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California Capitol Hill Bulletin

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

HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE BACKS MEXICAN TRUCKING BILL

On May 2, 2007 the House Transportation and Infrastructure Committee considered H.R. 1773, which limits the authority of the Secretary of Transportation to allow Mexican trucking companies to operate within the U.S. Rep. Nick J. Rahall (WV) expressed his concern that the Administration’s decision to allow Mexican trucking companies into the US had not been open and had not provided adequate protections for the US public. He said that, at minimum, the administration should comply with the Section 350 law for pilot programs. Reps. John L. Mica (FL) and John J. Duncan (TN) both said that allowing the trucks in was necessary to comply with NAFTA but agreed the trucks should be carefully regulated and monitored. They both expressed support for a previous bill by Rep. Duncan Hunter (Alpine); Committee Chair James Oberstar (MN) said that many of its provisions had been incorporated into H.R. 1773. During the markup, Rep. Peter A. DeFazio (OR) proposed an amendment requiring the administration to monitor Mexican trucks entering the country and immediately shut down or modify the program if safety problems arise. It also requires a regulatory review and reports from the Inspector General before the program can move beyond the pilot version and adds a sunset clause to the program. The committee approved the bill, after adopting the DeFazio amendment, by a vote of 56 ayes to 0 nays.

HOUSE JUDICIARY COMMITTEE MARKS UP SPYWARE (I-SPY) ACT

On May 1, 2007, the House Committee on the Judiciary Subcommittee on Crime, Terrorism, and Homeland Security held a hearing and marked up H.R. 1525, the “Internet Spyware (I-SPY) Prevention Act of 2007.” The bill is aimed at creating penalties and federal crime for actions and programs

CONTENTS:

House Transportation and Infrastructure Committee Backs Mexican Trucking Bill.....	1
House Judiciary Committee Marks Up Spyware (I-SPY) Act	1
House Acts To Reauthorize Head Start Program.	2
Senate Energy Approves Biofuels and Energy Efficiency Measures.	2
Senate Energy Panel Examines San Joaquin Settlement	3
Judiciary Continues Immigration Examination.....	3
House Subcommittee on General Farm Commodities and Risk Management Holds Hearing on the Crop Insurance Industry.....	4
House Subcommittee Meets to Discuss Farm Bill Reauthorization.....	5
Schwarzenegger DC Rep Speaks at SCHIP Briefing. ...	5
Senate Subcommittee Discusses Advanced Technology Vehicles.....	6
House Committee on Foreign Affairs Discusses Relations with China.....	7
Senate Agriculture Committee Reviews Farm Bill Conservation Policies.	7
Legislation In The House And Senate To Ensure Hass Avocado Quality.	8
House Resources Hearing Oversees Energy Policy Act of 2005	8
Californians Critical of K-12 Education, According To PPIC Survey.....	9
California Leads Tech Industry	9
CBP Finds More Californians Working Later in Life..	10
May 4 PPIC Luncheon to Discuss Status of and Prospects for Out-of-School Immigrant Youth in California	10

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that infiltrate a computer system and collect personal information about the user, change security settings, or other malicious acts aimed at identity theft and other crimes. Thieves are using spyware to harvest personal information such as Social Security numbers and credit card numbers for use in a variety of criminal enterprises. Reps. Bob Goodlatte (VA) and Zoe Lofgren (San Jose) co-sponsored the bill. The bill targets “bad actors” as opposed to the technology itself or legitimate programs that can benefit consumers. Spyware is judged by the intent and purpose so that the law does not hinder growth and technological research in the area. The Subcommittee favorably approved the bill by voice vote without amendment.

The full Judiciary Committee followed suit on May 2, 2007, reporting H.R. 1525 to the full House without amendment by voice vote.

For more information visit: <http://judiciary.house.gov>

HOUSE ACTS TO REAUTHORIZE HEAD START PROGRAM

On May 2, 2007, the House approved by 365-48 a bill that would reauthorize the Head Start program. The bill (H.R. 1429) boosted authorized funding to \$7.4 billion for FY 08 and continues necessary funding through FY 2012. Head Start is an early childhood development program that expired in 2003, but has been extended by annual appropriations since then. On the floor, the House defeated the Fortuño amendment, 195-222, which would have allowed providers to hire employees based on religious preference.

Attention regarding Head Start reauthorization now moves to the Senate; the Senate Health Education Labor & Pensions (HELP) Committee has approved a bill, but it to date has not moved to the Senate floor.

For more information regarding floor action, visit: <http://www.house.gov>.

For a detailed discussion of how California fares under the Head Start formula program, see Federal Formula Grants: Head Start, a publication from a joint venture series between the California Institute and the Public Policy Institute of California (PPIC), available from PPIC at <http://www.ppic.org/main/publication.asp?i=469>.

SENATE ENERGY APPROVES BIOFUELS AND ENERGY EFFICIENCY MEASURES

On May 2, 2007, the Senate Energy and Natural Resources Committee approved 20-3 a bill that includes language from four measures addressing: biofuels (S. 987), energy efficiency (S. 1115) and carbon sequestration technologies (S. 962, S. 731). The Bill will mandate the use of 36 billion gallons of biofuels annually by 2022. The markup mostly debated coal-based transportation fuels as presented in an amendment offered by Senator Thomas of Wyoming. Thomas’ amendment was defeated 11-12 in a party-line vote. The Committee adopted an amendment by Senator Bingaman of New Mexico, 15-8, that would make industrial facilities, including coal-to-liquids facilities, eligible for a 50-50 cost-share program for greenhouse gas capture projects. The Committee also adopted another Bingaman amendment, 14-9, that would require new ethanol plants to demonstrate a 20 percent reduction in overall greenhouse gas emissions when compared to gasoline.

For more information, please visit: <http://energy.senate.gov>

SENATE ENERGY PANEL EXAMINES SAN JOAQUIN SETTLEMENT

On May, 3, 2007, the Senate Energy and Natural Resources Subcommittee on Water and Power held a hearing on S. 27, introduced by Sens. Dianne Feinstein and Barbara Boxer, and aimed at authorizing the San Joaquin River Restoration Settlement. The settlement was reached among the Friant Water Users Authority, environmentalists, farmers, and other third parties to ensure adequate water supply for all users, as well as restoring the spring run of salmon to the San Joaquin River.

Senators Feinstein and Boxer testified on S. 27; Feinstein is the primary sponsor and was actively involved in the negotiations on the settlement. In her testimony, she commented that after 18 years of litigation, all of the parties have now come together and reached an agreement satisfactory to all. The bill provides for up to \$650 million in federal authorizations for water projects, as well as \$250 million in state funding. At Sen. Feinstein's request, Friant compiled a 76 page list of potential water projects and both Senators committed to assisting in obtaining federal funds to implements necessary projects.

The Subcommittee also heard from: Mr. Mark Limbaugh - Assistant Secretary for Water and Science, U.S. Department of Interior; Mr. Daniel Dooley, Representing Friant Water Users Authority; Mr. Hamilton Candee, Natural Resources Defense Council; P. Joseph Grindstaff, California Bay-Delta Authority; Steve Chedester, San Joaquin River Exchange Contractors Water Authority; Kenneth Robbins, Representing Merced Irrigation District; Allen Ishida, Tulare County, CA, Board of Supervisors

Mr. Limbaugh expressed the Administration's support for the legislation and DOI's opinion that there is sufficient funding authorized to implement it successfully. Mr. Ishida was the only witness to raise concerns. He testified that although Tulare County does not want to impede implementation of settlement, it is very concerned about the possibility that its water supply will be reduced and other impacts on the county. He said that Tulare is looking for concrete language in the legislation that will guarantee that any water losses will be mitigated. In response to Mr. Ishida's concerns, Mr. Dooley allowed that everyone is concerned about water supply, but is committed to fully implementing the water management goal in the settlement, which Friant believes will mitigate any water losses.

For the testimony of all the witnesses, go to <http://www.energy.senate.gov>.

JUDICIARY CONTINUES IMMIGRATION EXAMINATION

The House Judiciary Subcommittee on Immigration, chaired by Rep. Zoe Lofgren (San Jose), held two more hearings on immigration issues on Tuesday, May 1, 2007, and Thursday, May 3, 2007.

The May 1st hearing focused on examining point systems as a method for selecting immigrants. The subcommittee heard from a number of witnesses, among them: Senator Jeff Sessions (AL); and Clare Feikert, Stephen Clarke, and Lisa White, all Foreign Law Specialists at the Law Library of Congress.

Feikert, Clarke, and White had prepared reports for Congress on the immigration systems used by the United Kingdom, Canada, and Australia, respectively. Ms. Feikert detailed the UK's immigration schemes in which individuals can enter the UK either through a system of work permits or through a point-based system for highly skilled migrants to enter the country and seek work." She noted that while the UK previously had a highly restrictive immigration policy, it is has now implemented a policy of managed migration that focuses on the economic needs of the country, encouraging the entry of skilled or unskilled workers depending on where there are job shortages. Additionally, she said, the UK plans over the next five years to overhaul its current immigration schemes for workers and students and to phase in an entirely points based system.

Mr. Clarke reported that "the major difference between the immigration policies of Canada and the United States is that Canada accepts a significantly higher percentage of skilled workers and a significantly lower percentage of family class immigrants. Skilled workers are assessed through the use of a points system. Family reunification is limited by restricting the class to apply mostly to spouses, conjugal partners, dependent children, and parents."

Australia, according to Ms. White, uses a points system for some its skilled migration visas. It is not utilized, however, for family reunion or humanitarian visas nor for employer sponsored visas. An applicant is awarded points in specified categories, such as qualifications, age; work experience, whether or not his or her occupation is in demand; and English language skills. Points may also be awarded for a qualified spouse, Australian qualifications, capital investment, other language skills, and Australian work experience.

On May 3, the Subcommittee's focus was on the U.S. economy, U.S. workers, and immigration reform. The witnesses included: Rep. Steve King (IA); Leon R. Sequeira, Assistant Secretary for Policy U.S. Department of Labor; Patricia Buckley Ph.D., Senior Economic Advisor to the Secretary, U.S. Department of Commerce; and Peter R. Orszag Ph.D., Director, Congressional Budget Office

Asst. Sec. Sequeira presented the Administration's case for a temporary worker program. He testified that there are three reasons why immigrants are important to the U.S. economy: first, the U.S. workforce is aging; second, continued immigration will allow the U.S. to maintain a higher ratio of workers to retirees than other major economies such as China, Japan and Germany; and third, immigrants contribute significantly to innovation and entrepreneurship in the U.S. economy.

Mr. Orszag testified on three aspects: the growth, characteristics, and earnings of the foreign-born workforce; the impact of foreign-born workers on the labor market; and implications for the future as the baby boomers exit the labor force. He noted that the foreign-born labor market is an increasingly significant part of the U.S. workforce, and stated that "the arrival of large numbers of immigrants with little education probably slows the growth of the wages of native-born high school dropouts, at least initially, but the ultimate impact on wages is likely to be modest."

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

HOUSE SUBCOMMITTEE ON GENERAL FARM COMMODITIES AND RISK MANAGEMENT HOLDS HEARING ON THE CROP INSURANCE INDUSTRY

On May 1, 2007, the Subcommittee on General Farm Commodities and Risk Management of the House Committee on Agriculture held a hearing, chaired by Representative Bob Etheridge (NC), to review the state of the crop insurance industry. The first panel consisted of Dr. Keith Collins, Chief Economist for the United States Department of Agriculture and chair of the Federal Crop Insurance Corporation's (FCIC) Board of Directors, and Mr. Eldon Gould, Administrator of Risk Management Agency (RMA), also for the USDA. Dr. Collins summarized the general trends in the crop insurance industry and then explained that the FCIC and RMA had made or were in the process of making several improvements to the crop insurance system, including reimbursing companies for research and development, processing a backlog of pilot programs, improving livestock coverage, improving or finding an alternative to the Premium Reduction Plan (PRP), adjusting rating systems to better reflect individual risks, and addressing the effect of declining yields on obtaining insurance coverage. Mr. Gould said that the RMA was working on the PRP, preparing a manager's bulletin on dealing with conflict of interest, and merging overlapping policies, but needed more funding to update its IT system. Finally, he summarized the content of the farm bill proposal, which would include increasing gap coverage, requiring beneficiaries of federal subsidies to obtain crop insurance, requiring the Standard Reinsurance Agreement (SRA) to be renegotiated every three years, increasing funding of crop insurance compliance efforts by \$10 million, increasing net book quota shares from 5 to 22 percent, dropping A&O by 2 percentage points on all but CAT insurance policies, reducing the expected loss ratio to 1.0, and providing insurance companies with direct access to RMA data.

On the second panel were Mr. Robert Parkerson, President of National Crop Insurance Services; Mr. Steve Harms, Chairman of the American Association of Crop Insurers; Ms. Kathy Fowler, President of the National Association of Crop Insurance Agents; and Mr. Steven C. Rutledge, on behalf of The Crop Insurance Research Bureau. The panelists expressed their concern that the increase in net book quota shares and decrease in A&O would drive companies out of crop insurance and prevent insurance companies from building the stockpiles they need to promptly pay the victims of region-wide crop loss, like the Californian

farmers who lost crops this year to early season freeze damage. Mr. Harms added that crop insurance companies must accept all farmers who request insurance and cannot incorporate their administrative expenses into their premium, making them particularly dependent on government support. Mr. Parkerson praised the plan to reduce the loss ratio and to give private companies access to RMA data mining results and Ms. Fowler praised the improvements in livestock coverage. Mr. Parkerson criticized the low RMA IT funding, Mr. Harms criticized the introduction of gap coverage, Ms. Fowler criticized the PRP, and Ms. Fowler and Mr. Rutledge agreed that any permanent disaster relief programs should be handled within the current system. Overall, the second panel agreed that the current crop insurance program did an effective job of meeting its goals and expressed concern that the proposed changes would only make existing problems worse.

For more information please visit: <http://agriculture.house.gov>

HOUSE SUBCOMMITTEE MEETS TO DISCUSS FARM BILL REAUTHORIZATION

On April 26, 2007, the House Committee on Agriculture Subcommittee on General Farm Commodities and Risk Management held a public hearing entitled "Review of proposals to amend the program crop provisions of the Farm Security and Rural Investment Act of 2002." The discussion was held to address crop provisions, international competitiveness of American agriculture, and profitability. The hearing featured testimony from the American Cotton Shippers Association, the National Grain and Feed Association, Corn Refiners Association, American Farm Bureau Federation and the National Farmers Union. The witnesses discussed various programs and ideas that were successful and helpful towards farmers and the economy in the 2002 Farm Bill and offered suggestions to improve upon the law for the 2007 reauthorization.

The following are a few key points from the hearing:

- Since the repeal of the Step 2 Program in August 2006, U.S. cotton is no longer competitive in the world market, which accounts for 75% of total U.S. cotton demand

- The American Cotton Shippers Association recommends allowing the market, not the CCC, to establish premiums, permitting producers and holders of loan options to ship loan cotton prior to redemption, and determining the price support loan rate on a percentage of a five-year Olympic average price

- The National Grain and Feed Association recommends developing programs to take advantage of market potential and minimize further trade disruption brought about by litigation under the WTO

- Biofuels are growing quickly and Congress needs to craft policies that foster production to meet this demand without sacrificing other markets, including livestock, poultry, feed and grain export markets

- Some recommend adjusting the Conservation Reserve Program to provide opportunities for U.S. agricultural growth while continuing to protect the environment

- Grain producers urge Congress to find mechanisms for distributing that money in ways that do not distort their planting decisions and that allows the market to determine what crops are planted

For more information, please visit: www.agriculture.house.gov

SCHWARZENEGGER DC REP SPEAKS AT SCHIP BRIEFING

On May 1, 2007, Georgetown University Center for Children and Families, PICO National Network, and new England Alliance for Children's Health co-sponsored a briefing entitled "Children's Health Coverage: States Moving Forward and Implications for SCHIP Reauthorization." The briefing discussed the findings of the recent report "States Moving Forward on Child Health: Strong SCHIP Reauthorization Critical" published by the Georgetown Center for Children and Families. The report confirms that state governments are taking strong steps to strengthen and expand children's health coverage, but emphasizes that quick supportive action by Congress is critical to the success of these efforts.

The State Children's Health Insurance Program (SCHIP) is a federal program of grants to states intended to provide health insurance to uninsured children in low-income families. In California, SCHIP funds are the main support for Healthy Families programs. Currently, California's SCHIP programs cover children up to 250% of the Federal Poverty line. However, in his recent budget proposal Governor Schwarzenegger wants to expand coverage to children up to 300% of the Federal Poverty line. Dave Lucas, Deputy Director of the Washington Office of Gov. Schwarzenegger, addressed the specific needs of California SCHIP programs, emphasizing the need for State flexibility and federal funds.

Some of the main points discussed at the briefing included:

- California spent \$1.1 billion last year on Children's health insurance programs, yet only received \$800 million in federal funds
- Another \$4-5 billion will be needed to cover the California children currently enrolled in the program
- 2/3rds of the California children in the healthy families program are minorities - 50% are Hispanic
- Once enrolled in the healthy families programs, service gaps between minorities and white children are eliminated
- 29 states and the District of Columbia have or are considering legislation aimed at covering more children through Medicaid and SCHIP
- The vast majority of these state initiatives included plans to make it easier for low-income uninsured children already eligible for SCHIP or Medicaid to enroll in and keep coverage

For more information, please visit: <http://www.ccfgeorgetown.org> .

SENATE SUBCOMMITTEE DISCUSSES ADVANCED TECHNOLOGY VEHICLES

On May 1, 2007, the Senate Committee on Finance Subcommittee on Energy, Natural Resources, and Infrastructure held a hearing entitled "Advanced Technology Vehicles: The Road Ahead." The hearing addressed energy policy and transportation issues over the next 15 to 20 years. Seventy percent of the oil U.S. currently used in the U.S. is for transportation purposes. Tax credits exist to encourage the research and construction of more fuel efficient vehicles, however, oil use for transportation persists. The Committee heard testimony from representatives of DaimlerChrysler Corporation, A123Systems, Tesla Motors, Shell Hydrogen and the University of Michigan Transportation Research Institute. Tesla motors, based in San Carlos, California, produces zero emission 100% electric vehicles.

Some of the main points discussed in the hearing included:

- Vehicles powered by today's advanced, clean diesel engines are vastly superior to the preceding generation of diesel-powered vehicles and the ability of diesels to use biofuels further enhances their ability to reduce petroleum consumption and greenhouse gas emissions
- Until 2006, taxpayers who purchased electric cars could claim up to a \$4,000 tax credit through the Qualified Electric Vehicle Credit on IRS form 8834; in 2006, this deduction was reduced to \$1,000, and now is gone
- Under the Jobs and Growth Act of 2003, Congress raised the deduction ceiling for heavy-class vehicles (those over 3 tons) to \$100,000, bumped the "bonus deduction" to 50 percent, and continued the accelerated five-year depreciation schedule. This made virtually all three-ton, so-called business-use SUVs fully deductible in the first year
- Tesla's first model is the electric Tesla Roadster which accelerates 0 to 60 in 4 seconds, is 135 mpg equivalent per the conversion rate used by the EPA, has more than a 200 mile driving range, and is fully DOT-compliant for crash safety.
- Electric vehicles diversify fuel (since electricity can be made from many sources), are zero-emission, and offer the same features and amenities as a regular car
- After Congress set fuel economy standards for vehicles in 1975, our dependence on oil imports decreased very quickly from 46 percent in 1977 to 27 percent in 1985
- Even today, CAFÉ standards continue to save nearly 3 million barrels of oil per day, according to the National Academies of Sciences

For more information, please visit: <http://finance.senate.gov> .

HOUSE COMMITTEE ON FOREIGN AFFAIRS DISCUSSES RELATIONS WITH CHINA

On May1, 2007, the House Committee on Foreign Affairs held a hearing entitled “The Future of Political, Economic and Security Relations with China.” China’s GDP has tripled in the last 10 years and will soon overtake Germany as the 3rd economic power in the world. China’s population has also grown drastically from 400 million people in 1949 to 1.3 billion people today. China maintains a weapons trade with Iran, supports Burma, and is a weapons supplier to the Sudan, despite the genocide in Darfur. China’s growth has spurred expanding energy needs and China engages in trade for oil. China is the United States’ second largest trading partner and China’s growth will also cause it to soon overtake the United States as the largest CO2 emitter.

The Committee heard testimony from John D. Negroponte, Deputy Secretary of State of the U.S. Department of State.

Some of the main points discussed at the hearing included:

- Human rights violations, military build up and government control within the People’s Republic of China
- Energy interests and oil trade with China and other nations
- Sustaining economic growth in China while ensuring security and protecting the environment
- Combating terrorism and trans-national crime while stemming the proliferation of nuclear weapons and dangerous technology

For more information, please visit: <http://foreignaffairs.house.gov>

SENATE AGRICULTURE COMMITTEE REVIEWS FARM BILL CONSERVATION POLICIES

On May1, 2007, the Senate Committee on Agriculture, Nutrition and Forestry held a hearing to discuss the conservation policy recommendations for the Farm Bill. The committee heard testimony from two panels; the first consisted of two east coast Senators and a Midwestern Governor and the second panel consisted of representatives from the National Farmers Union, the Sustainable Agriculture Coalition, the National Association of Conservation, the National Wildlife Foundation, and the National Association of State Foresters. The hearing focused on reforming existing conservation programs under the Conservation Title of the 2002 Farm Bill, up for reauthorization this year.

The following are a few of the recommendations offered to the Committee:

- Double the funding for the Environmental Quality Incentives Program (EQIP) and other working lands programs, and reserve a percentage of the funds for states that demonstrate a high level of performance with these programs and remove the acreage criteria from allocation formulas for financial assistance
- Expand funding for Conservation Innovation Grants to \$100 million nationwide
- Provide \$300 million annually for the Farm and Ranchland Protection Program, with block grants to states with well-established conservation easement programs
- Expand the national acreage cap to 40 million acres and expand the Conservation Reserve Enhancement Program (CREP)
- Consolidate and streamline programs to ease program delivery, making them easier for producers to understand and apply for, and easier for field staff to administer
- Reauthorize the Soil and Water Resource Conservation Act of 1977, which requires USDA to periodically conduct comprehensive appraisals of soils, waters, and related resources within the scope of programs administered by the Department
- Reauthorize the Wetlands Reserve Program and raise its annual enrollment level from 250,000 to 300,000 acres
- Identify the overall objectives in Forestry Title, including targets for national and state implementation and then allow each state to develop its own implementation plan to accomplish those specific targets

For more information, please visit: www.agriculture.senate.gov

LEGISLATION IN THE HOUSE AND SENATE TO ENSURE HASS AVOCADO QUALITY

Reps. Lois Capps (Santa Barbara) and Darrell Issa (Vista) and Sen. Barbara Boxer have introduced bills in the House and Senate to ensure that imported avocados are held to the same standards of quality as California-grown Hass avocados. California produces the vast majority of Hass avocados for U.S. consumption. They are inspected by the California Department of Food and Agriculture to ensure compliance with minimum maturity and size and weight requirements set forth in State regulation. Currently, this quality standard is not applicable to imported avocados. As a result, immature imported avocados are being sold to consumers in the United States. The Hass Avocado Quality Assurance Act seeks to address this inequity by mandating minimum maturity standards for all Hass avocado imports.

HOUSE RESOURCES HEARING OVERSEES ENERGY POLICY ACT OF 2005

On April 17, 2007 the Energy and Mineral Resources Subcommittee of the House Natural Resources Committee, chaired by Rep. Jim Costa (Fresno), held a hearing on the Energy Policy Act of 2005. The witnesses on the first panel were Dr. Abraham Haspel, Assistant Deputy Secretary of the Department of the Interior, and Ms. Ann Morgan, former State Director of the Bureau of Land Management for Colorado and current Vice President for Public Lands at The Wilderness Society. Dr. Haspel reported that the Bureau of Land Management had completed nearly 80% of its appointed tasks, some of them ahead of schedule, and outlined his agency's efforts, which included a section 365 pilot project to improve permit coordination, the introduction of best-management practices, the development of new techniques designed to mitigate the impact of oil-drilling, and the development of an oil-shale program. Ms. Morgan disagreed with Dr. Haspel's positive assessment of the BLM, saying that recent BLM policy had focused almost exclusively on the development of public lands for energy use to the detriment of its other uses and to the detriment of BLM's own monitoring requirements. She noted that, despite the fact that 80% of acreage is already open for drilling and that oil companies already hold three times as much land as they drill, the BLM had recently approved 118,000 new wells in Colorado, Utah, Wyoming, Montana, and New Mexico that would open up over a million acres to drilling and other disturbances. She recommended that Congress eliminate the pilot project program, eliminate categorical exclusion on reviews, repeal sections 390 and 366 of the EPact, require reclamation bonds to cover the cost of damage from drilling, and limit BLM's ability to issue leases in some areas.

