vote against that was 6-12, with Hatch voting yes. The Committee did accept by voice vote an amendment offered by Sen. Flake to require audits of immigrants in provisional status to ensure they are not receiving benefits.

Just prior to moving the bill out of Committee, Sen. Patrick Leahy agreed to withdraw his amendment that would have allowed U.S. LGBT citizens to sponsor their partners or spouses for green cards. Expressing deep regret, Leahy acknowledged that inclusion of the amendment would result in the bill being defeated on the Senate floor.

Among its core provisions, the comprehensive legislation creates a path to citizenship for the estimated 11 million undocumented immigrants now living in the United States; includes billions of dollars to boost security and enforcement at the border and increase the use of technologically advanced measures to secure the border; improves the entrance and exit tracking of immigrants on visas; mandates the use of E-Verify by employers; creates a new guestworker program for low-skilled immigrants; and increases the number of visas for high-skilled foreign workers and addresses abuses in the current system.

Detailed information on S. 744 and the Judiciary Committee's markup can be found at:


Judiciary Committee and Amendments considered during mark-up - http://www.calinst.org/bul2/b2013.shtml#TOC1_2; http://www.calinst.org/bul2/b2014.shtml#TOC1_1; and www.judiciary.senate.gov

**EDUCATION: HOUSE PASSES STUDENT LOAN INTEREST RATE BILL**

On May 23, 2013, by a mostly party-line vote of 221-198, the House passed H.R. 1911, to set interest rates on students loans made after July 1, 2013. Current student loan rates have been arbitrarily set by Congress at 3.4 percent since the recession began, but are set to jump to 6.8 percent if Congress doesn’t act by July 1.

The House bill would tie the interest rate on loans to the 10-year Treasury note rate. Undergraduate rates would be set at the T-bill rate plus 2.5 percent; graduate rates would be T-bill plus
4.5 percent. The rates would be adjusted annually; the maximum rate would be capped at 8.5 percent for undergrad loans and 10.5 percent for graduate loans. The bill would only affect Stafford Loan rates, not Perkins loans, which are low-interest loans made to lower-income students.

President Obama has issued a veto threat. Although his budget also calls for taking the issue out of Congress’s hands, his market-based proposal would tie the rates to Treasury’s actual cost of borrowing and set fixed rates for the duration of the loan.

The Senate is not expected to consider the House bill. One Senate bill (S. 953) would merely extend the current 3.4 percent rate for an additional two years, but Education Secretary Arne Duncan opposes that plan and is pushing the Senate to pass the Senate to pass a long-term solution along the lines of the President’s proposal.

For more information, go to: [http://thomas.loc.gov/home/thomas.php](http://thomas.loc.gov/home/thomas.php)

**APPROPRIATIONS: HOUSE APPROPRIATIONS APPROVES HOMELAND SECURITY FUNDING**

The House Appropriations Committee on May 23, 2013 approved the fiscal year 2014 Department of Homeland Security (DHS) Appropriations bill. The legislation includes $38.9 billion in discretionary funding for DHS. This is a decrease of $617.6 million below the fiscal year 2013 enacted level and a decrease of $34.9 million compared to the President’s request. The Committee documents state that the funding level is approximately $981 million above the estimated, post-sequestration level for DHS as estimated by the Congressional Budget Office.

After adding a few amendments, the Committee approved the bill by voice vote. One amendment adopted by voice vote prohibits any funding to be used to impose a border crossing fee, or to fund any study on imposing such a fee.

Highlights of the bill include:

**Customs and Border Protection (CBP)** – The bill contains $10.6 billion for CBP – an increase of $35 million above the President’s request. Adjusted for direct program comparisons, this amount is $255 million above the fiscal year 2013 enacted level, according to the Committee.

The funding will provide for 21,370 Border Patrol agents and nearly 22,800 CBP officers. The bill also includes $351 million for border security infrastructure and technology, and $12 million for trade enforcement and improvements at land ports of entry.

**Immigration and Customs Enforcement (ICE)** – The bill provides $5.4 billion for ICE – an increase of $387.6 million above the President’s request and $43.1 million below the fiscal year 2013 enacted level.

The bill also includes a $10 million increase above the fiscal year 2013 enacted level to visa security and overstays enforcement programs. ICE would also receive $2.8 billion for detention programs, including funding to sustain 34,000 detention beds and $96.5 million for alternatives to detention. The bill also fully funds E-Verify, at $114.2 million.

**Cybersecurity** – The bill includes a total of $786 million for cybersecurity operations, $24 million below the President’s request and $30 million above the fiscal year 2013 enacted level.

**FEMA** – The bill fully funds FEMA’s stated requirement for disaster relief at $6.2 billion. The bill also provides a total of $2.5 billion for first responder grants, $36.4 million above the fiscal year 2013 enacted level and $402 million above the President’s proposed level. This includes: $1.5 billion for State and Local grants, $675 million for Assistance to Firefighter Grants, and $350 million for Emergency Management Performance Grants.
Agriculture: Senate Continues Consideration of Farm Bill

The Senate continued to offer amendments to the Agriculture, Reform, and Risk Management Act of 2013 (S.954) – the "farm bill" – through Thursday, May 23, 2013 (See http://www.calinst.org/bul2/b2014.shtml#TOC1_3 for a summary of the farm bill's major provisions and amendments from last week).

The Congressional Budget Office's May 17 estimated budgetary effects of the farm bill remained largely unchanged from the earlier draft of the legislation. Enacting S. 954 would increase revenues by $54 million over the 2014-2023 period; the earlier legislation would have had no impact on revenues.

Notably, Senators defeated, 40-58, an amendment to the bill from Sen. Pat Roberts (KS) that would reduce spending on the Supplemental Nutrition Assistance Program (SNAP) by limiting the types of low-income benefits that would automatically qualify recipients for the food program.

Moments later, the chamber rejected, 26-70, an amendment from Sen. Kirsten Gillibrand (NY) that would undo $4 billion in proposed cuts to SNAP written in the bill by limiting certain reimbursements to crop insurance providers.

The Senate considered the following amendments during the week:
- Roberts Amdt. No. 948; To improve and extend certain nutrition programs. Defeated 40-58.
- Gillibrand Amdt. No. 931; To strike a reduction in the supplemental nutrition assistance program, with an offset that limits crop insurance reimbursements to providers. Defeated 26-70.
- Inhofe Amdt. No. 960; To repeal the nutrition entitlement programs and establish a nutrition assistance block grant program. Defeated 36-60.
- Sanders Amdt. No. 965; To permit States to require that any food, beverage, or other edible product offered for sale have a label indicating that the product contains a genetically engineered ingredient. Defeated 27-71.
- Shaheen Amdt. No. 925; To reform the Federal sugar program. Defeated 45-54.
- Cantwell Amdt. No. 919; To allow Indian tribes to participate in certain soil and water conservation programs. Adopted 87-8.


Immigration: House Judiciary Explores Immigration Reform

The House Committee on the Judiciary met on Wednesday, May 22, 2013 to hold a hearing entitled "S. 744 and the Immigration Reform and Control Act of 1986: Lessons Learned or Mistakes Repeated?" The hearing examined the Immigration Reform and Control Act of 1986's (IRCA) successes and mistakes in the context of modern comprehensive immigration reform efforts as currently outlined in S.744, the Senate Judiciary Committee’s recently approved bill. President Reagan signed the Immigration Reform and Control Act, or IRCA, into law on November 6, 1986. The bill provided for three main reforms: legalizing the millions of immigrants already in the country, increasing border enforcement, and instituting penalties for employers who hired unauthorized workers in order to stop the flow of new unlawful immigrants.

Witnesses included: Ms. Julie Myers Wood, President, Compliance, Federal Practice and Software Solutions, Guidepost Solutions LLC; Mr. Chris Crane, President, National Immigration and
Ms. Wood criticized IRCA for failing to (1) stop the increasing number of undocumented individuals entering and remaining in the United States, and (2) hold employers accountable for hiring undocumented workers. She further criticized S.744 for similar reasons, including: (1) limiting, and in some cases, undermining, critical immigration enforcement abilities; (2) weakening existing immigration removal procedures; (3) failing to robustly address the Exit system; and (4) pushing further deputized enforcement onto employers in an inconsistent manner.

Mr. Crane echoed Ms. Wood's concerns and called for increased authority, resources, and enforcement tools for Immigration and Customs Enforcement (ICE). He also criticized the Obama Administration for allegedly prohibiting ICE officers and agents from arresting individuals for entering the United States illegally or overstaying a visa, enforcing laws regarding fraudulent documents and identity theft by illegal aliens, and enforcing the prohibition against aliens becoming public charges.

Mr. Aguilar, on the other hand, praised S.744, advocating a comprehensive and balanced immigration reform bill that meets the nation's labor needs, enhances border security, implements employment verification with meaningful employer sanctions for violators, and provides a path to legal status for the current unauthorized population. He went on to describe the increased enforcement and deterrence efforts along the border and the corresponding drop in apprehension over time. He also praised the E-Verify portion of S.744, but stressed the need for a workable legal flow of immigrants in the future. Finally, he criticized IRCA for failing to be sufficiently comprehensive in its efforts.

For more information, go to: http://judiciary.house.gov/hearings/113th/hear_05222013_2.html.

IMMIGRATION: HOUSE HOMELAND SECURITY SUBCOMMITTEE EXAMINES VISA SECURITY AND OVERSTAYS

The House Committee on Homeland Security's Subcommittee on Border and Maritime Security met on Tuesday, May 21, 2013 to discuss efforts by the Department of Homeland Security (DHS) to prevent the exploitation of the non-immigrant visa system by terrorists and criminals. DHS has primary responsibility for identifying and taking enforcement action to address overstays.


Mr. Wager, Mr. Dinkins, and Mr. Lyon submitted a joint statement that detailed DHS's recent efforts to utilize technology to prevent terrorists and criminals from exploiting the visa process. Specifically, they discussed the following: (1) DHS's presence, coordination, and information-sharing with the U.S. Department of State (DOS) and enforcement agencies; (2) expanded efforts to identify potential threats by deploying ICE agents overseas to high-risk visa adjudicating posts; (3) upgrades to the Student and Exchange Visitor Program (SEVP) database, which contains information on nonimmigrant students in the U.S.; (4) the creation of the Counterterrorism and Criminal Exploitation Unit (CTCEU), the first national program dedicated to the enforcement of nonimmigrant visa violations; (5) enhancement of DHS's vetting initiatives by providing real-time biometric functions to its front line operational component; and (6) creation of the Office of Biometric Identity Management.
In April 2011, GAO reported on DHS's actions to identify and address overstays and made recommendations to strengthen these processes. Ms. Gambler testified as to the Government Accountability Office's preliminary observations on DHS's overstay enforcement efforts since April 2011. Some of DHS's recent enforcement efforts include: (1) reviewing potential overstay records for national security and public safety concerns; (2) improving data on potential overstays and reporting overstay rates; and (3) planning for a biometric exit system. For example, DHS was able to reduce the backlog of potential overstay records by over 50%; however, as of April 2013, DHS continues to maintain more than 1 million unmatched arrival records, including nonimmigrants traveling to the U.S. on a tourist visa, in the Arrival and Departure Information System (ADIS). Additionally, while DHS has taken actions to improve data on potential overstays and report overstay rates, they do not address underlying data quality issues, such as missing land departure data. Finally, DHS has faced challenges in planning for a biometric exit system at air and sea ports, including the determination of what personnel should be responsible for the capture of biometric information. GAO is assessing DHS's plans and efforts in these areas and plans to report on its results in July 2013.

