



**THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH**  
419 New Jersey Avenue, SE, Washington, D.C. 20003 202-546-3700  
Fax: 202-546-2390 E-mail: [ransdell@calinst.org](mailto:ransdell@calinst.org) Web: <http://www.calinst.org>

## California Capitol Hill Bulletin

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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. The e-mail edition is made possible in part by in kind donations from Sun Microsystems and Qualcomm, Inc.*

### **RADANOVICH/THOMPSON CIRCULATING DEAR COLLEAGUE ON INTERNET SALES OF WINE**

Reps. George Radanovich (Mariposa) and Mike Thompson (St. Helena) are circulating a Dear Colleague letter asking for signatures on a letter to the newly-established Electronic Commerce Tax Commission. The letter urges the Commission to address the interstate barriers to remote and Internet commerce in wine. The Commission was established after enactment last year of the Internet Tax Freedom Act, imposing a three-year moratorium on Internet taxes, pending the Commission's study of the issue.

According to the Dear Colleague, the lack of a uniform method of collecting state excise and use taxes on wine shipped interstate is a barrier to interstate wine sales. The letter to the Commission urges it to include in its study a national mechanism to collect state excise and use taxes on wine shipped to consumers in interstate commerce. A uniform, national mechanism would be a major step to overcoming states' objections to interstate wine shipments, thus, promoting sales and the full use of the Internet. Noting the significance of wine to California's economy, the letter states that California's 800 wineries produce over 90 percent of the nation's wine and host 10 million tourists annually.

Members wishing to sign the letter to the Commission should contact either John McCammom in Rep. Radanovich's office at x5-4540, or Tom LaFaille with Rep. Thompson at x5-3311. The deadline for signing the letter is February 5.

### **SUPREME COURT INVALIDATES CENSUS SAMPLING FOR REAPPORTIONMENT**

On Monday, the U.S. Supreme Court ruled that the Census Act of 1976 prohibits the use of statistical methods for apportioning Congressional seats among states. California will likely gain House seats in any case following the 2000 census count, though some predicted that sampling might have increased that number slightly. The 5-4 court ruling still has not ended debate over how legislative district lines may be drawn within states.

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Justice O'Connor's majority opinion, joined by Chief Justice Rehnquist and Justices Kennedy, Scalia and Thomas, interpreted that by passing the 1976 Census Act the Congress intended that sampled data should be used to allocate federal formula dollars. The opinion states, "the section now requires the Secretary to use statistical sampling in assembling the myriad demographic data that are collected in connection with the decennial census," though it "maintains its prohibition on the use of statistical sampling in calculating population for purposes of apportionment." The opinion later notes that Congress intended a "move to mandatory use of sampling in collecting non-apportionment information."

Census data are used to allocate federal dollars among states under a variety of formula grant programs in such areas as education, transportation, health and housing. Last fall and again this week, press reports quoted Census Subcommittee Chairman Dan Miller (Florida) as ruling out sampling for reapportionment and redistricting but leaving open the possibility of using updated data for federal formula funding allocations.

Absent a settlement on the census, funding for all programs under the Commerce-Justice-State appropriations bill will end on June 15, pursuant to the provisions of last year's omnibus spending bill.

To read the Supreme Court's majority, concurring, dissenting or other opinions on the web, in html or pdf format, go to <http://supct.law.cornell.edu/supct/html/98-404.ZS.html>.

### **ADMINISTRATION BUDGET TO PROPOSE AID RESTORATION FOR IMMIGRANTS**

The Budget that President Clinton will send to Congress on Monday, February 1 is expected to call for \$1.3 billion over five years to restore more benefits for U.S. legal immigrants. Since the 1996 Immigration Reform Act substantially cut immigrant financial assistance, the Administration has been slowly restoring some of those benefits.

The FY00 budget is expected to propose that immigrants in the U.S. by August 1996, the enactment date of the '96 reform law, who reach age 65 after that date will be eligible to receive food stamps. Second, those immigrants who entered the U.S. after 1996, but have been in the country at least five years, and become disabled after entering the country, will be eligible for Supplemental Security Income and Medicaid benefits. Third, the budget will propose that states be given the option of providing health coverage to legal immigrant children who entered after August of '96, rather than to just those who were already here by that date as is currently required. Finally, the states would also be given the option, under the proposed budget, of providing Medicaid benefits to pregnant, legal immigrant women who entered after August 1996.

In 1997, Congress restored SSI to disabled immigrants and Medicaid benefits to about 420,000 other legal immigrants who were in the country as of August 1996. Last year, under the Agriculture Research Act, legal immigrant children, senior citizens, and those with disabilities, who were in the U.S. as of August 1996, again became eligible for food stamps.

The California Institute will publish its review of the Administration budget on Monday evening.

### **SAN DIEGO LOSES WORLD TRADE ORGANIZATION MINISTERIAL TO SEATTLE**

Despite the strong efforts of the California Congressional Delegation and the City of San Diego, the U.S. Trade Representative announced this week that the 1999 World Trade Organization Ministerial Conference Meeting will be held in Seattle, Washington.

The Ministerial, which will take place November 30th through December 3rd, 1999, will be attended by representatives of 133-member countries of the WTO. The meeting will be chaired by U.S. Trade Representative Charlene Barshefsky and will launch global negotiations to further open markets in goods, services, and agricultural trade.

Initially, over 40 cities expressed interest in hosting the site. San Diego was one of six finalist cities to be considered. The California delegation sent a letter, originated by Reps. Bill Thomas (Bakersfield) and Bob Matsui (Sacramento), urging San Diego as the site. According to the USTR, among the factors considered in making the final decision were: capacity and ability to host, security arrangements, proximity of convention facility to hotels, proximity to an international airport, local transportation, logistics, and offers of assistance from the city, state, and private sector. Selection of San Diego would have been a boon for the city and for California; and, we know, the USTR will regret its decision when it rains all four days of the meeting!

### **INSTITUTE, POPULATION RESOURCE CENTER TO HOST IMMIGRATION BRIEFING**

The Population Resource Center, in cooperation with the California Institute, will host a congressional briefing on February 5 from 11:00 a.m. to 12:00 noon in Room 2203 Rayburn House Office Building. The briefing, entitled *U.S. Immigration Trends and Policy in the Era of NAFTA*, will be presented by Professor Douglas Massey, Ph.D., Chairman of the Sociology Department at the University of Pennsylvania.

The briefing will examine recent U. S. immigration policies -- from the Immigration and Control Act (IRCA) to NAFTA to 1996 legislation related to curtailing benefits to non-citizen immigrants -- and their effects on migration to the U.S. Dr. Massey will discuss his recent in-depth analysis of the forces driving Mexican migration to the U.S. and will offer steps for more realistic immigration policies that are beneficial to the U.S., Mexico and the North American economy.

According to the U.S. Census Bureau, the foreign-born population of the United States was an estimated 25.8 million persons in 1997, with as much as 40 percent of that number residing in California.

The briefing is open to congressional staff and the public. Those wishing to attend may RSVP to the PRC at 202-467-5030, or e-mail them at [prc@prcdc.org](mailto:prc@prcdc.org).

### **SENATE FINANCE HOLDS HEARING ON U.S. TRADE POLICY**

The Senate Finance Committee held three days of hearings this week on U.S. Trade Policy In The Era Of Globalization. On Monday, January 26, the Committee heard from a panel of Administration Cabinet officers: Robert Rubin, Secretary of the Treasury; William Daley, Secretary of Commerce; U. S. Trade Representative Charlene Barshefsky; and Deputy Secretary of the Treasury Lawrence Summers. Sen. Trent Lott (LA), Majority Leader of the Senate, also addressed the Committee on Monday.

In his opening remarks, Senator Lott told the Committee that fast-track trade negotiating authority would be a key priority for the Senate as it worked "aggressively" to find consensus on U. S. trade policy. He also mentioned that the Senate would address an enhanced Caribbean Basin Initiative (CBI) this year, and the Organization for Economic Development's (OECD) Shipbuilding Agreement.

In his testimony, Secretary Rubin warned that the U.S. must not pull away from the global economy and be seen as moving toward restricting markets, because of the resulting damage to our economy directly because of higher costs to consumers and producers and higher inflation and quite possibly higher interest rates. He also stated the Administration's desire to work with Congress to build "a consensus for trade negotiating authority that also reflects appropriate provisions with respect to labor and the environment, issues to which the WTO and the ILO have a great deal to contribute."

Secretary Daley apprised the Committee of Commerce's efforts to open foreign markets to U.S. exporters and enforce U.S. trade laws. He particularly mentioned its continuing efforts to open China to telecommunications equipment, which remains a limited market despite China's 1992 commitment not to engage in import substitution practices. He also said that the Department is putting particular emphasis on tracking compliance with international agreements so that other countries' markets remain open.

Ambassador Barshefsky reiterated the Administration's commitment to finding a consensus for trade negotiating authority that reflects the bipartisan support of business, workers, farmers, environmentalists and the government. She said the USTR will continue to work to remove trade barriers in other countries, and open markets and expand U.S. exports. She testified that the U.S. agenda for the WTO Ministerial Meeting in Seattle in late 1999 will include, at a minimum, negotiations on: agriculture; services, such as audiovisual, financial services, telecommunications, and travel and tourism; government procurement; intellectual property; and industrial tariff and non-tariff barriers.

On Tuesday and Wednesday, the Committee heard from Secretary of Labor Alexis Herman, and EPA Administrator Carol Browner, as well representatives of business, agriculture, labor and the environment. Secretary Herman testified that the Administration will work with the International Labor Organization to continue to build a consensus on international labor standards. Ms. Browner cited EPA's efforts to reduce environmental threats along U.S. borders, and the projects funded by Border Environmental Cooperation Commission (BECC) and the North American Development Bank (NADBank), which now number 15 with a combined worth of \$350 million.

Dean Kleckner, President of the American Farm Bureau Federation, testified that the AFB strongly urges the passage of fast-track before the WTO Ministerial in order to show the world the U.S. is committed to trade liberalization and open markets.

John Sweeney, President of the AFL-CIO, testified on the labor organizations continued support for including labor standards and environmental rights as integral parts of U.S. trade agreements to deal with those rogue countries that deny basic rights to their citizens.

Copies of the testimony can be obtained from the Finance Committee and will be available in the near future on its website at <http://www.senate.gov/finance>.

## **NATIONAL DISASTER DECLARED IN CITRUS FREEZE COUNTIES; ASSISTANCE FOR WORKERS ALSO SOUGHT**

Last week's *Bulletin* (*Bulletin*, Vol. 6, No.1 (1/21/99)) discussed the request the California Delegation made for federal emergency assistance due to the citrus freeze last December that caused an estimated \$650 million in losses. On Friday, January 22, Vice President Al Gore announced that Fresno, Kern, Kings, Madera, Monterey and Tulare counties will be declared disaster areas by the U.S. Department of Agriculture. This will make California growers, who lost more than 30% of their crops, eligible for emergency loans. Farmers in the following 12 other counties will also be eligible for emergency loans and other assistance programs: Inyo, Los Angeles, Mariposa, Merced, Mono, San Benito, San Bernardino, San Luis Obispo, Santa Barbara, Santa Cruz, Tuolumne and Ventura.

In addition, on Thursday, January 28, Governor Davis and Senators Feinstein and Boxer wrote to President Clinton urging him to make some FEMA programs immediately available for citrus industry workers left unemployed because of the freeze. The letter requests that workers affected by the freeze be eligible for FEMA's Disaster Unemployment Assistance, Disaster Housing Assistance, and the Individual and Family Grant Program. The letter estimates that 14,000 people are facing unemployment because of the freeze, representing \$112 million in lost earnings to citrus pickers and packers. As reported last week, another letter signed by a bipartisan majority of the California Congressional delegation requested immediate assistance under 1998 appropriations for the state's farmers.

## **SENATE EDUCATION COMMITTEE AGAIN MOVES ED-FLEX BILL**

On Wednesday, the Senate Health, Education, Labor and Pensions Committee marked up a bill to give states flexibility in spending federal education funds. Similar to a bill passed by the committee last

year, S.280 was approved 10-0 on Wednesday, though no Democrats were present. Amendments previously expected to be offered in committee by Democrats will likely be offered on the Senate floor.

The bill would expand the Education Flexibility Partnership Demonstration program from a 12-state pilot (which does not presently include California) to all 50 states. The program allows the Department of Education to waive certain federal requirements to help states improve education programs, though states still must comply with health, safety and civil rights rules, and school district accountability and progress assurances are required. Ed-Flex would apply to seven programs: the \$7 billion Title I program, Eisenhower (Title II-A) grants, Star Schools, Safe and Drug Free Schools, Innovative Education (Title VI), Immigrant Education, and Vocational and Technical Education.

### **STATE FAILS TO MEET US WELFARE-TO-WORK GOALS**

The 1996 federal welfare reform act imposed some tough recipient work requirements on the states. Adults in at least 25 percent of all welfare families must be working; in two-parent families, 75 percent of adults must work. States that fail to meet either work criteria are fined. California and all other states met the requirement for 25 percent of all welfare families to be working. But along with the District of Columbia and 16 other states, California failed to meet the requirement for two-parent families, in fact only 24 percent of adults in two-parent families were working in 1997. As a result, federal officials in December levied a \$7 million penalty on the state. The total could go as high as \$28 million if the state misses its target for this year.

California has more people on welfare, including more two-parent families on assistance, than any other state. The state faces particular difficulty compared with other states in that two-parent families make up nearly twenty percent of California's welfare caseload, a total of 142,911 such families. Michigan is the second highest ranking with ten percent of its caseload comprised of two-parent families, a total of 15,077.

California state officials do not expect to meet the requirements even in 1999, and intend to challenge the fines, arguing the state's welfare population is unique.

### **GORE ANNOUNCES CRIME VICTIM FUNDING IN CALIFORNIA**

During a two-day trip to California, Vice President Al Gore announced that the Clinton administration is granting \$305 million nationwide for crime victims. California will receive \$43.2 million of that, \$17.7 million to compensate victims for medical bills and other costs, as well as \$25.5 million to pay for assistance programs. This money comes from fines paid by federal criminals, largely corporations. This and other Office of Justice Programs news releases are available on the web at <http://www.prnewswire.com/micro/OJP>.

### **INS MOVES TO REDUCE CITIZENSHIP APPLICATION BACKLOG**

The Immigration and Naturalization Service has announced it plans to hire 300 more employees and create a national hotline to help prospective citizens. Currently, there is a backlog of two million people waiting to become citizens. The additional staff is intended to enable the INS to chip away at the backlog, and decrease the average waiting period from two years down to one. Of the new positions, 200 will be sent out to cities with the largest backlogs. Los Angeles, with 412,558 people waiting, will get 56 new positions. San Francisco will get 35 new positions. In addition, 100 new immigration information officers will be sent to the four regional centers where applications are received and processed, one of which is in California.