On the second panel were Senator Curtis Bramble, Majority Leader of the Utah State Senate; Mr. Jim Bartis, Senior Policy Researcher for the RAND Corporation; Ms. Kathleen Kelley, a former State Senator in Colorado; Mr. Oscar Simpson, Public Lands Community Organizer for the National Wildlife Federation; and Mr. Paul Cicio, President of Industrial Energy Consumers of America. Senator Bramble said that the BLM's oil-shale program had huge potential to provide the US with oil and reduce our dependence on other countries. He added that it would be difficult to develop oil-shale without government assistance, that it is impossible to conserve enough to avoid needing the oil, and that improved technologies mean that oil-shale extraction will have less impact on the environment than it has had in the past. Mr. Bartis agreed that oil-shale offered major economic and political benefits but said oil companies were still years away from developing the technology necessary to use it and that the adverse impact of oil-shale extraction and processing on the environment and residents could prevent it from being fully exploited. Ms. Kelley described her own experience with a badly managed oil-drilling operation in her former district that quickly went out of business and expressed her concern that the BLM was rushing to lease land without proper research and without ensuring that oil companies had the technology to use the land effectively. Mr. Simpson described BLM's practices under EPact as "nothing short of an assault on our western culture and way of life" and urged Congress to enforce best-management practices, make state wildlife agencies' guidelines minimum standards, prevent BLM from waiving permit stipulations, protect fish, wildlife and

water areas, and prevent BLM from diverting biologists from monitoring activities to assist with drilling permits. Finally, Mr. Cicio encouraged the US to increase natural gas drilling since it would lower prices, create new jobs, help the US avoid foreign price gouging or funding hostile countries, and decrease greenhouse gas emissions.

For more information please visit: <http://resourcescommittee.house.gov/> .

CALIFORNIANS CRITICAL OF K-12 EDUCATION, ACCORDING TO PPIC SURVEY

A recent survey by the Public Policy Institute of California found that, although fewer Californians than in the past believe that education is the biggest problem facing the state, they are still highly critical of the Californian school system. While only 9% of Californians surveyed reported that K-12 education was the most important issue facing the state, 80% said it is a problem and 57% said it is in need of major changes. Most residents are critical of the way the government is handling education, with only 36% approving of the Governor's handling and only 29% approving of the legislature's handling. Californians preferred that decisions about education be made by teachers (34%) and local school districts (31%) and, overall, had positive opinions of their local schools, with 61% of public school parents giving their neighborhood schools an A or B grade.

Californians' criticism of the state government may stem from a belief that education funds are not being used effectively. Only 47% of respondents were willing to increase property taxes to fund local schools but 75% said that they would do so if the funds were used efficiently. Most respondents (79%) were willing to spend more money on schools in low-income areas, with 76% supporting additional training for teachers in low-income areas and 72% supporting hiring more counselors and social workers to increase graduation rates in low-income areas. Blacks were much more likely than other ethnic groups to say that low-income areas should receive a larger share of resources (blacks 86%, Latinos 79%, whites 75%, Asians 56%) and more likely to be concerned about teacher shortages (blacks 75%, Latinos 61%, whites 49%, Asians 46%) and High School Exit Exam failure rates (blacks 64%, Latinos 53%, Asians 39%, whites 37%) in low-income areas. Latinos were the most likely to think that college preparation should be the school system's primary goal (Latinos 56%, blacks 34%, Asians 28%, whites 20%) but also more likely to think K-12 vocational education is very important (Latinos 74%, blacks 65%, whites 64%, Asians 61%). Overall, 32% of respondents said the school system's primary goal should be preparing students for college, followed by preparing students for work (16%) and teaching students life skills (16%). 11% said the primary problem with California's school system is teacher quality, followed by overcrowding (10%) and not teaching the basics (9%).

For more information on the survey, visit www.ppic.org .

CALIFORNIA LEADS TECH INDUSTRY

California is the leader in the fast-growing US tech sector, according to a new report by AeA, a major technology trading association. The data show that California added 14,400 tech jobs and employed 919,300 tech workers last year -- more than double Texas and more than triple New York, the states with the second and third largest tech sectors. California's tech workers had an average income of \$95,300, nearly \$20,000 more than the national average for tech workers and 109 percent above the state's average private sector wage. California also has an overwhelming lead in venture capital investment, receiving 48 percent of all venture capital in the country last year.

However, the report indicates that California's tech sector is not growing as quickly as Florida's and the US tech industry as a whole faces a lack of educated workers. All but 2.5 percent of computer scientists and 1.9 percent of electrical engineers are employed, and the next generation lacks the skill to replace them, with 40 percent of US 12th graders failing basic math tests and 50 percent failing basic science tests. Tech executives are urging Congress to hire more math and science teachers for poor schools and to make it easier for them to hire skilled foreign workers under the H-1B visa system.

For more information, please visit: <http://www.aeanet.org> .

CBP FINDS MORE CALIFORNIANS WORKING LATER IN LIFE

On April 2, 2007, the California Budget Project released the April volume of *Policy Points* entitled "More Californians Are Working Later in Life." The report, authored by Alissa Anderson Garcia, presents data suggesting that more Californians approaching traditional retirement age - 65 and older - continue to work, pointing to improved health, longer life expectancy, and diminished retirement security as likely causes of the demographic shift. The study was conducted between 1995 and 2006 and showed a 7.4 percent increase of Californians age 55 to 69 who continued to work instead of retiring. According to the report, more than three in five Californians age 55 to 64 (61.6 percent) were employed in 2006, up from 58.6 percent in 2000 and 54.2 percent in 1995. The rising employment rate of these workers is a recent trend: between 1979 and 1995 the employment rate of older Californians stayed relatively constant. According to the study, the need for money was the most frequently cited reason for working among those in their late 50s and early 60s and the recent trends coincide with the shift from "defined benefit" to "defined contribution" pension plans, also cited as decreasing workers' retirement security.

A few key facts from the report include:

- In 2006, 26.5 % of people age 65 to 69 were employed, up from 19.6% in 1995. Between 2000 and 2006 alone, the share of Californians in their late 60s who were employed rose by 4.4%
- The employment rate of women age 55 to 69 has steadily increased, while that of similarly-aged men declined and then rebounded
- Improved health and longer life expectancy enable workers to remain in the workforce later in life
- Both financial and non-financial factors motivate people age 55 to 70 to work; however, the need for money is the most frequently cited reason for working among those in their late 50s and early 60s
- In the early 2000s, workers approaching retirement age were increasingly likely to say they could not afford to retire
- The shift from "defined benefit" to "defined contribution" pension plans has diminished workers' retirement security

For more information, please visit: www.cbp.org .

MAY 4 PPIC LUNCHEON TO DISCUSS STATUS OF AND PROSPECTS FOR OUT-OF-SCHOOL IMMIGRANT YOUTH IN CALIFORNIA

On Friday, May 4, 2007, the Public Policy Institute of California (PPIC) and the California Institute for Federal Policy Research will host a PPIC Luncheon Briefing with Laura E. Hill, author of the new PPIC report "*Out of School Immigrant Youth*." The report deals with a vulnerable subset of California's population: immigrant youth, mainly from Mexico, who have very low levels of education. They have high poverty rates, low rates of health insurance, and poor English skills and are unprepared to meet California's future need for educated workers. Many are interested in education but must work to support their families. The report examines how the federal Migrant Education Program (MEP) can help them.

The lunch will be held at 12:00 noon in Room 2226 of the Rayburn House Office Building in Washington, D.C. Individuals wishing to attend should reply with acceptances only by phone to 202-974-6384 or by sending email to randsell@calinst.org . The event is expected to be widely-attended, and both PPIC and the California Institute are nonprofit organizations that do not hire lobbyists, thereby meeting 2007 Congressional gift ban requirements. A flyer regarding the briefing is available at <http://www.calinst.org/events/2007-05-04-PPIC.pdf> .