To expand communications between Washington and California, the California Institute provides periodic news bulletins regarding current activity on Capitol Hill and other information that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

### Appropriations: House Appropriations
#### Subcommittee Reports Commerce, Justice, Science Funding

The House Committee on Appropriations' Subcommittee on Commerce, Justice, Science, and Related Agencies advanced a $47.4 billion FY14 spending bill on Wednesday, July 10, 2013 to fund the Department of Commerce, the Department of Justice, the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), and other related agencies. The bill provides $350 million less in discretionary spending than the current level. The bill would provide $2.8 billion, or 6 percent, less than the fiscal 2013 enacted level. The bill funds DOJ at $26.3 billion, a decrease of $720 million (3%) below the fiscal year 2013 enacted level and $770 million above the current level caused by sequestration cuts. The bill includes $7.5 billion for the Commerce Department – a decrease of $198 million below the fiscal year 2013 enacted level and $1 billion (12%) below the President's request. The legislation funds NSF at $7 billion, which is $259 million below the fiscal year 2013 enacted level and $631 million below the President's request.

Bill highlights include:

**DEPARTMENT OF COMMERCE**
- **National Oceanic and Atmospheric Administration (NOAA):** $4.9 billion – a decrease of $89 million below the fiscal year 2013 enacted level. The bill includes full funding for the Joint Polar Satellite System weather satellite program ($824 million) and the Geostationary Operational Environmental Satellite ($955 million).
- **Economic Development Administration (EDA):** $221 million – the same as the fiscal year 2013 enacted level. This includes $5 million in grant funding to attract U.S. jobs that have gone to other countries back into the country.
- **Patent and Trademark Office (PTO) –** The bill provides $3 billion for the PTO, which is equal to the requested level and the estimated amount of fees to be collected by the PTO during fiscal year 2014. This total is an increase of $146 million, or 5%, above the fiscal year 2013 enacted level. The bill also includes a provision that allows the PTO to use any fees in excess of the estimated collected amount, subject to congressional approval.
DEPARTMENT OF JUSTICE:
- Federal Bureau of Investigation (FBI): $8.1 – an increase of $11 million above the fiscal year 2013 enacted level.
- Drug Enforcement Administration (DEA): $2.3 – a decrease of $54 million below the fiscal year 2013 enacted level. This includes $335 million for regulatory and enforcement efforts to combat prescription drug abuse.
- Federal Prison System: The Bureau of Prisons is funded at $6.7 billion, which is a decrease of $110 million below the fiscal year 2013 enacted level.
- Grant Programs: $1.8 billion for various grant programs, $357 million below the fiscal year 2013 enacted level, including:
  - $413 million for Violence Against Women programs;
  - $465 million for Byrne Justice Assistance Grants;
  - $165 million for the State Criminal Alien Assistance Program – the same as recommended in FY13. Historically, California receives about 40 percent of SCAAP funding;
  - $13.5 million for Victims of Trafficking grants;
  - $67 million for missing and exploited children programs; and
  - $55 million for state grants to improve data submissions to the National Instant Criminal Background Check System.

SCIENCE
- NASA: $3.6 billion for Exploration – $202 million below the fiscal year 2013 enacted level. This includes funding to keep NASA on schedule for upcoming Multi-Purpose Crew Vehicle and Space Launch System flight program milestones. Also, $4.8 billion for NASA Science programs – $266 million below the fiscal year 2013 enacted level.
- National Science Foundation (NSF): $7 billion, which is $259 million below the fiscal year 2013 enacted level and $631 million below the President's request. This funding is targeted to programs that help bolster innovation and U.S. economic competitiveness, including funding for an advanced manufacturing science initiative and for research in cybersecurity and cyber-infrastructure.


APPROPRIATIONS: SENATE APPROPRIATIONS REPORTS FY14 LABOR-HHS-EDUCATION APPROPRIATIONS

The Senate Appropriations Committee advanced, in an en bloc 16-14 party line vote, its fiscal 2014 Labor-HHS-Education and Legislative Branch bills. The Labor-HHS-Education bill would provide $164.3 billion in discretionary spending for the Departments of Health and Human Services, Labor and Education, $7.8 billion more than the pre-sequester fiscal 2013 level. It would provide $42.5 billion more than what the House Appropriations panel has allocated for its bill.

