IMMIGRATION: SENATE PASSES COMPREHENSIVE IMMIGRATION REFORM

By a vote of 68-32, the Senate on Thursday, June 27, 2013, passed S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act. The bill is the most comprehensive immigration reform proposal to be passed by the Senate since 2007; and the last comprehensive immigration reform bill was enacted in 1986. The House Judiciary Committee has decided to consider separate bills addressing the various immigration issues, rather than a comprehensive package. The House Committee has reported out three bills so far, including one dealing with employment verification (see related article in this Bulletin, and http://www.calinst.org/bul2/b2018.shtml#TOC1_3).

The Senate’s bill passage by a significant majority was assured with the adoption of the Hoeven-Corker “border surge” amendment earlier in the week. That amendment was accepted by a vote of 69-29. The final package adopted authorizes over $30 billion for increased border security, in addition to almost doubling the number of border patrol agents to 40,000, and completing 700 miles of fencing within 10 years after enactment and before any undocumented immigrants could be eligible to adjust their status to Lawful Permanent Residence or get a green card. Included in the additional funding is $4.5 billion for the deployment of new technology and equipment to ensure full situational control of the border. It also requires the full implementation of the E-Verify system, requiring employers to check the legal status of potential employees. Increasing the use of biometric identification methods in U.S. airports is also required under the amendment.

The final amendment also included provisions championed by others to garner more votes for final passage. Two provisions authored by Sen. Orrin Hatch (UT) to tighten restrictions on the ability of formerly undocumented illegal immigrants to receive welfare benefits and restrict their ability to count towards Social Security benefits any credit earned while in an illegal status were included. Also, another provision, authored by Sen. Bernie Sanders (VT), was included
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to provide $1.5 billion in grants to state workforce investment boards to help young people find jobs over the next two years.

After attempts by the majority and minority leaders failed to reach agreement on a limited number of other amendments to be considered on the floor, Senate Majority Leader Harry Reid filed procedural motions to proceed and to invoke cloture bringing the debate to an end and setting up Thursday’s vote on final passage. Those votes passed by about the same margins as that of final passage.

Information on the bill and debate can be found at:
http://www.judiciary.senate.gov/ or
http://www.senate.gov/pagelayout/legislative/d_three_sections_with_teasers/calendars.htm or
http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:.temp/~bd512i:@@@@D &summ2=m&|/home/LegislativeData.php|

I MMIGRATION: H OUSE R EPORTS I MMIGRATION B ILL O N E MPLOYMENT V ERIFICATION; S ET TO REPORT H-1B R EFORM

On June 26, 2013, the House Judiciary Committee approved the Legal Workforce Act (H.R. 1772) by a vote of 22-9. The bill will mandate the use of the E-Verify system by employers to ensure that potential hires are authorized to work in the United States. E-Verify was first created in 1996 and is currently a federal database used voluntarily by U.S. employers to check the Social Security numbers or alien identification numbers of new hires against Social Security Administration and Department of Homeland Security records in order to eliminate fraudulent numbers and help ensure that new hires are eligible to work in the U.S. Today, over 450,000 American employers voluntarily use E-Verify, according to the Committee.

Specific provisions in H.R. 1772 include:
- Repeals I-9 System: Repeals the current paper-based I-9 system and replaces it with an internet-based work eligibility check.
- Gradual Phase-In: Phases-in mandatory E-Verify participation for new hires in six month increments beginning on the date of enactment.
- Agriculture: Requires that employees performing “agricultural labor or services” are only subject to an E-Verify check within 24 months of the date of enactment.
- State Involvement: Preempts duplicative state laws mandating E-Verify use but retains the ability of states and localities to condition business licenses on the requirement that employers use the federal E-Verify. In addition, the bill allows states to enforce the federal E-Verify requirement and incentivizes them to do so by letting them keep the fines they recover from employers who violate the law.
- Identity Theft Provision: Allows individuals to lock their Social Security number (SSN) so that it can’t be used by another person to get a job. It also allows parents or legal guardians to lock the SSN of their minor child. And if a SSN shows unusual multiple use, the Department of Homeland Security is required to lock the SSN and alert the owner that their personal information may have been compromised.
- Safe Harbor: Grants employers a safe harbor from prosecution if they use the E-Verify program in good faith, and through no fault of theirs, receive an incorrect eligibility confirmation.
During the markup about two dozen amendments were considered; all amendments offered by the minority failed.

On Thursday, June 27th, the Committee began a long markup of H.R. 2131, the "Supplying Knowledge-based Immigrants and Lifting Levels of STEM Visas Act" (The SKILLS Visa Act), introduced by Rep. Darrell Issa (Vista), which deals with visas and immigration for high-skilled foreign workers.

The Committee has decided to consider separate bills addressing the various immigration issues, rather than a comprehensive package. For information on the two previous bills reported, go to: http://www.calinst.org/bul2/b2018.shtml#TOC1_3).

For more information on this week’s bills and the markups, go to: http://judiciary.house.gov/hearings/Markups%202013/mark_06262013.html or http://democrats.judiciary.house.gov/markup/markup-hr-1772-%E2%80%9Clegal-workforce-act%E2%80%9D

**Appropriations: Senate Appropriations Approves FY 2014 Transportation-HUD Funding**

The Senate Appropriations Committee approved its FY14 Transportation-Housing and Urban Development bill by a vote of 22-8 on Thursday, June 27, 2013. The $54 billion bill increases funding for low-income housing and transportation and continues funding for high-speed rail, which was not included in the Transportation-HUD bill recently reported by the House Appropriations Committee (see http://www.calinst.org/bul2/b2018.shtml#TOC1_6).

The bill would increase discretionary spending by $2.3 billion compared with the fiscal 2013 enacted level and about $5.6 billion compared with the current post-sequestration level. Including obligation limits on programs funded by the Highway and Airport and Aviation trust funds, the measure would provide $107.5 billion, $3.1 billion more than the fiscal 2013 enacted level. The comparisons do not include emergency disaster funding (PL 113-2) appropriated earlier this year to aid victims of Hurricane Sandy.

Bill Highlights include:
- **Bridges**: $500 million for bridge projects under the Transportation Department's Surface Transportation Program. Similar funding was not provided in fiscal 2013.
- **General Infrastructure**: $550 million, 10 percent more than the fiscal 2013 enacted level, for the Transportation Investment Generating Economic Recovery (TIGER) grant program, which funds infrastructure projects. The House appropriations measure zero funds TIGER grants.
- **Rail**: Amtrak would receive $1.45 billion of the $1.75 billion funded, a $137 million boost compared with the fiscal 2013 enacted level.
- **Highway**: $40.3 billion for the federal-aid highway program, a $636 million increase compared with fiscal 2013. Also, $848 million for vehicle and driver safety programs and $1.9 billion for the Federal Transit Administration's New Starts program for locally planned public transportation projects.
- **Federal Aviation Administration**: $962 million for the Federal Aviation Administration's "NextGen" air traffic overhaul, $3.4 billion for airport capital funding, and $1.2 billion for aviation safety activities.
- **Transit Investments**: $1.943 billion for the transit “New Starts” program, which, when combined with other resources, funds all of the projects included in the President’s request, according to the Committee.
- **Airport Investments**: $3.35 billion for capital investments at airports. This funding level is $6.7 million above the fiscal year 2013 enacted level.
- **Housing**: Choice Neighborhoods program has funding doubled to $250 million. Homeless-assistance grants, which would be funded at $2.26 billion, and HUD's public-housing operating fund, which would receive $4.6 billion, also would see increases.
- **Community Development Block Grant program**: $3.15 billion is provided for CDBG grant funding for States and communities. This is $350 million above the President’s budget request.
- **Section 8 Tenant-based rental assistance**: $19.6 billion for the housing choice voucher program. This level of funding is $683 million above the fiscal year 2013 enacted level.
- **HOME Investment Partnerships Program**: $1 billion for the HOME Investment Partnerships program, which is $2 million more than the fiscal year 2013 enacted level.


**APPROPRIATIONS: SENATE SUBCOMMITTEE ON ENERGY AND WATER REPORTS FY14 FUNDING BILL**

The Senate Committee on Energy and Water on Thursday, June 27, 2013 that would fund energy and water programs, including the Department of Energy, the Army Corps of Engineers and related agencies, through fiscal 2014. The bill would provide $290 million more than the president's request and about $2 billion less than the fiscal 2013 enacted level. The measure would provide $510 million more than the current post-sequestration level.

Bill Highlights include:

- **Army Corps of Engineers**: $5.272 billion, which is $300 million above fiscal year 2013, for the Army Corps of Engineers. The bill provides $1 billion for activities funded by the Harbor Maintenance Trust Fund, for improvements to navigation projects, including dredging harbors and channels, repairing dikes and jetties, and disposing of dredge material. The bill also provides $380 million, which is $100 million above the request, to continue ongoing flood control construction work.

- **Bureau of Reclamation**: $1.1 billion, which is $54 million above fiscal year 2013, for the Bureau of Reclamation. The bill provides $20 million, which is $8 million above the request, for the WaterSmart grant program to improve water efficiency in the West. The bill also provides $22 million, which is $8 million above the request, for Title XVI water reclamation and reuse to meet the federal share of projects that produce new water. Included in the funding is $53 million, which is the same as fiscal year 2013, for the Central Valley Project Restoration Fund, and $37 million, which is $3 million below fiscal year 2013, for the California Bay-Delta Restoration plan.

- **DOE's Office of Science**: $5.153 billion, which is $287 million above fiscal year 2013, for basic research under the Office of Science. The bill increases research funding for the 3 highest priorities – developing revolutionary new materials for energy applications, creating advanced biofuels, and increasing the power of today’s supercomputers to accelerate breakthroughs in a wide range of scientific fields. The bill provides $150 million to support the exascale initiative, which aims to develop computers 100 times more powerful than exist today and maintain U.S. leadership in high performance computing.

- **ARPA-E**: $379 million, which is $114 million above fiscal year 2013, for the Advanced Research Projects Agency-Energy. The funding is sufficient for 100 new energy technology projects.


**APPROPRIATIONS: HOUSE COMMITTEE REPORTS FY 2014 ENERGY-WATER FUNDING**

On June 26, 2013, the House Committee on Appropriations advanced, 28-21, a $30.4 billion FY14 Energy-Water spending bill that would fund energy and water programs, including the Department of Energy, the Army Corps of Engineers and related agencies, through fiscal 2014. That spending level would
be $6.3 billion less than the fiscal 2013 enacted level, including money spent on Superstorm Sandy relief, and $4.3 billion less than corresponding legislation in the Senate.

Bill Highlights include:
- **Renewable Power Programs**: $983 million, which is $911 million, or 48 percent, below fiscal 2013 levels.
- **Advanced Research Projects Agency-Energy**: $50 million – about 81 percent below fiscal 2013.
- **Fossil Fuels R&D**: $450 million for research and development to advanced coal, natural gas, oil, and other fossil energy technologies.
- **Nuclear Weapons Security**: $11.3 billion, which is $235 million less than the fiscal 2013 enacted levels and about $450 million less than the Senate bill, although some weapons activity and nuclear reactor programs would receive funding boosts above fiscal 2013 levels.
- **Nuclear non-proliferation**: $2.1 billion, or $334 million below fiscal 2013 levels. That level is slightly less than the Senate's $2.2 billion.
- **Army Corps of Engineers**: $4.9 billion for the Army Corps of Engineers, which is $104 million less than enacted for fiscal 2013 and $50 million more than the president's request.

Notable amendments:
- An amendment that adds report language requiring the Department of Energy to report on its plans to address the backlog of natural gas export applications and to encourage the timely completion of the approval process. The amendment was adopted on a voice vote.
- An amendment that prohibits funding for the Army Corps of Engineers to enforce a ban on firearms on Corps land, as long as the possession of the firearm is in compliance with state law. The amendment was adopted on a vote of 32-17.
- An amendment that adds report language expressing a "sense of Congress" that legislation should not be passed that "increases poverty in the U.S." The amendment was adopted on a voice vote.
- An amendment that prohibits funds for the Bureau of Reclamation to bar the use of certain pipe materials in projects if certain corrosion control standards are met. The amendment was adopted on a voice vote.


**Appropriations: House Reports FY14 Transportation-HUD Funding**

The House Appropriations Committee on Thursday, June 27, 2013 reported its FY 2014 funding bill for the Departments of Transportation, Housing and Urban Development and related agencies. The bill provides $44.1 billion in discretionary spending – a reduction of $7.7 billion below the fiscal year 2013 enacted level and $13.9 billion below the President’s budget request. This level is approximately $4.4 billion below the level caused by automatic sequestration cuts for these programs.

Highlights include:
- **Transportation** – The bill includes $15.3 billion in discretionary appropriations for the Department of Transportation for fiscal year 2014. This is $2.6 billion (-15%) below the fiscal year 2013 enacted level and $7.4 billion below the President’s request.
- **Highways** – The bill provides nearly $41 billion from the Highway Trust Fund to be spent on the Federal Highway program – the same level authorized in the MAP-21 transportation authorization legislation, which expires on September 30, 2014. This is an increase of $557 million from the fiscal year 2013 level.
- **Rail** – The Federal Railroad Administration is funded at $1.16 billion, a reduction of $468 million below the fiscal year 2013 enacted level. No funding is provided for High Speed Rail.

- **Transit** – The bill contains a total of nearly $2 billion for the Federal Transit Administration (FTA), which is $329.7 million below the fiscal year 2013 enacted level. The legislation also allows $8.6 billion in state and local transit grant funding from the Mass Transit Account (of the Highway Trust Fund), consistent with MAP-21, to help local communities build, maintain, and ensure the safety of their mass transit systems.

- **Housing and Urban Development (HUD)** – The legislation includes a total of $28.5 billion for the Department of Housing and Urban Development, a decrease of $5 billion (-15%) below the fiscal year 2013 enacted level and $3 billion below the level caused by sequestration. The bill does not contain funding for any new, unauthorized “sustainable,” “livable,” or “green” community development programs.

- **Section 8 and Public Housing** – Included in the bill is $24.9 billion for Public and Indian Housing. This is a decrease of $953 million below last year’s level and $2.8 billion below the President’s request. Within this total, the bill provides funding to continue assistance to all families anticipated to hold vouchers at the beginning of fiscal year 2014, according to the Committee. The bill also fully funds the President’s request for veterans’ housing vouchers at $75 million. The legislation provides no funding for the “Choice Neighborhoods” program.

  Other housing programs within the bill are funded at $9.6 billion – a reduction of $324 million below last year’s level and $1.3 billion below the President’s request. Within this total, the bill provides $126 million for housing for the disabled and $374.6 million for housing for the elderly – the same levels as the President’s request.

- **Community Planning and Development** – The bill contains $4.8 billion for Community Planning and Development programs – a cut of $1.9 billion below last year’s level and $1.6 billion below the level caused by sequestration. The Community Development Block Grant formula program is funded at $1.6 billion – a decrease of $1.3 billion below the fiscal year 2013 enacted level.

  During the full Committee markup, the following amendments were adopted:
  - An amendment rescinding any unobligated funding for MagLev rail projects; the funds are added to rail crossing safety and planning programs. The amendment was adopted on a voice vote.
  - An amendment offered by Rep. David Valadao (Hanford). The amendment prohibits funding for the Surface Transportation Board to take any action with respect to the construction of a California High Speed Rail project unless the Board has jurisdiction over and reviews the project in its entirety. The amendment was adopted on a voice vote.
  - An amendment adding $3 million to the Housing Opportunities for Persons with Aids (HOPWA) account, offset by a cut to a HUD administrative account.


**Health: House Energy and Commerce Subcommittee Holds Hearing on Affordable Care Act**

The House Energy and Commerce Subcommittee on Oversight and Investigation met on Wednesday, June 26, 2013 to examine the Patient Protection and Affordable Care Act's (ACA) impact on America's businesses, including (1) challenges that business owners who typically rely on part-time or seasonal employees see emerging as they approach open enrollment on October 1 and full implementation of the ACA on January 1, 2014, and (2) the impact on employers who employ individuals at minimum wage.

Witnesses included: Hugh Morrow, President, Ruby Falls, LLC; Jeffrey S. Kelly, CEO, Hamill Manufacturing Company; Steve Lozinsky, Vice President, Sparkle and Shine Cleaning Services, Inc.; Michael Brey, Owner, Hobby Works; Neil Trautwein, Vice President and Employee Benefits Policy Counsel, National Retail Federation; Randel K. Johnson, Senior Vice President of Labor, Immigration and
Employee Benefits, U.S. Chamber of Commerce; Michelle Neblett, Director of Labor and Workforce Policy, National Restaurant Association; and Bill Daley, Legislative and Policy Director, Main Street Alliance.

Mr. Trautwein discussed his organization's concerns with the ACA and urged Congress to delay full implementation for up to one year. He was particularly critical of the ACA's definition of "full-time" for coverage eligibility at 30 hours per week on average and encouraged Congress to change this to 40 hours.

Ms. Mahoney described current issues with full implementation of the ACA. She also emphasized the importance of educating chamber members, regulators, lawmakers, and the public about the ACA's provisions and strategies to more effectively deal with it. Finally, she noted several problematic provisions of the ACA, regardless of whether coverage is purchased in small group or large group markets: (1) Essential Health Benefits: while all plans in the individual and small group market have to cover the essential health benefits ("EHBs"), plans in the large group market cannot include annual or lifetime dollar limits on any essential health benefits. Broad requirements for EHBs could inhibit the strategies that employers and plans are using to support high-value care; (2) Deductible limits: the law limits the size of deductibles that plans in the small group market can impose to $2,000 per individual and $4,000 per family which could severely limit some plans offered in conjunction with health saving accounts; (3) Out-of-pocket limitations: A uniform cap on out-of-pocket maximums potentially applies to all plans and will inhibit the ability of many plans with tiered networks to impose higher out-of-pocket costs when an individual receives treatment from a lower-quality provider; and (4) Health insurance providers fee: The health insurance tax, as it is commonly referred to, will only be passed onto consumers in the form of higher premiums according to both the Congressional Budget Office and the Joint Tax Committee.

Ms. Neblett described the challenges of restaurant owners to comply with the law in a timely fashion. She echoed other panelists' concerns regarding the definition of full-time employee. She was also critical of (1) the applicable large employer determination, which she said is too complex and stifles smaller employers' ability to manage their workforces, (2) the automatic enrollment provision, which she said could cause financial hardship and greater confusion about the law for some employees; and (3) transition relief without threat of penalty or subsidy recapture, which is needed for good faith compliance by employers and employees to provide time for employers to make plan and systems changes, and employees to understand their options.


**TRADE: HOUSE SMALL BUSINESS SUBCOMMITTEE EXAMINES EXPORT POLICY**

The House Committee on Small Business met on Wednesday, June 26, 2013 to review international trade negotiations conducted by the Office of the United States Trade Representative and their effect on small firms.

Witnesses included: Ms. Pamela Johnson, President, National Corn Growers, Floyd, IA, testifying on behalf of the National Corn Growers Association; Mr. Brooke Fishback, International Sales Manager, Health Enterprises, Inc., North Attleboro, MA; Mr. Gary Hufbauer, Reginald Jones Senior Fellow, Peter G. Peterson Institute for International Economics, Washington, DC; and Ms. Mariana Huberman, Owner, The UPS Store, Washington, DC.

Mr. Hufbauer discussed the impact of free trade agreements (FTAs), which he said make a significant positive impact on small business exports by lowering the fixed and variable costs of doing business abroad. They do this by eliminating tariffs, cutting red tape at the border, simplifying international payments, and allowing multiple entries on a single business visa. However, he also noted that standards for suppliers often serve as a barrier to entry for smaller American companies looking to export. For example, US auto companies that wanted to sell to Korea's market before the FTA often faced strict safety standards, limiting their business opportunities, particularly for firms that were exporting smaller volumes. Finally, he
called for simplifying the complex web of regulations that spans multiple agencies and discourages small firms from exporting for fear of breaking the law.

Ms. Johnson relayed concerns of U.S. agricultural exporters regarding the growing number of free trade agreements and whether that result in a loss of market share. She called for increased competitiveness with respect to USTR trade talks. She also emphasized the importance of the Trans Pacific Partnership and continued negotiations of the Transatlantic Trade and Investment Partnership.


**Disaster Preparedness: Senate Emergency Management Subcommittee Assesses Emergency Preparedness Grants**

The Senate Committee on Homeland Security and Government Affairs' Subcommittee on Emergency Management, Intergovernmental Relations, and the District of Columbia met on Tuesday, June 25, 2013 to examine the impact of FEMA grants since 9/11 and the role Federal, state, and local governments play in developing metrics to assess preparedness for natural and manmade events. Since September 11, 2001, the nation has invested almost $40 billion in equipment, training, and exercise operations to enhance and sustain essential capabilities in the event of a natural or manmade disaster.


Mr. Manning discussed the Federal Emergency Management Agency's (FEMA) efforts to help state and localities acquire necessary equipment, fund training opportunities, and develop preparedness and response plans. FEMA has begun measuring the effectiveness of its grant funding by using measurable goals and objectives through the National Preparedness Goal and National Preparedness System, enabling it to systematically measure improvements in first responder capabilities and state-wide preparedness. Also, FEMA established the Threat and Hazard Identification and Risk Assessment, (THIRA) to provide a common approach for identifying and assessing risks, documenting their associated impacts, and setting capability targets.

Mr. Maurer discussed a recent Government Accountability Office study that showed FEMA has identified actions it believes will enhance management of the four preparedness programs GAO analyzed; however, FEMA still faces challenges. FEMA has made progress addressing GAO's March 2011 recommendation that it develop a national preparedness assessment with clear, objective, and quantifiable capability requirements and performance measures, but continues to face challenges in developing a national preparedness system that could assist the agency in prioritizing preparedness grant funding. While FEMA officials stated that the THIRA process is intended to develop a set of national capability performance requirements and measures, such requirements and measures have not yet been developed. Until FEMA develops clear, objective, and quantifiable capability requirements and performance measures, it is unclear what capability gaps currently exist and what level of federal resources will be needed to close such gaps.

Mayor Euille testified in strong support of the homeland security programs available to state and local governments. He said that grants have contributed to increased communications interoperability, as well as facilitating intelligence and information sharing among first responder groups. He did suggest a core
of principles that FEMA should use as it improves its programs, including increased local involvement and protecting local funding, since event impact and response are primarily local in nature.

Mr. Mayer criticized agency appointees for trying to "reinvent the wheel" with respect to new security policies at DHS. He also criticized the subjective criteria by which DHS measures effectiveness. Finally, he said that homeland security has merely become another permanent federal program and there needs to be a comprehensive, independent audit of state and local assets.

For more information, go to:

**ENERGY: HOUSE E&C SUBCOMMITTEE EXAMINES RENEWABLE FUEL STANDARD**

The House Energy and Commerce Subcommittee on Energy and Power met on Wednesday, June 26, 2013 to examine the current status of, and emerging challenges with, Renewable Fuel Standard (RFS) implementation; the Environmental Protection Agency's (EPA) administration of the RFS - the approval process for new renewable fuels, the introduction of E-15 and misfueling mitigation plans, the annual promulgation of renewable volume obligations, the application of RFS waiver authority, the administration of RIN markets; the current and projected future impacts of the RFS on energy markets; and the current and projected future impacts of the RFS on the agricultural sector.

Witnesses included: Adam Sieminski, Administrator, U.S. Energy Information Administration; Christopher Grundler, Director, Office of Transportation and Air Quality, Office of Air and Radiation, U.S. Environmental Protection Agency; and Joseph Glauber, Chief Economist, U.S. Department of Agriculture.

Mr. Sieminski relayed several key points about the RFS program, including: (1) the RFS program is not projected to come close to achievement of the legislated target that calls for 36 billion gallons of renewable motor fuels use by 2022; (2) substantially increased use of biofuels can only occur if they can be used in forms other than the low-percentage blends of ethanol and biodiesel that account for nearly all of their current use; (3) the implicit premise that cellulosic and other advanced biofuels would be available in significant quantities at reasonable costs within 5 to 10 years following adoption of the 2007 RFS targets has not been borne out; and (4) ethanol potentially has three distinct roles in motor fuels markets, serving as an octane enhancer, as a volume source, and as a provider of energy content. Ethanol has achieved considerable market success in the first two roles, but not in the third, where it faces a significantly higher economic hurdle.

Mr. Grundler described the EPA's role with respect to the RFS and, specifically, noted that the 2013 proposed RFS volume standards would maintain the total renewable fuel requirement under the Energy Independence and Security Act of 2007 (EISA) for 2013 of 16.55 billion gallons, including volumes for advanced biofuels, such as biomass-based diesel and cellulosic biofuel. He also noted that the EPA is working with stakeholders to improve implementation of the RFS program. Finally, he discussed the potential impacts of the ethanol 10 (E10) blend wall over the near and longer term.

Mr. Glauber discussed the increased demand for corn ethanol production over the past decade and reviewed how future trends might affect agricultural markets. He also gave a brief overview of how the U.S. Department of Agriculture (USDA) views the 10-year outlook for agricultural markets given projected ethanol use from the Energy Information Administration (EIA). Lastly, he discussed next generation biofuels and projections for ethanol made from non-food feedstocks going in the future.

For more information, go to:
HEALTH: SENATE FINANCE HOLDS HEARING ON HEALTH CARE QUALITY

The Senate Committee on Finance met on Wednesday, June 26, 2013 to examine health care quality in the United States and strategies for improvement. Witnesses included: The Honorable Mark McClellan, M.D., Ph.D., Senior Fellow, Brookings Institution, Washington, DC; Dr. Christine K Cassel, President and CEO, National Quality Forum, Washington, DC; Dr. David Lansky, President and CEO, Pacific Business Group on Health, San Francisco, CA; and Dr. Elizabeth A. McGlynn, Director, Kaiser Permanente Center for Effectiveness and Safety Research, Pasadena, CA.

Dr. Lansky discussed four observations about the health care system and suggested potential solutions: (1) the quality measurement enterprise has failed to meet the needs of consumers and purchasers. In other words, those who receive and pay for health care should be the primary voice in identifying the quality measures to be used in holding physicians and hospitals accountable for providing high quality patient-centered care; (2) the measures available today are not capable of driving a successful private sector health care market. He said that measures that matter most to consumers, purchasers, providers and health plans need to be rapidly developed and used; (3) the nation does not yet have the information infrastructure needed to support a viable health care marketplace. Federal leadership is needed to go beyond the EHR incentive program created in 2009, he suggested; and (4) Congress has already legislated a quality measurement framework but the government has failed to fulfill its mandate. Congress should hold HHS accountable for establishing the information tools and infrastructure to support a successful health care marketplace.

Dr. McGlynn testified as to her recommendations on methods to improve the health care system: (1) to measure the right things well and then translate what is learned into the healthcare delivery system; (2) effective measurement requires a clear sense of purpose: What do we want to accomplish and what measures will help us get there?; (3) good measures - those that can reliably assess health outcomes or care delivery performance require an investment in clinical and analytical expertise, testing, and continued refinement; (4) quality measurement in the context of emerging systems, new data sources, measures that are meaningful, different applications of measurement, and expectations about what the delivery system can achieve, all need to be considered; and (5) the Federal government has a critical role to play in bringing the right stakeholders and experts together, coming to consensus with them on goals and co-health systems, treatments, drugs, devices and preventive measures.

For more information, go to: http://www.finance.senate.gov/hearings/hearing/?id=ad1da055-5056-a032-52a3-e1f84f743a39

TRADE: HOUSE FOREIGN AFFAIRS SUBCOMMITTEE MARKS UP EXPORT BILLS

The House Committee on Foreign Affairs’ Subcommittee on Terrorism, Nonproliferation, and Trade advanced a pair of export policy measures on Wednesday, June 26, 2013 that would increase coordination among U.S. export promotion programs and address state trade promotion practices.

Under H.R. 1409, the Export Promotion Reform Act, the Trade Promotion Coordinating Committee chairman would have the authority to ensure that the interagency panel develops a plan for federal trade promotion initiatives. The measure would require the Commerce Department to conduct global evaluations of overseas markets to determine those with the capacity to increase U.S. exports. It also would direct the U.S. Foreign Service to develop a plan for diplomatic efforts to reduce obstacles to the export of U.S. goods and services.

In an en bloc vote, the panel adopted an amendment from Rep. Alan Lowenthal (Long Beach), by voice vote, that would incorporate some language from another export promotion bill (HR 1909) into the legislation. The amendment would require the Trade Promotion Coordinating Committee (TPCC) to identify opportunities to consolidate or co-locate offices of federal agencies involved in export promotion. It
also would direct the Commerce Department to publicize information on federal and state-led trade missions on its website.

H.R. 1926, the State Trade Coordination Act, would require one or more presidential appointees representing trade promotion agencies to be included on the TPCC. The legislation would direct the Commerce Department to develop a plan to incorporate resources and tactics of state trade promotion agencies into the federal trade promotion program. It also would require the Commerce Department to develop an annual federal-state export strategy for goods and services.

For more information, go to:
Mark-up of H.R. 1409 and H.R. 1926, House Committee on Foreign Affairs - Subcommittee on Terrorism, Nonproliferation, and Trade, June 26, 2013,

**Briefing: Institute Congressional Briefing on CA Network For Manufacturing Innovation**

The California Institute will host a Congressional lunch briefing sponsored by the University of California, Irvine, which will feature presentations on the California Network for Manufacturing Innovation (CNMI), and on new federal opportunities associated with the National Network for Manufacturing Innovation (NNMI).

The briefing will be held on Tuesday, July 9, 2013, from Noon - 1:30 PM in B-338 Rayburn House Office Building, Washington, DC. Lunch will be served. The public is invited.

The CNMI was founded as a state-wide organization to support and foster the manufacturing technology sector. The CNMI acts as a state-wide collaborative of National Research Laboratories, Manufacturing Extension Partnerships, academic institutions, economic development organizations, manufacturers and equipment suppliers to support and foster California advanced manufacturing.

Panelists will include:

- **Elizabeth Cantwell**, Ph.D., Vice Chair, CNMI Board of Directors; and Director, Economic Development, Lawrence Livermore National Laboratory (Moderator)
- **Frank W. Gayle**, Sc.D., Deputy Director, Advanced Manufacturing National Program Office, National Institute of Standards and Technology
- **Jim Watson**, Chair, CNMI Board of Directors; and President and CEO, California Manufacturing Technology Consulting (CMT), Manufacturing Extension Partnership
- **Kem Edward Robinson**, Ph.D., Member, CNMI Board of Directors; and Director, Engineering Division, Lawrence Berkeley National Laboratory
- **Marc Madou**, Ph.D., Chancellor's Professor, Department of Mechanical and Aerospace Engineering, University of California Irvine
- **Katie Wheeler Mathews**, Deputy Director, California Governor's Washington, DC Office (invited)

For further information on CNMI, visit the website at: [www.cnmi.bz](http://www.cnmi.bz).

For assessing compliance with Congressional gift ban rules, note that the California Institute is a 501(c)(3) charitable nonprofit organization that employs no lobbyists. We anticipate this will be a widely attended event. Please join us on Tuesday, July 9, 2013. To attend, RSVP to sullivan@calinst.org or 202-785-545.