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## California Capitol Hill Bulletin

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### **FIVE NEW CALIFORNIANS JOIN HOUSE DELEGATION**

The California Congressional Delegation will have five new members when the 106th Congress convenes on January 6, 1999.

Rep.-elect **Mike Thompson** takes over the 1st District from retiring Rep. Frank Riggs. Thompson, 47, makes his home in St. Helena in the northern-most district in the state, and is a 1982 graduate of the University of California, Chico, where he also received a master's degree in 1996. He has represented almost the entire district in the State Senate since 1990, and served most recently as the chairman of the Budget Committee. Although reportedly harboring hopes of one day sitting on Appropriations or Commerce, Thompson has currently set his sights on the Budget and Agriculture Committees for the 106th Congress. Thompson is married to Janet and has two children. For more information, see [http://www.sen.ca.gov/htbin/senator\\_profile?thompson](http://www.sen.ca.gov/htbin/senator_profile?thompson).

Rep.-elect **Doug Ose** replaces Rep. Vic Fazio in the 3rd District around Sacramento. Ose, 43, a real estate developer, emphasizes the business expertise he will bring to Congress. A 1977 graduate of UC Berkeley, he supports eliminating the marriage penalty under the tax laws, and reforming the code in general. He also supports building the Auburn Dam to solve Sacramento's flood problems. Ose and his wife, Lynnda, have two children. See <http://www.dougose.com/>.

Rep.-elect **Grace Napolitano** moves into the 34th District formerly served by Rep. Esteban Torres. Napolitano, who resides in Norwalk, is a former member of the city's Council, and served as Mayor from 1989-90. Since 1993, she has served in the State Assembly. As Chair of the International Trade and Development Committee, Napolitano, 61, has been active in promoting California trade and exports. Napolitano has expressed interest in gaining a seat on the Commerce, Transportation and Infrastructure, and/or Resources Committees. She has been chair of the Women's Caucus and Vice-Chair of the Latino Caucus. Napolitano and her husband, Frank, have five children and twelve grandchildren. For more information, see <http://www.grace4congress.com/>.

Rep.-elect **Steve Kuykendall**, 51, succeeds Rep. Jane Harman in the 36th District. He served on the Rancho Palos Verdes City Council from 1991-94, and was Mayor of the city in 1994. Since 1994, he has been a member of the California Assembly, where he served on the conference committee that wrote the state's electric utility deregulation legislation. He is also very interested in trade and national security

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issues. Kuykendall, a real estate broker and mortgage banker, graduated from Oklahoma State Univ. in 1968, and received an MBA from San Diego State in 1974. He also indicated an interest in serving on the Commerce Committee, where electricity deregulation is expected to be a big issue next year.

Kuykendall has three children with his wife, Jan. For further information, see

<http://republican.assembly.ca.gov/members/54/profile.html>.

Rep.-elect **Gary Miller** takes over the 41st District from Rep. Jay Kim. Miller, 50, was a member of the Diamond Bar City Council from 1989-90, 1991-95, and served as the city's Mayor from 1993-94. He has been a member of the State Assembly since 1995, where he was the first freshman to be named Chair of the Budget Committee. Also a real estate developer, Miller would eventually like to put his business experience to work on the Ways and Means, Appropriations, or Commerce Committees, but has for now indicated interest in the Transportation and Infrastructure and/or Budget Committees.

Miller and his wife Cathy have four children. See

<http://republican.assembly.ca.gov/members/60/profile.html>.

## **SPECIAL REPORT: ELECTION'S IMPACT ON HOUSE COMMITTEE MAKEUP**

Following is a cursory examination of Congressional committees as they stood in the 105<sup>th</sup> Congress, with prospective adjustments made based on retirements and defeats of more senior members. It should be noted that there will likely be considerable movement of members from one committee to another, as well as movement within committees from one subcommittee to another, none of which is accounted for in this report. Also, this discussion does not attempt to predict any impact caused by committee membership ratio changes due to the shift of four or five seats between parties. Finally, it should be noted that rules sometimes prevent a senior member of one committee from taking a chair or ranking position if the member holds a leadership position on another committee.