Bill highlights include:
- Implementing the ACA: $5.2 billion for Program Management at the Centers for Medicare and Medicaid Services (CMS), the lead agency with responsibility for overseeing the ACA. The fiscal year 2013 level was $3.9 billion.
- Head Start: $9.6 billion, a $1.6 billion increase. This includes $1.4 billion more to expand Early Head Start, including the creation of new Early Head Start-Child Care Partnerships, to serve children and families from before birth through age 3.
- Child Care: $2.5 billion, a $176 million increase, for CCDBG.
- Preschool Development Grants: $750 million for a new program to support States' efforts to expand or create high-quality preschool systems for 4-year-olds from low- and moderate-income families.
- Healthcare Program Integrity: $640 million for healthcare fraud and abuse control activities at CMS, more than double the fiscal year 2013 level of $309 million.
- Social Security Program Integrity: $1.2 billion, a $441 million increase, for continuing disability reviews (CDRs) and Supplemental Security Income redeterminations.
- Unemployment Insurance (UI) Program Integrity: $80 million, an increase of approximately $20 million, to conduct reemployment and eligibility assessments (REAs) and UI improper payment reviews.
- Race to the Top-College Affordability and Completion: $400 million to support a new Race to the Top program focused on college affordability and completion.
- Investing in Innovation: $170 million for the Investing in Innovation education program, which allows grantees to develop and test new ideas and replicate programs that are successful.
- Community Transformation Grants: $290 million, an increase of $144 million, for evidence-based public health interventions to reduce obesity and smoking and make preventive services more accessible.
- Childhood Immunizations: $579 million for immunization programs.
- Mental Health Services: $119 million in new funding to increase access to mental health services. This includes a total of $95 million for the administration's Now is the Time initiative: $15 million for Mental Health First Aid programs that teach individuals to identify and respond to the signs of mental illness; $40 million for Project AWARE State grants, which will focus on making schools safer and connecting young people with mental health services; and $40 million in new funding to address shortages in the behavioral health workforce.
- Safe and Healthy Schools: $195 million specifically to improve learning conditions in the Nation's schools. Highlights include: $50 million for a new School Climate Transformation Grants program; $25 million to help school districts develop, implement, and improve their emergency management plans; and $25 million for Project Prevent, which will help schools in troubled communities break the cycle of violence.
- Job Training: $2.7 billion, an increase of $86 million, for Workforce Investment Act Grants to States to provide job training skills and assistance to low-skilled adults, dislocated workers, and low-income youth with barriers to employment.
- Veterans Employment and Training: $301 million, an increase of $37 million, to expand employment services to transitioning servicemembers, veterans with disabilities, and their spouses and caregivers.
- Special Education: $11.7 billion, an increase of $125 million, under section 611 of Part B Grants to States for educating students with disabilities. The bill also includes $463 million, an increase of $21 million, to support statewide systems of coordinated and early intervention services for children with disabilities 2 years old and younger, as well as their families; and nearly $70 million, an increase of $20 million, to support research on how people with disabilities learn and how best to meet their educational needs.
- NIH: $30.96 billion, an increase of $307 million, to fund biomedical research at the 27 Institutes and Centers that comprise NIH.
- Pell Grants: Maintains the discretionary portion of the maximum Pell grant award level at $4,860 for the 2014-2015 school year. Combined with mandatory funding, the total maximum award will rise by $140 to $5,785.
- Community Health Centers (CHCs): Nearly $1.6 billion for CHCs. Combined with mandatory funding provided in the ACA, the fiscal year 2014 program level for CHCs is almost $3.8 billion, an increase of $700 million.
- Low Income Home Energy Assistance Program (LIHEAP): Nearly $3.5 billion for LIHEAP, the same level as in fiscal year 2013.
- Community Services Block Grant: $676 million for this program, the same level as in fiscal year 2013.


**APPROPRIATIONS: HOUSE PASSES FY14 ENERGY & WATER FUNDING**

The House on July 10, 2013, approved H.R. 2609, the fiscal year 2014 Energy and Water Development, and Related Agencies Appropriations bill (H.R. 2609) on a vote of 227-198. The legislation provides annual funding for national defense nuclear weapons activities, the Army Corps of Engineers, various programs under the Department of Energy, and other related agencies.

The bill totals $30.4 billion – a cut of $2.9 billion below the fiscal year 2013 enacted level and $4.1 billion below the President’s request. This level is approximately $700 million below the level caused by sequestration.

During floor consideration, several amendments were approved, including:
- An amendment offered by Rep. Adam Schiff (Burbank) that increases funding for the Advanced Research Projects Agency–Energy (ARPA-E) by $20 million. The increase is offset by a cut to Department of Energy administrative funding. The amendment was adopted on a voice vote.
- An amendment offered by Rep. Doug LaMalfa (Richvale) that prohibits funding to regulate private property used for certain agriculture activities under the Federal Water Pollution Control Act. The amendment was adopted on a voice vote.
- An amendment that increases funding in the bill for the Bureau of Reclamation Water and Related Resources Fund by $25 million. The account supports the development, maintenance, and restoration of water and natural resources in the western states. The increase is offset by a $15 million cut to the Renewable Energy, Energy Reliability and Efficiency Program, and a $15 million cut to administrative funding at the Department of Energy. The amendment was adopted on a voice vote.
- An amendment that increases funding for the Corps of Engineers Civil Construction by $20 million, offset by a cut to Fossil Energy Research and Development. The amendment was adopted on a vote of 217-206.
- An amendment that prohibits funding to implement, administer, or enforce an Executive Order on National Ocean Policy. The amendment was adopted on a voice vote.

For a list of adopted amendments to H.R. 2609, go to:

For the text of the bill, go to:

For the bill report, go to:


The House Committee on Science, Space, and Technology's Subcommittee on Space approved legislation on Wednesday, July 10, 2013 to reauthorize NASA for two years, calling for $16.9 billion annually for the agency. The bill, advanced 11-9, would authorize $2.1 billion less than the agency received in its last authorization in 2011 and $800 million less than President Obama requested for fiscal 2014. Much of the decrease would come from cuts to NASA's Earth science program. The bill would authorize $1.2 billion for the program annually, a decrease of $600 million from the previous authorization in fiscal 2010.

Bill highlights include:
- The measure would authorize $2.9 billion for the International Space Station, $1.8 billion for the Space Launch System, which will replace the retired space shuttles, $1.2 billion for the Orion Multipurpose Crew Vehicle, and $700 million for the Commercial Crew program annually.
- It would meet spending caps under the budget control law, but it includes a provision to increase authorizations for the International Space Station, the Space Launch System, Commercial Crew development activities and the Orion crew capsule if the current caps are raised.
- The bill would bar the use of authorized funds for the development of an asteroid retrieval program sought by the Obama administration.
- To provide additional oversight of the agency's budget, the bill would establish a NASA advisory council to review the administration's request and the agency's funding levels and report its findings to the president and Congress.
- Additionally, the bill would establish a six-year term for the NASA administrator, and it describes the goals of the agency's human spaceflight programs as lunar orbit and missions to the surfaces of the moon and Mars.


Agriculture: House Passes Farm Bill Stripped Of Nutrition Programs

On July 11, 2013, the House by a vote of 216-208, passed H.R. 2642, a five year reauthorization of farm programs. Historically the Farm Bill reauthorization has combined farm programs and nutrition programs in one bill. The House leadership decided to strip the original farm bill, H.R. 1947, of the Supplemental Nutrition Assistance Program (SNAP) food stamp provisions and bring just the farm-related provisions to the floor. That action was taken because the House had voted down the original bill on June 20th by a vote of 195-234.

H.R. 2642 mirrors the farm provisions contained in H.R. 1947. The new bill was considered on the floor under a closed rule that allowed for no amendments.

The Senate has passed its own Farm Bill, which retains the practice of dealing with both farm and nutrition programs in one package. That bill, S. 954, was passed on June 10th by a vote of 66 to 27. See, http://www.calinst.org/bul2/b2017.pdf
House Agriculture Chair Frank Lucas (OK) has committed to working on a separate nutrition program bill and also indicated that the farm-program only bill could be conferenced with the Senate-passed combined measure.


INTELLECTUAL PROPERTY: HOUSE E&C SUBCOMMITTEE ASSESSES CYBER ESPIONAGE IMPACT ON INTELLECTUAL PROPERTY

The House Committee on Energy and Commerce's Subcommittee on Oversight and Investigations met on Tuesday, July 9, 2013 to examine the steps taken by the federal government and the private sector to identify and mitigate the effects of cyber espionage on American companies. Specifically, testimony focused on cyber espionage, intellectual property, technology and international relations.


Panelists told the subcommittee that tightening U.S. policy won't necessarily discourage Chinese hackers from attacking American companies or the U.S. government. Mr. Wortzel emphasized that China's cyber-espionage against the U.S. government and defense industrial bases poses a major threat to U.S. military operations, the security and well-being of U.S. military personnel, and the effectiveness of equipment and readiness. However, he was skeptical about the likelihood that China would respond to diplomatic or economic pressure to cut back on the intellectual property theft, which he framed as part of the Chinese culture going back to the mid-19th century.

Mr. Lewis was less pessimistic than Mr. Wortzel about the chances for progress with regard to China. He said China wants to be viewed as a dynamic economy and its leaders know they have been "caught" stealing technology from foreign companies. Still, he said the cost of attacks is so low, there is no downside to continuing them. He also noted that the National Institute of Standards and Technology is developing cybersecurity guidelines that should help companies significantly upgrade their operational security. Finally, Mr. Lewis said there is also a need for greater information sharing between companies and the government on cybersecurity threats.

Ms. Offutt relayed the GAO's findings that the illicit nature of counterfeiting and piracy makes estimating the economic impact of IP infringements extremely difficult. Nonetheless, research in specific industries suggests that the problem is sizeable, which is of particular concern as many U.S. industries are leaders in the creation of intellectual property. Moreover, counterfeiting and piracy have produced a wide range of effects on consumers, industry, government, and the economy as a whole. Indeed, the U.S. economy as a whole may grow more slowly because of reduced innovation and loss of trade revenue.

Panelists also maintained that improving security is less a matter of technological advances and more about changing behavior and forcing users to embrace existing best practices. By improving their security practices, companies can increase the cost of attacks for hackers while reducing the potential incentives by better protecting their information.

For more information, go to: http://energycommerce.house.gov/hearing/cyber-espionage-and-theft-us-intellectual-property-and-technology
TRANSPORTATION: HOUSE T&I SUBCOMMITTEE EXAMINES INNOVATIVE FINANCING AND INTERCITY PASSENGER RAIL

The House Committee on Transportation and Infrastructure’s Subcommittee on Railroads, Pipelines, and Hazardous Materials met on Tuesday, July 9, 2013 to examine innovative public-private partnerships in the context of financing the large capital needs for passenger rail service.

Witnesses included: The Honorable John Porcari, Deputy Secretary, United States Department of Transportation; Ms. Beverley K. Swaim-Staley, President and CEO, Union Station Redevelopment Corporation; Mr. Frank Chechile, Chief Executive Officer, Parallel Infrastructure; and Mr. John Robert Smith, Former Mayor of Meridian, Mississippi, President and CEO, Reconnecting America.

Mr. Porcari discussed the rising demand for passenger rail service in the United States and the decreased reliance on solely personal modes of transportation. He also discussed the intrinsic link between the federal and private sectors in rail transportation, including performance-based agreements. He examined numerous policy considerations for rail projects, including: (1) creating Northeast Corridor governance; (2) developing next generation rail equipment; (3) developing a better multi-state rail system; and (4) undertaking a variety of analytical studies and evaluations to help better integrate passenger and freight rail projects. Finally, he praised the High-Speed and Intercity Passenger Rail Program (HSIPR) for building new high-speed rail corridors, upgrading existing intercity passenger rail corridors, and laying the groundwork for future high-speed rail services through corridor and state planning efforts.

For more information, go to: http://transportation.house.gov/hearing/role-innovative-finance-intercity-passenger-rail

NATURAL RESOURCES: HOUSE NATURAL RESOURCES SUBCOMMITTEE EXAMINES IMPACT OF CLOSING AMENITIES AT YOSEMITE NATIONAL PARK

The House Committee on Natural Resources’ Subcommittee on Public Lands and Environmental Regulation met on Tuesday, July 9, 2013 to examine the public impact of closing amenities at Yosemite National Park. Panelists discussed potential environmental, tourist, and economic impacts associated with recent plans by the National Park Service to preserve certain areas of the Park.

Witnesses included: The Honorable John Garamendi, Member of Congress; Jonathan B. Jarvis, Director, National Park Service, U.S. Department of the Interior; Wendy Brown, Yosemite for Everyone; Brian Ouzounian, Yosemite Valley Campers Coalition; Peter Hoss, Mariposa, CA; and Bob Asquith, Groveland, CA.

Mr. Jarvis discussed the Merced Wild and Scenic River Draft Comprehensive Management Plan and Environmental Impact Statement ("Draft MRP"), the third management plan the National Park Service (NPS) has prepared for the Merced Wild and Scenic River within Yosemite National Park, which would do some of the following: (1) reaffirm the Merced Wild and Scenic River's boundaries and segment classifications; (2) identify the unique river-related characteristics that made the Merced River a Wild and Scenic River; and (3) document baseline conditions for the Merced River's water quality, and free-flowing condition, and identify the management actions necessary to protect and enhance them. Additionally, he put forth a range of preferred Draft MRP alternatives that would (1) preserve access to Yosemite Valley at current levels (allowing peak visitation to reach roughly 20,000 people per day) through private vehicles (primarily), transit, and commercial tour bus access, (2) increase camping availability by 174 new camp sites in Yosemite Valley; and (3) maintain lodging availability at the present level.

Ms. Brown asked the Subcommittee to direct the NPS to take the following actions with respect to Yosemite National Park: (1) develop a plan that retains the activities NPS is proposing to eliminate under any of the Action Alternatives; and (2) exclude Yosemite Valley from the Wild and Scenic Rivers Act, which would allow the purely recreational activities within the portion of the park to continue. She claims
that this section has not been considered "wild" for thousands of years. She further criticized the Merced River Plan, which would change the way visitors experience the Park.

For more information, go to: