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

SCHWARZENEGGER AND 14 OTHER GOVERNORS URGE INCREASED SCAAP FUNDING

Governor Arnold Schwarzenegger, joined by 14 other Governors, sent letters to House and Senate Appropriations Committee leaders on May 6, 2005, urging that funding for the State Criminal Alien Assistance Program (SCAAP) be increased to \$750 million annually. SCAAP partially reimburses state and local governments for the costs of incarcerating undocumented criminal immigrants.

The letters recognize the difficult funding priorities the appropriators must make, but cites the critical importance of the program to the states. It goes on to say: "Our states are committed to working with the Federal government to protect our nation. While we are doing what we can in this important effort, immigration policy and controlling the nation's borders are clear, fundamental responsibilities of the Federal government and an essential component of homeland security. Every effort should be made to help States and local governments cover a greater share of the expenses they incur to incarcerate criminal aliens."

In Fiscal Year 2005, about \$301 million (net of across-the-board cuts) was appropriated for the SCAAP program, of which California will receive about 40 percent. FY04 appropriations for SCAAP were \$281.6 million and California and its local governments received about \$111.9 million. However, California spends roughly \$700 million annually to incarcerate criminal aliens. Moreover, federal appropriations for SCAAP have declined by over 45 percent since FY2002, when California and its local governments received over \$220 million in funding.

Also signing the letter were the governors of Arizona, Delaware, Florida, Georgia, Illinois, Iowa, Minnesota, Nevada, New Jersey, New Mexico, New York, Texas, Virgin Islands, and Washington.

S. 188, which was introduced by Senators Dianne Feinstein and Barbara Boxer and authorizes \$750 million in SCAAP funding for FY 2006, was successfully reported by the Senate Judiciary Committee on March 17, 2005.

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BRAC LIST TO BE RELEASED FRIDAY A.M.

The Department of Defense will release its list of domestic military bases recommended for closure and realignment on Friday, May 13, 2005. Members of Congress will receive the list at approximately 9:15 AM (EST). Defense Secretary Donald Rumsfeld will hold a press conference later that morning, at which time the list will be made available to the general public on DoD's website..

Secretary Rumsfeld has backed off initial estimates that this Base Realignment and Closure Round (BRAC) would close approximately 24 percent of DoD excess capacity. In interviews from the past two weeks, Rumsfeld has indicated that the return of approximately 70,000 troops from overseas bases and their resultant basing at domestic installations would limit domestic base closures. More recent estimates place the military's excess capacity at 10 to 15 percent, meaning this BRAC round may be less painful than previously believed.

In previous BRAC rounds in 1988, 1991, 1993 and 1995, California suffered remarkably disproportionate cuts in personnel, absorbing more than half of the nation's approximately 176,000 job losses. Despite those cuts, California is still home to more Department of Defense personnel and bases than any other state in the nation.

When DoD releases its closure and realignment list, it will be available at <http://www.defenselink.mil/brac/>. The California Institute intends to post a quick analysis of the base closure list on its website, <http://www.calinst.org> by the end of Friday.

The California Institute recently published a report entitled *California Past Base Closure Experiences and the 2005 BRAC Round* that can be viewed at <http://www.calinst.org/defense/base1a.htm>. Additionally the California Council on Base Support and Retention released its report on California's military strength that can be viewed at <http://www.omas.ca.gov/Retention/pdf/report.pdf>.

HOUSE NEAR UNANIMOUS IN APPROVING HOMELAND FORMULA CHANGE

By a nearly unanimous vote of 409-10 on Thursday, May 12, 2005, the House of Representatives approved H.R. 1544, which would overhaul the widely-criticized structure that distributes homeland security grant funding to state and local first responders.

Authored by Homeland Security Committee Chairman Christopher Cox (Newport Beach), the bill would base funding on need, threat, vulnerability and risk of terror attack, replacing a system that allocates most funding without regard to risk or threat.

Current law allocates much of the formula portion of funding equally among all states as a 0.75% base guarantee for every state, with remaining funds allocated according to population. (A separate account currently allocates funds to urban areas based on risk and threat.) The Cox bill would base nearly all funding on DHS assessments of risk and threat, with a relatively small (0.25%) minimum guarantee for most small states, with a slightly higher (0.45%) for small border states.

The breadth of support for the bill demonstrated the willingness of most jurisdictions to accept what (particularly for smaller states) may be a reduced allocation in exchange for a more rational distribution scheme. Funding allocations have flowed according to the current population-only method for several years, and many states and localities have been unable to allocate and spend all the funds they have received. The Cox bill has the endorsement of major first responder groups.

The Senate version of the bill would largely retain the existing allocation amounts. It would reduce the current base minimum from 0.75% to 0.55%, but it would apply that percentage to more money, thereby yielding no reduction in the small state guarantee. The Senate Homeland Security and Governmental Affairs Committee approved S.21 on April 13, 2005, and that bill awaits floor action.

By a vote of 88-331, the House rejected an amendment by Rep. Anthony Weiner (NY) that would have limited the number of cities that could receive Urban Area Security Initiative (UASI) grants, and it approved several minor amendments, including one by Reps. Bass (NH) and Charlie Norwood (GA) to allow state and

local governments to apply to DHS to be allowed to use funding for a wider range of activities in specified subject areas such as for border security enforcement.

For additional information, visit <http://homeland.house.gov> . In addition, for state-focused information regarding homeland security grant issues, see "*Federal Formula Grants and California: Homeland Security*" -- part of a joint publication series from the Public Policy Institute of California (PPIC) and the California Institute, at <http://www.ppic.org/main/publication.asp?i=481> .

SENATE MOVES TO RETAIN \$11.2 BILLION INCREASE TO TRANSPORTATION BILL, SHOWDOWN WITH WHITE HOUSE LOOMS

Transportation advocates in the Senate staved off an effort by fiscal conservatives to block the inclusion of added funds for highways and transit programs on the floor of the Senate. The effort spearheaded by Sen. Judd Gregg (NH) on May 10, 2005 would have eliminated a provision in the Senate transportation bill (HR3) adding \$11.2 billion to the six year bill's \$284 billion total. By a vote of 76 to 22 the Gregg point of order challenge was defeated and the extra funding remains in the 1300 page floor manager's amendment. With the inclusion of additional money retained, Sen. James Inhofe, (OK) floor manager and Chair of the Environment and Public Works (EPW) Committee, will have succeeded in boosting the minimum guaranteed rate of return for each state to 92 percent, although the Senate now risks a showdown with the White House, which has repeatedly threatened to veto any bill that exceeds the President's \$284 billion total.

In a tense exchange between Senate Finance Chair Charles Grassley (IA) and Sen. Gregg, the two argued passionately over the viability and the eligibility of the \$11 billion cash infusion proposed in the Inhofe Manager's amendment. The additional funds would be financed primarily through a crack down on corporate tax shelters and on the fraudulent nonpayment of fuel taxes. Sen. Gregg justified his attempt to block the inclusion of additional funds by suggesting that any transportation bill increase would violate Congress' budget agreement as well as the White House's call to limit total authorizations to \$284 billion. Gregg was skeptical of the legitimacy of the offsets used to finance the increase, stipulating that the accounting methods proposed to raise the money would be borne on the back of the General Fund. "It is quite simply, unequivocally, unquestionably a budget buster", said Senator Gregg. Grassley, with the support of Finance Committee Ranking Member Max Baucus (MT), responded by asserting that his financing methods were fiscally sound and would contribute to reducing the deficit, "The administration and the budgeteers should focus on deficit reduction rather than on the top-line spending number" said Grassley. He pointed out that the majority of the Senate supported additional transportation dollars to maintain road safety and infrastructure and that his accounting plan had been scored as legitimate by the Joint Committee on Taxation.

A week earlier, Department of Transportation (DOT) Secretary Norm Mineta came out strongly against any Senate proposal to boost surface transportation dollars above the President's limit, "If the Congress chooses to irresponsibly add billions to the cost of the bill, it is setting itself up to raise gas taxes or risk bankrupting the Highway Trust Fund," warned Sec. Mineta. He went on to reaffirm the White House's opposition to any transportation increase above the \$284 billion top-line figure.

During floor debate on the transportation measure, Sen Diane Feinstein voiced her support for the bill, however she raised several concerns with provisions in the bill that she said would not help California. Sen. Feinstein preferred to see a higher rate of return in the bill to help highway donor states such as California. She noted the high volume of commercial traffic within the state and the poorer than average condition of California's roads and bridges and argued they justified a greater share of highway receipts to the state. The Senate bill's modifications to the Congestion Mitigation and Air Quality Improvement (CMAQ) formula were also highlighted as a concern for Sen. Feinstein. The Senate bill revises the CMAQ formula by apportioning funds to ozone polluted states equally regardless of the severity of their nonattainment areas. California has the two most contaminated air quality control regions (South Coast Air Basin and the San Joaquin Valley) in the nation and stands to lose \$160 million from this and other changes to the CMAQ formula contained in the Senate bill, according to the Los Angeles County Metropolitan Transportation Association. Sen. Feinstein

referred to the Senate bill's proposed elimination of differential weighting in the CMAQ formula as "a huge problem". "California needs the CMAQ funds to pay for highway enhancements to ease the flow of traffic and reduce the amount of time trucks and cars are idling and spewing pollution into the air." Said Sen. Feinstein.

The Transportation Equity Act for the 21st Century (TEA-21), the law governing surface transportation programs, expired in 2003 with no new renewal measure completed by Congress. The House, Senate and White House, unable to agree on an appropriate funding level for a new comprehensive bill since then, approved a series of temporary measures maintaining transportation programs at TEA-21 levels. The latest extension expires at the end of this month, with conference action pending completion of Senate legislation. The House approved its \$284 billion transportation measure in March with overwhelming bipartisan support, by a vote of 417 to 9.

With time running out, the Senate, on May 12th, by a vote of 92 to 7, invoked cloture on debate, limiting any remaining discussion and action on the floor to 30 hours and ensuring that the bill would be complete shortly. Debate was suspended temporarily on Thursday as Senators took up a brief floor debate on the procedure of approving judicial nominations.

With many differences yet to be reconciled in conference committee, not least of which will be funding disparities between House and Senate language, the completion of a final bill before the current extension expires appears unlikely.

CALIFORNIA TO RECEIVE ABOUT \$71 MILLION IN IMMIGRANT MEDICAL FUNDING

Hospitals and other emergency medical providers in California are expected to receive about \$71 million in federal funding to defray the expenses of providing emergency medical services to uninsured immigrants, the Centers for Medicare and Medicaid Services (CMS) recently announced. The funding is authorized by the four-year, \$1 billion program enacted as part of the 2003 Medicare prescription drug bill. Under the statute, payments may be made for services furnished to individuals described as: 1) undocumented aliens; 2) aliens who have been paroled into the United States at a United States port of entry for the purpose of receiving eligible services; and 3) Mexican citizens permitted to enter the United States for not more than 72 hours under the authority of a biometric machine readable border crossing identification card (laser visa).

From the respective state allotments, payments will be made directly to hospitals, certain physicians, and ambulance providers for some or all of the costs of providing emergency health care, according to the regulations. Although California's share represents about 30 percent of the total federal allotment of \$250 million, Los Angeles County alone estimates that it spent \$340 million in 2003 on uninsured illegal aliens, and the California Hospital Association estimates that California spends \$500 million annually on emergency care for undocumented immigrants.

The program, referred to as Section 1011, allocates two-thirds of the funds to all 50 states and the District of Columbia based on their relative percentages of undocumented aliens, and one-third to the six states with the largest number of undocumented alien apprehensions. Although California's 232,991 alien apprehensions were less than Texas' 272,715, and substantially less than Arizona's 491,242, the state's population of undocumented aliens far exceeds that of the other states. CMS estimated that California's resident unauthorized immigrant population was 2,209,000 million in January 2000, whereas Arizona's undocumented population was 283,000 and Texas' was 1,041,000. Arizona is slated to receive roughly \$45 million in funding and Texas about \$46 million.

Under the regulations, hospitals will not be required to ask patients directly if they are illegal immigrants, which had been a point of controversy. However, they will be required to fill out a CMS form containing three categories of questions to ascertain whether the patient is: 1) eligible for Medicaid; 2) a Mexican citizen with a border-crossing card; or, 3) has been paroled into the United States with a Form I-94.

For further information, visit the CMS website at: <http://www.cms.hhs.gov/providers/section1011/>. When the funding was initially appropriated in the Medicare prescription drug bill in 2003, the California Institute

(using capacities built via the *Federal Formula Grants and California* project, a joint venture with the Public Policy Institute of California (PPIC) predicted that the program would provide the state approximately \$72 million per year. For a state-by-state breakout, see http://www.calinst.org/datapages/undocumented_medicare.htm .

SENATE PASSES EMERGENCY SUPPLEMENTAL BILL; PRESIDENT TO SIGN IMMEDIATELY

On May 10, 2005, by a vote of 100-0, the Senate cleared the Conference Report on the emergency supplemental appropriations bill for the war in Iraq and other defense needs. The \$82 billion bill, H.R. 1268, also contains the Real ID Act provisions initially included in the House version of the bill, which passed March 16 by a vote of 388-43. See, *Bulletin*, Vol. 12, Nos. [3 \(2/11/05\)](#), [10 \(4/21/05\)](#), and [12 \(5/6/05\)](#).

The Real ID provisions allow the Department of Homeland Security to waive federal laws impeding the completion of the Smuggler's Gulch fence along the U.S. - Mexico border near San Diego. New national standards for drivers' licenses will also be established and requirements for obtaining asylum in the United States are tightened. The bill also includes a provision added by the Senate to increase the cap on temporary seasonal workers.

The bill's Border Security funding includes a total of \$635 million in funding for increased border security and enforcement. Of that, \$176.2 million is to hire, train, equip and support an additional 500 Border Patrol Agents and relieve current facility overcrowding. \$454.2 million is added for Immigration and Customs Enforcement, with \$97.5 million of that to hire and train additional criminal investigators and Immigration Enforcement Agents.

JUDICIARY SUBCOMMITTEE ADDRESSES DREIER IMMIGRATION BILL

The House Judiciary Subcommittee on Immigration, Border Security and Claims held a hearing on Thursday, May 12, 2005, to consider H.R. 98, the Illegal Immigration Enforcement and Social Security Protection Act, sponsored by Rep. David Dreier (San Dimas). The bill would require the inclusion of encrypted machine-readable electronic identification strips and a digitized photo on Social Security cards and prohibit employers from hiring individuals who did not have such a card. The Department of Homeland Security would maintain a national database that would be used by employers to verify the work status of applicants. The bill would also increase penalties on employers who hire illegal aliens.

The Subcommittee heard testimony from Rep. Dreier, as well as Rep. Silvestre Reyes (TX), T.J. Bonner, President, National Border Patrol Council, and Marc Rotenberg, Executive Director, Electronic Privacy Information Center.

Rep. Dreier testified that his bill is aimed at addressing the demand side of the illegal immigration issue – those individuals who come to the United States to work – and the ease with which a fraudulent Social Security card can be obtained. He stressed that his bill would not make Social Security cards *de facto* national identity cards, because they would only be used by individuals seeking a new job. Rep. Reyes, a co-sponsor of the bill, and Mr. Bonner also testified in support of the bill.

Mr. Rotenberg, however, expressed several concerns with the bill. He noted the growing problem with identity theft in the United States and worried that readable Social Security cards containing private information on an individual might make them even more valuable in the hands of wrongdoers. He supported the idea of using holograms on the cards, and other methods for making them tamper-proof, but urged the subcommittee to include provisions in the bill to strengthen the security of the card and the management of its highly sensitive data. For instance, he suggested that sanctions should be included for the improper use of the information on the card.

During questioning, Rep. Dreier indicated his willingness to work with the Subcommittee as it continued its consideration of the bill.

For the testimony of all the witnesses, visit <http://www.house.gov/judiciary> .

SPIRIT OF BIPARTISANSHIP KICKSTARTS HEAD START IN HOUSE, BILL EXCLUDES WHITE HOUSE PILOT PROJECT PROPOSAL

On May 11, 2005, the House Subcommittee on Education Reform marked up a Head Start bill (HR 2123) and reported the reauthorization measure to the full committee by a voice vote. Head Start action in the House had been mired in partisan disagreements for two years, however this year's renewal plan seems to have stronger bipartisan support after Republican education leaders opted to not include a controversial White House provision in their proposal.

HR 2123, otherwise known as the School Readiness Act of 2005 and sponsored by Education Reform Subcommittee Chair Michael Castle (DE), is geared toward closing the achievement and readiness gap among Head Start children and improving financial practices at Head Start centers by: creating more competition among Head Start grantees; strengthening academic standards and maintaining comprehensive services; limiting grantee administrative costs to 15 percent; requiring an annual report detailing a grantee's finances; increasing migrant and seasonal farm worker Head Start set-asides to 5 percent; improving coordination by aligning center curriculum with state-developed academic standards; and improving teacher quality by requiring that 50 percent of Head Start teachers nationwide have earned a Bachelors degree within three years of being hired, and that at least 50 percent of an individual center's staff have earned an Associate's degree. The bill authorizes \$6.9 billion for the program in 2006 and unspecified amounts for fiscal years 2007-2011.

Demonstrating a willingness to work together on a number of topics, several members submitted and later withdrew amendments after Chair Castle expressed a desire to continue the dialogue with committee staff as the bill progresses. Only two amendments were voted on. An amendment submitted by Subcommittee Ranking Member Lynn Woolsey (Petaluma) that would have increased Head Start authorizations by approximately \$1.6 billion per year over six years failed by a vote of 8 to 8 as Republican staffers scrambled to secure the attendance of enough members to defeat the measure. A second amendment sponsored by Rep. Danny Davis (IL) failed by a vote of 7 to 9. That amendment would have attached \$345 million in stipends to the bill to assist Head Start teachers wishing to improve their education levels.

House education leaders introduced the Head Start reauthorization legislation last week. The latest Head Start bill does not include a White House sponsored state pilot project that would increase state oversight of Head Start centers in certain states. That pilot project, contained in the Republican written House bill introduced in the 108th Congress, was met with a storm of protests from Democrats concerned that the provision would turn Head Start into a block grant program.

Head Start, a \$6.8 billion federal program that provides health and education assistance to low income children below age 5 and their families, serves 919,000 children nationwide. The federal formula governing allocations to states is largely based on a state's share of the target population. However, the federal government assumes oversight of the program and feeds Head Start grants directly to eligible Head Start service operators.

After the release of a Department of Health and Human Services (HHS) study showing Head Start children trailing their more affluent peers in academic performance, the White House proposed an overhaul of the program in a reauthorization plan. Two years ago, the Administration's plan to shift Head Start to the Department of Education and to give states greater oversight authority over service providers was substituted by House Republicans in favor of an eight-state demonstration project that would test the idea of greater state control.

The Head Start law expired in 2003, after a partisan breakdown halted the progress of a renewal effort in the Senate. The pilot project plan included in prior legislative language was criticized as a potential precursor for the blockgranting of Head Start and would thereby lead to the weakening of federal standards. Supporters of the pilot project countered that lack of coordination among early childhood care programs and the low performance of Head Start children demanded closer involvement by the states. Furthermore, states that qualified for the pilot project would be required to abide by minimum standards and could opt out of the demonstration. The House approved its 2003 Head Start bill by one vote.

In a May 5th 2005 statement, House Education and Workforce Committee Ranking member, George Miller (Martinez) hinted that the latest Head Start proposal would be acceptable to Democrats, "I am heartened that we are starting off this year's effort with a bill that could earn bipartisan support" said Rep. Miller. However, he went on to note a number of concerns that he still has concerning pay for teachers, adequate set asides for the children of migrant and seasonal workers, and additional overall funding for the program.

The full Education and Workforce Committee is expected to take up the bill next week. For more information on the Head Start reauthorization bill in the House, visit <http://edworkforce.house.gov>.

ENERGY & COMMERCE AND JUDICIARY COMMITTEES ALTER HOMELAND SECURITY AUTHORIZATION BILL

To underscore their jurisdiction over certain areas concerning homeland security, the House Energy and Commerce Committee and Judiciary Committee made significant changes in the portions of the Homeland Security Action reauthorization bill under their respective jurisdictions.

Marking up the bill on Wednesday, May 11, 2005, the Energy and Commerce Committee struck provisions in the bill that would establish a new National Cybersecurity Office in the Department of Homeland Security (DHS) and give the newly-established assistant secretary for cybersecurity authority to implement new initiatives to reduce cybersecurity shortcomings and partner with state and private sector parties to strengthen defenses for computer systems. The Committee also included a provision, sponsored by Chair Joe Barton (TX), aimed at ensuring that nothing in the bill would supersede the jurisdiction of other federal agencies charged with protecting computer systems.

The Committee also accepted by voice vote an amendment by Rep. Ed Markey (MA) adding \$75 million to assist first responders at the local level to prepare for an attack using weapons of mass destruction. The bill was reported out of the Committee by voice vote.

On Thursday, May 12, the Judiciary Committee left its imprint on the bill. Citing the confusing overlap between terrorism prevention missions at DHS and the Department of Justice (DOJ), the Committee added language defining terrorism prevention as limited to border and infrastructure security, information dissemination and first responder preparedness. It also would require that DHS submit its terrorism prevention plan to the Judiciary Committee as well as the Homeland Security Committee, and that DOJ participate in programs requiring background checks for registered travelers. The Chair's mark offered by Chairman James Sensenbrenner (WI) would also authorize the hiring of 300 new attorneys for customs and immigration enforcement and 300 new adjudicators for Citizenship and Immigration Services.

The Committee also added an amendment allowing Homeland Security grant money to be used to pay law enforcement officers hired solely for terrorism or homeland security purposes. But another amendment, which would have offered rewards to whistleblowers who reported employers for hiring illegal immigrants, was rejected, 12-16. After accepting the Chair's mark by voice vote, the Committee reported the bill by voice vote.

HOUSE APPROPRIATIONS BACKS HOMELAND SECURITY BILL, FLOOR VOTE TUESDAY

On Tuesday, May 10, 2005, the House Appropriations Committee Security approved and reported the FY 2006 Homeland Security spending bill, providing \$30.9 billion for operations of the Department of Homeland Security (DHS) and homeland-related activities in other agencies. The total increased spending by \$1.37 billion from 2005 levels, and provided \$3.6 billion for various first responder grant programs and related funding.

Within the first responder category were \$750 million for the state homeland security formula grant program (SHSGP), \$400 million for State and local law enforcement terrorism prevention grants (LETPP), \$180 million for Emergency Management Performance Grants; and \$200 million for First Responder training. These programs, to receive a total of \$1.4 billion, distribute funds according to a widely-criticized formula that

vastly favors small states over large states. (In 2004, California received \$5 per capita from these programs, whereas Wyoming received \$38 per capita that year.)

In addition, the bill proposes \$1.215 billion in funding focused on high-density urban areas, including \$850 million for urban area grants, \$150 million for rail security, \$150 million for port security, and \$65 million for other infrastructure protection. The bill proposes that not less than 10 percent of basic formula grants (\$750 million) and urban area grants (\$850 million) be set aside for EMS providers.

For details regarding other aspects of the bill, please see our discussion of the Subcommittee-level markup, in [Bulletin, Vol. 12, No. 12 \(5/6/2005\)](#). A floor vote in the House is expected on Tuesday, May 17.

For additional information, visit <http://appropriations.house.gov/>.

SENATE EXAMINES NATIONAL PARKS

The Senate Committee on Energy and Resources held a hearing to discuss funding for the national parks. At the hearing, Greg Moore, Executive Director of the Golden Gate National Parks Conservancy, testified about the role philanthropy plays in maintaining and improving national parks. As Mr. Moore described, the Golden Gate National Parks Conservancy is “a nonprofit membership organization that works to preserve the Golden Gate National Recreation Area, to enhance the experiences of park visitors, and to engage community members in conserving the parks for the future.” In his remarks, Mr. Moore addressed some fundamental questions concerning philanthropy and the national parks system, including what motivates philanthropy and volunteerism in our national parks, how federal funding and the work of the National Park Service enhance philanthropy and volunteerism, what specifically do the American people consider the federal responsibility to our national parks, and what the future can bring in terms of philanthropy and volunteerism. Mr. Moore’s responses were generally optimistic in tone, as he lauded the high levels of philanthropy that raise more than \$100 million annually for national parks. He did, however, explain how philanthropy cannot function as a replacement for federal funding, insisting that federal monies must provide the foundation on which philanthropy builds.

Other witnesses included Fran Mainella, Director of the National Park Service, Lee Werst, President of the Association of National Park Rangers, and Robert Arnberger, who testified on behalf of the Coalition of National Park Service Retirees. For the testimony of all the witnesses, visit <http://energy.senate.gov>.

HOUSE HOLDS SECTION 8 VOUCHER PROGRAM HEARING

On Wednesday, May 11, 2005, the House Committee on Financial Services held a hearing about legislative reforms to the federal section 8 housing voucher program. The often contentious hearing featured testimony from Secretary of Housing and Urban Development, the Honorable Alphonso Jackson. At issue were reforms to the section 8 program included in H.R. 1999, the State and Local Housing Flexibility Act of 2005, which was introduced by Rep Gary Miller (Diamond Bar) and is still in committee.

The section 8 voucher program, which provides housing vouchers to economically disadvantaged individuals and families, has experienced spiraling costs in recent years as the rental market has become more expensive. After some introductory remarks by Rep. Miller, Secretary Jackson testified that while the section 8 program consumed 36 percent of HUD’s budget in 1998, for the 2005 appropriation section 8 funding accounted for 57 percent of HUD’s budget. The Administration-supported H.R. 1999 seeks to reduce costs through a variety of reform measures. First, it provides more flexibility to local public housing authorities in distributing vouchers, requiring that 90% of vouchers go to people with incomes at or below 60% of the median income for a given area. Previously, the program required that 75% of vouchers be provided to families with income at or below 30% of the median income for a given area. The bill also gives local PHAs the ability to set time limits of no less than five years for how long a family can receive public housing assistance. Finally, the bill includes a variety of measures that help move families out of public housing toward self sufficiency. Secretary Jackson repeatedly emphasized that providing local PHAs with greater flexibility to approach problems in given cities would lead to better solutions to the section 8 program’s

problems than federally instituted blanket reforms. Additionally, he stated that abuses within the system were significant and providing PHAs with more flexibility would help reduce inefficiencies.

The Committee's criticism of the bill and HUD in general was largely driven by Democrats angered at a number of the bill's provisions, including the elimination of the enhanced voucher program, which allows families to remain in housing that becomes privately owned, the potential for time limits in public housing, the ability of PHAs to reject vouchers granted by other PHAs, and the proposed optional time limits.

The State and Local Housing Flexibility Act of 2005 was also introduced in the Senate as S. 771 by Sen. Wayne Allard (CO).

For Secretary Jackson's full testimony, visit <http://financialservices.house.gov>.

APPEALS COURT STRIKES BROADCAST FLAG RULE

The U.S. Court of Appeals for the District of Columbia struck down the Federal Communications Commission's broadcast flag rule, defeating the efforts of movie studios and television networks to limit copying of digital broadcasts. The rule, which was to take effect on July 1, 2005, would require manufacturers of televisions and computers to install technology in new products that would recognize a broadcast flag embedded in digital programs and prevent the copying and redistribution of those programs. A broadcast flag is a computer code installed by the producers of the digital work.

In striking down the rule, the Court held that the FCC had overreached its authority in setting technical standards not directly related to transmission of broadcasts. In his opinion, Judge Harry T. Edwards stated that the "FCC has no authority to regulate consumer electronic devices that can be used for receipt of wire or radio communication when those devices are not engaged in the process of radio or wire transmission."

The decision is a victory for research libraries and other groups that argued the rule would prohibit the legitimate distribution of research clips and other materials over the Internet. Dan Glickman, president of the Motion Picture Association of American, however, warned that: "If the broadcast flag cannot be used, program providers will have to weigh whether the risk of theft is too great over free, off-air broadcasting and could limit such high-quality programming to only cable, satellite and other more secure delivery systems."

Bills have been introduced in Congress that would require electronics manufacturers to install technology to recognize an embedded broadcast flag.

The final vote of the stem cell institute's board, on the second ballot, was San Francisco 16, San Diego 11. Sacramento's three votes on the first ballot shifted to San Francisco on the second ballot.

UC, BECHTEL PARTNER FOR LOS ALAMOS BID

The University of California announced on Wednesday, May 11, 2005 that it will partner with the San Francisco-based engineering and construction firm Bechtel in preparing a bid to continue operating the Los Alamos National Laboratory in New Mexico. UC, which has run Los Alamos, the nation's premier nuclear lab, for 60 years, has never had to compete for the contract. However, because of security lapses in the past few years, the Department of Energy decided to open competition for the lab's operations. UC has not yet formally decided to submit a bid for the \$2.2 billion annual contract for the lab; that decision is up to the UC Board of Regents. The current contract with DoE expires September 30, 2005.

In other news, the director of Los Alamos, G. Peter Nanos, will be stepping down on May 15, 2005. Dr. Nanos will be succeeded by an interim director, Robert W. Kuckick, a former official at the National Nuclear Security Administration in Washington. From 1994 to 2001 he served as the director of Lawrence Livermore National Laboratory.

NATIONAL IGNITION FACILITY BRIEFING FRIDAY

As noted previously, on Friday, May 13, 2005, experts from the University of California and Lawrence Livermore National Laboratory (LLNL) will give a briefing regarding progress on, and applications of, the National Ignition Facility (NIF), the world's largest science project, which is currently under construction in

California. The briefing will take place at 11:30 a.m. in Room 1539 of the Longworth House Office Building. There will be limited space at the briefing, so those interested should contact Christie Schomer at schomer1@ltnl.gov or (202) 494-1905 in order to attend.

RULING OPENS UNDEVELOPED NATIONAL FOREST LANDS TO ROADS; GOVERNOR PLEDGES TO PROTECT STATE'S TREES

During the week of May 9, 2005, the Bush Administration reversed a Clinton-era rule prohibiting the new construction of roads in 56.5 million acres of undeveloped national forest land. Instead of the blanket ban on road construction, the new rule provides governors with significant power to determine the fate of the national forests in their states. Governors now have 18 months to notify the Forest Service whether they would like to open up previously protected forests in their states to road construction, paving the way for logging and other development.

In response, Governor Schwarzenegger pledged to protect all 4.4 million acres of forest land in California that is affected by the Administration's rule change. According to the Los Angeles Daily News, Schwarzenegger has reached an agreement with the U.S. Forest Service that "those largely undeveloped areas will remain untouched." Schwarzenegger said that "I am committed to protecting the vibrant health and sustainable future of our forests. Roadless areas in California will remain roadless."

BAY AREA CHOSEN FOR STEM CELL INSTITUTE

The governing board of the California Institute of Regenerative Medicine voted on May 6, 2005, to locate its headquarters in San Francisco. The institute was established by Proposition 71, which was passed by California voters last November, and provides \$300 million annually for ten years for research grants on embryonic stem cells. Sacramento and San Diego also made strong bids to host the institute. San Francisco offered a \$17 million package that included furnishings, convention hotel discounts and other amenities and over 43,000 square feet in free laboratory space at San Francisco General Hospital. The headquarters, expected to employ about 50 people, will be located near SBC Park and the University of California San Francisco Mission Bay campus.

STUDY CALLS CALIFORNIA'S TRAFFIC WORST

The 2005 edition of the Texas Transportation Institute's Urban Mobility Report ranks Los Angeles and San Francisco as the two very large urban areas (more than 3,000,000 population) with the worst traffic in the United States. According to the study, travelers in Los Angeles experience an average of 93 hours spent in traffic (down from 98 hours in the 2004 report) and San Francisco commuters spend an average of 72 hours in traffic congestion (down from 75 hours in the 2004 report). The study calculates the amount of time above and beyond normal commuting times. Washington, D.C. was the third most congested urban area, with its commuters stuck in traffic for an average of 69 hours per year. For large urban areas (over 1 million and less than 3 million population), Riverside-San Bernardino ranked as the most congested area, with 55 hours of average annual delay. San Jose and San Diego ranked third and fourth with 53 and 52 average annual hours of delay respectively. According to the study, traffic contributed to an astounding 3.7 billion hours of travel delays and \$2.3 billion in wasted gasoline, costing \$63 billion.

To view the full study, visit the Texas Transportation Institute's website at <http://tti.tamu.edu/>.