### **Agriculture**

On the Republican side, the sole departure was due to the retirement of full committee chairman Bob Smith (OR), meaning that all remaining Republicans would move up one notch. Among California Republicans, John Doolittle would rank 5<sup>th</sup>, and Richard Pombo (who chairs the Livestock, Dairy & Poultry subcommittee) would rank 7<sup>th</sup>. Doolittle now serves as Water and Power chair on the Resources Committee, but might take Agriculture's Forestry panel instead.

Departing Democrats include 11<sup>th</sup> ranked Scotty Baesler (KY), who unsuccessfully sought a Senate seat, and freshman Jay Johnson (WI), who was defeated. California Democrats George Brown (#2), Gary Condit (#3), and Cal Dooley (#5) would remain stationary, while Rep Sam Farr would climb a notch to 13<sup>th</sup>. Currently, Condit is ranking Democrat on the Risk Management & Specialty Crops panel and Dooley is ranking on Forestry, Resource Conservation & Research.

### **Appropriations**

Republicans will see three appropriations departures, including second ranked Joseph McDade (PA), chair of the Energy & Water subcommittee, who retired; #22 Mike Parker (MS), who also retired; and 27<sup>th</sup> ranked Mark Neumann, who lost a Senate bid. The departures lift California's two "cardinals" by one rung – VA/HUD Subcommittee Chair Jerry Lewis will rank 4<sup>th</sup> and Military Construction Chair Ron Packard will rank 11<sup>th</sup> – while Randy "Duke" Cunningham climbs two notches to 26<sup>th</sup>. One scenario has McDade's retirement opening the door to Packard's assumption of the Energy & Water duties.

Democrats saw six Appropriations Committee departures, all of them due to retirement and two of them Californians. In addition to California's Vic Fazio (8<sup>th</sup>) and Esteban Torres (16<sup>th</sup>), the retiring Democrats were #2 Sidney Yates (IL), #3 Louis Stokes (OH), #9 Bill Hefner (NC) and #13 David Skaggs (CO). The results for California: Julian Dixon moves up two to 5<sup>th</sup> and Nancy Pelosi, ranking Democrat on the Foreign Operations Subcommittee, moves up five notches to 9<sup>th</sup>. Under one scenario, Dixon could become ranking Democrat on the Commerce/Justice/State Subcommittee.

### **Banking and Financial Services**

Three Banking Committee Republicans were defeated in their reelection bids Tuesday, #17 Jon Fox (PA), #23 Vince Snowbarger (KS), and #31 Bill Redmond (NM). No California rank changes would be expected, since both #10 Tom Campbell and #11 Ed Royce are more senior than the three departing members.

In contrast, the three departing Banking Committee Democrats are high in seniority – #2 Henry Gonzalez (TX) and #7 Joe Kennedy (MA) both retired, while #4 Charles Schumer (NY) won a Senate bid. Among Californians, Maxine Waters, currently chair of the Monetary Policy panel, would move up to 5<sup>th</sup>, Lucille Roybal-Allard to 8<sup>th</sup>, Brad Sherman to 21<sup>st</sup>, and Barbara Lee to 24<sup>th</sup>.

### **Budget**

The Budget Committee will see five Republican departures: #2 Chris Shays (CT) will rotate off of Budget per committee rules, #4 Jim Bunning (KY) won a Senate bid, #9 Bob Inglis (SC) and #15 Mark Neumann lost Senate bids, and #16 Mike Parker retired. For California, Wally Herger could climb one slot to 3<sup>rd</sup> ranking and George Radanovich would gain three notches to 10<sup>th</sup>.

Six Democrats will leave the Budget Committee. Five, including one Californian, are due to committee rotation – #3 Alan Mollohan (WV), #4 Jerry Costello (IL), #5 Patsy Mink (HI), #6 Earl Pomeroy (ND), and #7 Lynn Woolsey – and one departure is due to Scotty Baesler's unsuccessful seeking of a Senate seat. California thus could see Lucille Roybal-Allard climb four rungs to #3. (The Budget Committee has no subcommittees.)

### **Commerce**

Among Commerce Republicans, the 105<sup>th</sup> Congress saw the retirement of 5<sup>th</sup> ranked Dan Schaefer (CO), chair of the Energy & Power panel, and 10<sup>th</sup> ranked Bill Paxon (NY). Thirteenth-ranked Michael Crapo (ID) won a Senate bid, while #22 Rick White (WA) lost his reelection campaign. Among Californians, Chris Cox rises to 11<sup>th</sup>, Brian Bilbray moves to 15<sup>th</sup>, and James Rogan gains four notches to 22<sup>nd</sup>. Cox could contend for an open subcommittee chairmanship.

Commerce Committee Democrats saw two retirements this year: 6<sup>th</sup> ranked Thomas Manton (NY) and 11<sup>th</sup> ranked Elizabeth Furse (OR). Among Californians, Henry Waxman would remain at 2<sup>nd</sup>, and Anna Eshoo would gain two notches to #12.

### **Education and the Workforce**

Three Republicans, including one Californian, retired from the Education Committee this year: #4 Harris Fawell (IL), who chaired the Employer-Employee Relations panel; #14 Frank Riggs, chair of the Elementary/Secondary Subcommittee; and #25 Mike Parker (MS). California's sole remaining Republican, Buck McKeon, who chaired the Postsecondary Education Subcommittee in the 105<sup>th</sup> Congress, gains one notch to 8<sup>th</sup>. McKeon did yeoman's work on the higher education reauthorization

during the 105<sup>th</sup> Congress and could move to the early childhood panel chair as it takes up the Elementary and Secondary Education Act rewrite next year.

There were no departures among Democrats, leaving George Miller at 2<sup>nd</sup> ranking, Marty Martinez (ranking on the Elementary/Secondary Subcommittee) at 4<sup>th</sup>, Lynn Woolsey at 11<sup>th</sup>, and Loretta Sanchez at 18<sup>th</sup>.

### **Government Reform and Oversight**

Two junior Republicans on the Government Reform and Oversight Committee were defeated Tuesday, # 20 Michael Pappas (NJ) and #21 Vince Snowbarger (KS). Neither departure would affect California's Chris Cox, who remains at #6, or Steve Horn, chair of the Government Management, Information and Technology Subcommittee, who remains 9<sup>th</sup>.

No Democrat slots were slated to shift, leaving Henry Waxman as full committee ranking member, and Tom Lantos at #2 and Gary Condit at #7.

### **House Oversight**

There will be no changes due to departures from the House Oversight Committee, which is chaired by Bill Thomas, the only California member on the panel.

### **International Relations**

Two Republicans are leaving the International Relations panel, including one Californian: 15<sup>th</sup> ranked Jay Kim and 21<sup>st</sup> ranked Jon Fox (PA). California will see Elton Gallegly remain at 8<sup>th</sup>, Dana Rohrabacher remain at 11<sup>th</sup>, Ed Royce remain at 13<sup>th</sup>, and Tom Campbell rise one to 19<sup>th</sup>. Gallegly chairs the Western Hemisphere Subcommittee and Royce chairs the Africa panel.

The only Democrat departure is at the top, with ranking member Lee Hamilton (IN) retiring, meaning single notch gains each for Californians Tom Lantos (to 2<sup>nd</sup>), Howard Berman (to 3<sup>rd</sup>), Marty Martinez (to 6<sup>th</sup>), Brad Sherman (to 15<sup>th</sup>) and Lois Capps (to 21<sup>st</sup>). Lantos is ranking Democrat on the International Operations & Human Rights Subcommittee, while Berman is ranking on the panel on Asia and the Pacific.

### **Judiciary**

The sole Judiciary departure for the Republicans was due to 9<sup>th</sup> ranked Bob Inglis' (SC) unsuccessful bid for the Senate. California's result is no change for 7<sup>th</sup> ranked Elton Gallegly, and one-notch gains for Jim Rogan (to 18<sup>th</sup>) and Mary Bono (to 20<sup>th</sup>).

Democrats also had one Judiciary committee member leave, as #3 Charles Schumer (NY) won a Senate bid, vacating his ranking slot on the Crime Subcommittee. All three California Democrats move up one – Howard Berman to 3<sup>rd</sup>, Zoe Lofgren to 8<sup>th</sup>, and Maxine Waters to 10<sup>th</sup>.

### **National Security**

Both departures from the National Security Republican ranks were relatively junior: with 27<sup>th</sup> ranked Michael Pappas (NJ) and 30<sup>th</sup> ranked Bill Redmond (NM) losing reelection bids. California's 3<sup>rd</sup> ranking Republican, and Procurement panel chair, Duncan Hunter retains his rank, as does 16<sup>th</sup> ranking Howard "Buck" McKeon, while Mary Bono moves up two notches to 30<sup>th</sup>.

The committee loses two Democrats, one, Jane Harman, a Californian, who lost a gubernatorial. Harman had been 11<sup>th</sup> on the panel, and retiring Paul McHale (PA) had been 12<sup>th</sup>. Loretta Sanchez thus moves up two to 19<sup>th</sup>, while Ellen Tauscher also climbs two to 24<sup>th</sup>.

### **Resources**

Four Republicans will leave the Resources Committee: #14 Linda Smith (WA) lost a Senate bid, as did #19 John Ensign (NV), while #20 Bob Smith (OR) retired and #27 Michael Crapo (ID) won his Senate race. California's four most senior Republicans will maintain their positions – 5<sup>th</sup> ranked Elton Gallegly, 8<sup>th</sup> ranked (and Water & Power chair) John Doolittle, 10<sup>th</sup> ranked Ken Calvert, and 11<sup>th</sup> ranked Richard Pombo – while George Radanovich would climb one rung to 14<sup>th</sup>. If Doolittle takes the Forestry chair on the Agriculture Committee, Calvert would be next most senior for Water and Power.

There is no required turnover among Resources Committee Democrats, leaving California's George Miller as full committee ranking member, Cal Dooley at 12<sup>th</sup>, and Sam Farr at 16<sup>th</sup>.

### **Rules**

The retirement of Rules Committee Chairman Gerald Solomon (NY) paves the way for David Dreier to become California's first Rules chair. Among Rules Committee Democrats there will be no change due to retirement or electoral machinations.

### **Science**

The sole departure on the Science Committee was the retirement of 3<sup>rd</sup> ranking Republican Harris Fawell (IL), which allows for one-notch advancement for both California Republicans. Dana Rohrabacher, who chairs the Space and Aeronautics Subcommittee, would move to 6<sup>th</sup>; while Ken Calvert, chair of the Energy & Environment panel, climbs to 8<sup>th</sup>.

There was no turnover of Science Committee Democrats. Among Californians, George Brown will remain ranking Democrat on the full Science Committee, and it will be status quo for Zoe Lofgren (10<sup>th</sup>), Lois Capps (18<sup>th</sup>), Barbara Lee (19<sup>th</sup>) and Brad Sherman (20<sup>th</sup>).

### **Select China Investigation**

There were no shifts from the 105<sup>th</sup> Congress' makeup, leaving California's Chris Cox as the Chair and Lucille Roybal-Allard as 4<sup>th</sup> ranking Democrat.

### **Select Intelligence**

Two Republicans will rotate off the Select Intelligence panel next year: Bill Young (FL) and Bud Shuster (PA). California's Jerry Lewis will rise to 2<sup>nd</sup> ranking Republican.

Ranking Democrat Norm Dicks (WA) will rotate off the panel, leaving California's Julian Dixon at the top ranking position, unless he takes a ranking slot on Appropriations. Other departures include #3 David Skaggs (CO) and #5 Jane Harman, meaning Nancy Pelosi will rise two notches to 2<sup>nd</sup> ranking Democrat.

### **Small Business**

There are no California Republicans on the current Small Business Committee, though there will now be three vacancies – #6 Linda Smith (WA), #12 Vince Snowbarger (KS) and #13 Michael Pappas – all defeated on Tuesday for reelection or higher office.

One Democrat, #4 Glenn Poshard (IL), will leave the committee, thus allowing Juanita Millender-McDonald, currently ranking member on the Tax, Finance & Exports Subcommittee, to rise to the 6<sup>th</sup> ranking slot.

### **Standards of Official Conduct**

There were no changes for either party for the Standards of Official Conduct Committee. California has no Republicans on the Committee. California's Howard Berman remains ranking Democrat on the panel, and Zoe Lofgren remains at 5<sup>th</sup>.

### **Transportation and Infrastructure**

The Transportation panel will lose three Republicans, two of them Californians – 10<sup>th</sup> ranking (and Public Buildings/Economic Development chair) Jay Kim and 22<sup>nd</sup> ranked Frank Riggs will leave, as will #36 Jon Fox (PA). The sole California Republican, Steve Horn, would rise one notch to 10<sup>th</sup>.

Two Democrats are departing: 10<sup>th</sup> ranked Glenn Poshard (IL) lost a gubernatorial bid, while 28<sup>th</sup> ranked Jay Johnson (WI) was defeated. Three California Democrats would move up one notch: Bob Filner to 17<sup>th</sup>, Juanita Millender-McDonald to 21<sup>st</sup>, and Ellen Tauscher to 25<sup>th</sup>.

### **Veterans Affairs**

Two Republicans will leave the panel – #10 Dan Schaefer (CO) is retiring and #17 Bill Redmond – but California has no Republican members at present.

The departure of 2<sup>nd</sup> ranking Democrat Joseph Kennedy (MA) allows Californian Bob Filner, who is now ranking Democrat on the Benefits Subcommittee to move up to the 2<sup>nd</sup> slot.

### **Ways and Means**

Three Republicans will leave the Ways & Means Committee, including 6<sup>th</sup> ranking Jim Bunning (KY), formerly Chair of the Social Security Subcommittee who won a senate seat; 18<sup>th</sup> ranked John Ensign (NV), who lost a senate bid; and 20<sup>th</sup> ranked Jon Christensen (NB), who lost a gubernatorial primary. California's Bill Thomas, who chairs the Health Subcommittee, will remain at the 3<sup>rd</sup> ranking slot, while Wally Herger will rise one rung to 7<sup>th</sup>.

The sole Democrat departure from Ways & Means is 4<sup>th</sup> ranked Barbara Kennelly (CT), who lost a gubernatorial bid and relinquishes her ranking Democrat position on the Social Security Subcommittee. Among Californians, Pete Stark (ranking on the Health Subcommittee) will remain #2 and Bob Matsui (ranking on the Trade panel) will remain #3, while Xavier Becerra will move up one position to 14<sup>th</sup>.

### **CALIFORNIANS' SENIORITY TO RISE ON SENATE APPROPRIATIONS, RULES**

Retirements and electoral shifts will cause changes in U.S. Senate committee memberships for the 106<sup>th</sup> Congress, resulting in increased seniority for California's Senators on one key committee each.

Senator Barbara Boxer will move up one rung on the Appropriations Committee, to 12<sup>th</sup>, thanks to the retirement of 6<sup>th</sup> ranked Dale Bumpers (AR), who was ranking member on the Agriculture Subcommittee. In the 105<sup>th</sup> Congress, Boxer was ranking Democrat on the D.C. panel. Boxer would remain 5<sup>th</sup> on the Banking Housing and Urban Affairs Committee (where she is ranking on the Financial Services panel), 5<sup>th</sup> on the Budget Committee, and 7<sup>th</sup> on Environment and Public Works.

Senator Dianne Feinstein's rank will increase to 5<sup>th</sup> on the Rules & Administration committee, due to the retirement of full committee ranking minority member Wendell Ford (KY). Feinstein would

remain the 5<sup>th</sup> Democrat on Judiciary (where she is ranking on the Technology, Terrorism, and Government Information Subcommittee), and 7<sup>th</sup> on Foreign Relations (where she is ranking on the International Operations panel).

### **SAN DIEGO ON SHORT LIST FOR WTO MINISTERIAL MEETING**

San Diego is one of six cities that is being considered as the host of the World Trade Organization Ministerial meeting to be held at the end of 1999. The other cities in the running are: Dallas, Denver, Detroit, Honolulu, and Seattle. Factors in making the final decision are: conference and lodging facilities for about 4,000 delegates, transportation, recreation, and security.

Selection of San Diego as the host city would be a coup for California and would pump millions of dollars of revenue into the regional economy. In June of this year, Reps. Bill Thomas (Bakersfield) and Bob Matsui (Sacramento) were joined by 32 other members of the congressional delegation in urging President Clinton to select a city in California for the meeting.

### **USDA BEGINS HELP FOR FARMERS**

The USDA announced Tuesday that it will begin making \$2.8 billion in payments to farmers to help offset heavy losses resulting from low commodity prices. About \$100 million will go to California farmers. Payments will be issued only to farmers who were eligible under the 1996 Farm Bill for fiscal year 1998 final market transition payments. These new payments will be automatically paid to eligible farmers. (Farm Service Agency news releases for California are available at <http://www.fsa.usda.gov/edso/ca/ca/htm>.)

### **SOFTWARE ALLIANCE MEASURES GLOBAL IMPACT OF SOFTWARE INDUSTRY**

The Business Software Alliance (BSA) released a report late last month showing that the software industry continues to be one of the most rapidly growing sectors of the world economy. The report, *Contributions of the Packaged Software Industry to the Global Economy*, was conducted by PricewaterhouseCoopers Financial Advisory Services and Nathan Associates, Inc. It shows that software industry revenues outside the U.S. alone will reach \$116.9 billion by 2001. In the U.S., the industry will account for direct employment of over one million jobs by the year 2005, almost one-half of all jobs worldwide.

The report also found that about 40 percent of business software sold or used worldwide in 1997 was pirated, accounting for market losses of \$11.4 billion for business software alone. Reducing piracy to more reasonable levels, according to the report, could result in an additional 200,000 jobs in the U.S., and 800,000 worldwide. A significant portion of the software industry is headquartered in California, and typically pays its employees more than twice the average level of wages earned by others.

The report is available on BSA's website at <http://www.bsa.org>, or by calling 888-NO-PIRACY.

### **NCPA BRIEFS CALIFORNIA CONGRESSIONAL STAFF**

The Northern California Power Agency (NCPA) last week held a briefing for California Congressional staffers to discuss electricity deregulation and related legislation. Roger Fontes, Assistant General Manager of NCPA, addressed the group of approximately 30 staff for over an hour about this complex topic.

Mr. Fontes described California's induction into the era of deregulation since the 1996 passage of the California Electric Restructuring Act. He noted various differences between the economics of many commodities and that of electricity generation, transmission and distributions, including the fact that electricity must be provided real-time; stockpiling or waiting for better price points is a more difficult proposition than in other industries.. He expressed concerns regarding market concentration, the current number of market participants, and the accuracy of market analysis. He noted that Congress currently has nine major federal restructuring proposals before it. Mr. Fontes commented that NCPA hopes to remain strong in the "spinning reserve" market, and providing standby capacity as needed – areas also known as the ancillary services market.

For further information, see the NCPA website at <http://www.ncpa.com/> or call at 916/781-3636.

### **MANUFACTURING CENTERS TO CONTINUE RECEIVING FEDERAL FUNDS**

A provision of the Technology Administration Act enacted in October eliminated the sunset provision denying continued federal funding to California's Manufacturing Extension Partnership (MEP) Centers. Previously, the 1988 law authorizing the centers prohibited federal funding beyond the sixth year of operation. The centers currently receive \$14 million in federal funding annually.

The center help smaller manufacturers become more productive and competitive with hands-on assistance in areas such as quality improvement, workforce development, plant operations, and business management. The California Manufacturing Technology Center, (<http://www.cmtc.com/>) headquartered in Hawthorne, operates centers in Los Angeles, Anaheim, Burbank, Ontario, Ventura-Santa Barbara, Fresno, and Sacramento. The Corporation for Manufacturing Excellence (MANEX, 510/249-1485), headquartered in Fremont, operates centers in Oakland, San Mateo, San Jose and San Francisco.

### **HOUSING MARKET PROJECTIONS A MIXED BAG**

The California Association of Realtors (CAR) released its annual projections in mid-October at the Santa Clara Convention Center, predicting slower growth but a continuously strong housing market into 1999. While the state's median home price is expected to be \$205,140 this year, a 10% increase over 1997, the 1999 figure is expected to be \$213,350, a 4% increase over 1998. Sales of existing single-family homes in California are projected to rise by 10.7 percent by the end of 1998, and decline 8 percent in 1999 to 565,800. Fixed mortgage rates are expected to average 6.5 percent in 1999, slightly lower than the 1998 projection of 6.8. Adjustable mortgage interest rates are expected to remain unchanged, averaging 5.5 percent next year. CAR's housing affordability index shows California continuing to lag behind the nation with approximately only 38% of Californians able to buy, compared to 53% for the US as a whole. In the first half of 1998 the average number of weeks on the market before sale of a home was under four, and the median price discount was less than two percent. These represent the lowest figures in both categories since the late 1980s. A news release regarding the projections is available at <http://www.car.org/newsstand/news/october98-3.html>.