For more information, go to:

**Security: House Energy and Commerce Holds Hearing on Cyber Threats and Security Solutions**

The House Committee on Energy and Commerce met on Tuesday, May 21, 2013 to examine steps the Federal government and the private sector are taking to bolster the security of the nation's critical infrastructure and mitigate exposure to cyberattacks, including best practices, enhanced information-sharing, and public-private partnerships. The hearing also focused on the President's Executive Order to improve critical infrastructure cybersecurity, including the latest on its implementation and the Administration's development of a voluntary cybersecurity framework. Finally, the hearing explored private-sector perspectives on the Executive Order and the role of the private sector in protecting assets and mitigating exposure to cyber threats.

Witnesses included: Dr. Patrick D. Gallagher, Under Secretary of Commerce for Standards and Technology, Director, National Institute of Standards and Technology (NIST); The Honorable Dave McCurdy, President and CEO, American Gas Association, Former Chairman of the House Intelligence Committee; Ambassador R. James Woolsey, Chairman, Woolsey Partners LLC, Former Director of Central Intelligence; Mr. John M. (Mike) McConnell, Vice Chairman, Booz Allen Hamilton, Former Director of National Intelligence; Dr. Michael Papay, Vice President and Chief Information Security Officer, Northrop Grumman Information Systems; Dr. Phyllis Schneck, Vice President and Chief Technology Officer, Global Public Sector, McAfee, Inc.; Mr. Duane Highley, President and CEO, Arkansas Electric Cooperative Corporation on behalf of the National Rural Electric Cooperative Association; Mr. Charles Blauner, Global Head of Information Security, Citigroup, Inc. on behalf of the American Bankers Association; and Mr. Robert Mayer, Vice President, Industry and State Affairs, United States Telecom Association.

Dr. Gallagher discussed the long history of NIST in the area of cybersecurity, which has developed security standards and technology to protect information systems against threats to the confidentiality, integrity and availability of information and services. He praised the concept of a NIST-coordinated and industry-led Cybersecurity Framework, which would draw on standards, methodologies, procedures and processes that align policy, and best practices that industry already develops and uses to address cyber risks for critical infrastructure. He further emphasized the adoption of flexible standards, not regulations to combat cybersecurity threats. Finally, he discussed the next
steps in implementing the Executive Order's Framework requirement within one year, which includes an aggressive outreach program to industry and stakeholders.

Mr. McCurdy discussed government-private partnerships and cybersecurity management and what it means for natural gas utilities. Specifically, he addressed the inherent cyber vulnerabilities with employing web-based applications for industrial control and business operating systems and praised the existing cybersecurity partnership between the federal government and industry operations, which fosters the exchange of vital cybersecurity information between stakeholders. He further advised against further legislative efforts to create top-down cybersecurity regulations, which would have "little practical impact" on cybersecurity and would hinder implementation of more robust programs. Overall, he praised the Executive Order's voluntary approach, but criticized its inflexibility and ignorance of current gas industry-cybersecurity partnerships.

Former CIA Director Woolsey said that the United States is at risk of a devastating cyber attack delivered by North Korea. Such an attack would use electromagnetic radiation to potentially wipe out 70% of the U.S. electric grid and cripple U.S. defenses, he said. Iran could also soon possess this capability. Mr. Woolsey suggested that the government install hardware that can protect electric utilities – so-called "Faraday Cages" – which can shield transformers and other equipment against electrical fields. He recommended that the government take leadership in setting standards for the implementation of such hardware and not leave it up to each utility to protect its own systems.

Dr. Papay, while praising the intent of the Executive Order, recommended complementary legislation that would facilitate and encourage companies to secure their own networks and break down the barriers to sharing cyber threat information. He also encouraged flexible legislation that improves the agility of the federal acquisition process to address rapidly evolving cyber threats, increases investments in cybersecurity technology and training of our current workforce, and supports the development of the next generation of scientists and engineers.

Dr. Schneck discussed the following: (1) the threat landscape for the energy sector, the particular vulnerabilities of the energy sector; (2) the liabilities of regulation for cyber security in the energy and other critical infrastructures; and (3) security solutions, such as information-sharing, innovation, and positive incentives. He further recommended the adoption of a faster review process, possibly an annual review of rules, and urged that regulations be outcome-based. For sectors not already regulated, he suggested information-sharing, innovation, and positive incentives. Finally, he advocated for passage of the Rogers/Ruppersberger bill, or something like it, which would alleviate information-sharing concerns and better enable public-private partnerships that NIST and DHS have already started.

Mr. Mayer stated that the single most important step that can be taken to combat cyber threats is to allow telecom company security personnel access to real-time, actionable cyber threat information. He further expressed praise for the Executive Order, but noted some concerns with implementation of sections 9 (risk designations) and 10 (preliminary framework review) of the Order as well as the accompanying Presidential Policy Directive 21. Finally, he cautioned against potential regulatory overreach that would slow the response to cyber-attacks.

For more information, go to:
TECHNOLOGY: HOUSE SCIENCE SUBCOMMITTEE EXPLORES NEXTGEN SUPERCOMPUTER: THE EXASCALE

The House Committee on Science, Space, and Technology's Subcommittee on Energy met on Wednesday, May 22, 2013 to hold a hearing entitled "America's Next Generation Supercomputer: The Exascale Challenge." The hearing focused on high performance computing research and development challenges and opportunities, specifically as they relate to exascale computing. The hearing also explored advanced scientific computing research and reviewed draft legislation directing the Department of Energy (DOE) to develop an exascale computing system.

Witnesses included: Dr. Roscoe Giles, Chairman, Advanced Scientific Computing Advisory Committee, Professor, Boston University; Dr. Rick Stevens, Associate Laboratory Director, Computing, Environment and Life Sciences, Argonne National Laboratory; Ms. Dona Crawford, Associate Director for Computation, Lawrence Livermore National Laboratory; and Dr. Daniel Reed, Vice President for Research and Economic Development, University of Iowa.

Much of the testimony revolved around a March 2013 report issued by the Advanced Scientific Computing Advisory Committee (ASCAC) Data Subcommittee titled Synergistic Challenges in Data-Intensive Science and Exascale Computing. This report reviewed challenges facing both "Big Data" and exascale computing systems and commented on the relationship between them. Specifically, ASCAC put forth three recommendations: (1) the DOE Office of Science should give high priority to investments that can benefit both data-intensive science and exascale computing so as to leverage their synergies; (2) DOE’s Advanced Scientific Computing Research (ASCR) program should give high priority to research and other investments that simplify the science workflow and improve the productivity of scientists involved in exascale and data-intensive computing; and (3) DOE ASCR should adjust investments in programs such as fellowships, career awards, and funding grants, to increase the pool of computer and computational scientists trained in both exascale and data-intensive computing.

Dr. Giles expressed his concern that budget constraints may force ASCR to underfund support for synergistic research activities that may be needed to support and sustain the long-term viability of our leadership in computational science. He also stressed certain elements that must be nurtured in order for computational science success, including leading edge hardware, software and tools for applications, mathematical methods, and professionals and students working in these areas. Finally, he elaborated on the aforementioned recommendations and findings from the March 2013 ASCAC report.

Ms. Crawford stated that, in order for the U.S. to cost effectively and efficiently maintain U.S. leadership in high performance computing (HPC), the nation must build upon and leverage programmatic and technical approaches that established the U.S. as the leader in innovative HPC systems over the past half-century. Specifically, next generation HPC must be developed through an integrated partnership of the Department of Energy's (DOE) National Nuclear Security Administration (NNSA) and the Office of Science (SC). Both technical and fiscal responsibilities must be shared, taking advantage of the core capabilities of the partners – and working closely with industry, she stated. This includes balanced investments in both the ongoing core HPC computing programs and breakthroughs necessary to achieve exascale HPC. Moreover, she stressed that leading-edge HPC is vital for U.S. national security and science missions and to advance U.S. economic competitiveness goals.

For more information, go to: