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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.*

#### CONGRESS SENDS SEVEN-YEAR INTERNET TAX MORATORIUM TO PRESIDENT’S DESK

By a vote of 402-0, the House, on October 30, 2007, accepted the Senate version of an Internet tax moratorium extension (H.R. 3678) sending it to the President just before the October 31<sup>st</sup> expiration of the current moratorium. Unlike the initial four-year House extension, the final bill extends the moratorium on Internet access taxes to seven years, closer to the permanent ban desired by many members of Congress. The Senate also added language to clarify that the moratorium covers such services as paid e-mail, instant messaging and electronic storage, which might not have been covered under the House-passed bill. H.R. 3678 also requires that those states claiming the grandfather exemption granted at the 1998 start of the moratorium must be currently collecting Internet access taxes in order to remain grandfathered.

#### HOUSE PASSES TRADE ADJUSTMENT ASSISTANCE REAUTHORIZATION BILL

On Wednesday, October 31, 2007, the House, by a vote of 264-157, passed HR 3920 to reauthorize the Trade Adjustment Assistance (TAA) program. The TAA program assists workers displaced by the impact of global trade liberalization by providing wage and health insurance assistance and job retraining.

H.R. 3920 reauthorizes the program through 2012. It also expands it to include workers in service industries and makes eligible entire industries adversely affected by globalization, rather than just individual workers and companies as the current program is structured. Another provision increases the health care tax credit to cover 85 percent of insurance premiums rather than the current 65 percent. The bill also makes changes to the unemployment compensation program.

During floor consideration, the House defeated a Republican substitute by a vote of 196-226. The substitute would have increased efforts to assist displaced workers to find jobs faster and authorized a maximum of \$8,000 per worker in retraining funds. It also would have expanded a pilot program that pays workers the difference between their eliminated job’s salary and the salary they receive at a new job.

President Bush has indicated that he opposes the expansion of the program and will veto the bill.

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## WAYS & MEANS FULL COMMITTEE APPROVES PERU FREE TRADE AGREEMENT

By a vote of 39-0, the House Ways and Means Committee on October 31, 2007, approved the implementing language for the US-Peru free trade agreement (FTA), H.R. 3688. The agreement is the first one considered by Congress subsequent to the bipartisan deal worked out between Congress and the White House. Of primary importance, the text of the FTA includes core standards for labor and the environment. It also includes an agreement on logging, which Committee Chair Charles Rangel (NY) called "historic," and provisions to provide greater access to life-saving medicines. Under fast-track trade negotiating rules, the Committee, during a mock markup on September 25<sup>th</sup>, approved draft implementing language without recommending any changes. The Senate Finance Committee also approved an identical bill (S. 2113) to the House bill on October 4<sup>th</sup>.

The President submitted the FTA to Congress on September 27<sup>th</sup>, and under fast track rules, Congress has 90 days to take an up or down vote on the agreement. House leaders have indicated that floor action may be delayed until consideration of the Trade Adjustment Assistance Act reauthorization has been completed. *(See related article in this Bulletin.)*

For more information on the text of the Peru FTA, go to:  
<http://www.waysandmeans.house.gov> .

## HOUSE'S TAXING PANEL APPROVES 1-YEAR AMT PATCH

On Thursday, November 1, 2007, the House Ways & Means Committee agreed, on a 22-13 party-line vote, to "patch" the Alternative Minimum Tax (AMT) for one year.

With a price tag of \$80 billion, HR 3996 would halt for one year the growth in coverage of the AMT, which -- despite having been initially devised to ensure only that the very wealthy cannot skirt they payment of income taxes -- has been affecting more and more middle-income taxpayers.

California is and away the state whose taxpayers have been most affected by the AMT. Of the nation's AMT-paying payers, 18.6 percent are from California (despite the fact that only 11.5% of the nation's returns come from the state). Even more strikingly, 22.3 percent of AMT tax dollars are paid by California taxpayers. The California Institute has posted on its website a table showing state-by-state AMT comparisons for 2003-2005, at <http://www.calinst.org/datapages/AMTbyState-2003-05.htm> . A pdf version is available at <http://www.calinst.org/datapages/AMT-2005-2004.pdf>.

An important question at the markup, and the reason for the partisan divide on the issue, was whether to require offsetting spending cuts or tax or revenue increases in order to pay for the AMT fix. Those issues are likely to become even more acute as the legislation moves to the Senate.

For additional information, see <http://www.waysandmeans.house.gov> .

## ED & LABOR CONDUCTS HEARING ON RISING COSTS OF COLLEGE EDUCATION

On November 1, 2007, the House Education and Labor Committee addressed the rising cost of a college education. The hearing, entitled “Barriers to Equal Education Opportunities: Addressing the Rising Costs of Higher Education,” sought to address the fact that the national average cost for tuition at a public university has increased some 31%, after inflation, over the last 5 years.

Committee Chairman George Miller (Martinez) sees this increase as unacceptable. In his opening statement, he stated that as a result of this increase “each year as many as 200,000 would-be students choose to delay or forego a college education because they simply can’t afford it. These trends aren’t just troubling for students and families, but also for our country’s future.”

The primary testimony was given by Ms. Jane Wellman, Executive Director of the Delta Cost Project, and Mr. King Alexander, President of California State University at Long Beach.

Ms. Wellman testified that “our nation spends almost twice as much per student in postsecondary education as other countries, yet we are behind in graduation rates, and falling further behind as other countries are increasing educational attainment and success.” She testified that the increase in cost of tuition is not necessarily correlated with an increase in per-pupil spending, but rather a significant portion of that money is used for research. She further acknowledged that state funding is a significant factor in rising tuition, as there is cost shifting between the budgetary allocations for education and the cost of tuition directly to students. Furthermore, she noted that increases in Federal Financial Aid are not correlated to an increase in the cost of tuition.

Mr. Alexander testified that the California State University System serves 450,000 students, 40% of whom are federal Pell grant eligible. CSU manages to keep its cost of tuition at roughly \$3,400 per year, or about half of the national average, despite recent fee increases based on California’s budget problems. He stressed the importance of accountability and transparency in universities concerning how their funding is spent and what share is borne by students. He stated that a way to control costs at the state level is to use the “leverage of the federal government to make sure that states cannot remove themselves from the responsibility” of keeping education costs low. He made several policy recommendations at the behest of the Committee including offering rewards for high-tax effort by the state to keep the cost of education low. Additionally, he advocated for cost-allowances, or financially rewarding institutions that serve the lowest income Pell Grant students.

For more information visit <http://edlabor.house.gov/hearings/fc110107.shtml> .

## **SELECT COMMITTEE LOOKS AT RELATIONSHIP BETWEEN GLOBAL CLIMATE CHANGE AND WILDFIRE ACTIVITY**

Following the devastating fires in Southern California, the Select Committee on Energy Independence and Global Warming on Thursday, November 1, 2007, held a hearing to examine scientific links between a changing climate and the frequency and intensity of wildfires.

Witnesses included U.S. Forest Service Chief Abigail Kimbell, University of Montana Professor Steven Running, Wilderness Society Vice President Michael Francis, and firefighter and Huxley College professor Michael Medler.

Panel Chairman Ed Markey (MA) opened the hearing by stating that global warming did not directly cause the recent devastating wildfires in southern California. However, he stated, there is growing evidence that the impact of human activity on the global climate is contributing to long-term trends that encourage these kinds of events. Markey noted that last year the Forest Service spent a record \$2.5 billion fighting wildfires that burned a record 9.9 million acres compared to the ten-year average of 6 million acres. This year 8.7 million acres have burned thus far. He stated, “The current fires burning in California are expected to cause over \$1 billion in property damage alone and have already burned an

area the size of Rhode Island. Mounting scientific evidence indicates that the growth in wildfires is linked to global warming and that this trend is likely to intensify in the coming decades.”

Committee member Rep. Hilda Solis (El Monte) noted that a recent California delegation meeting addressed what could be done to better manage our forests and ensure public safety. She criticized the Bush Administration, which she said has cut back by 18 percent the funds to help the state prepare management plans for fire suppression and prevention.

Fellow committee member Rep. Jerry McNerney (Pleasanton) commented that the Western United States will continue to experience wildfires in the future and it is important to work toward solutions that best deal with their increasing frequency and intensity.

U.S. Forest Service Chief Kimbell commented that global warming is a factor contributing to wildfires but that “we need more information before we can conclusively determine the relationship” between fires and warming. She cited statistics showing a sharp increase in major fires (those over 1,000 acres) in the recent past.

Rep. Candice Miller (MI) asked to what extent the California wildfires were worsened by increased housing density and the resultingly greater proliferation of homeowner-supported vegetation that would normally have died off or been killed by other means. She focused her questioning on whether it is wise for people to be moving into heavily forested areas that may be at high risk for fires. Rep. Miller was quite blunt that the basis for her questions amounted to something of a counterattack. In her district and surrounding Great Lakes area, she said, some have complained that people should not move *back* into flood plains after major floods. She wanted to emphasize that there are risks to various residential choices throughout the nation.

Chief Kimbell responded that there are certainly risks, and that some area’s risks are greater than others’. However, she said, “We are talking about a U.S. population of about 300 million people, and perhaps up to 400 million by the middle of the century,” and it makes sense to look at the nation’s vast forest lands when considering how to house our growing population. She added that more remote lifestyles are becoming more and more feasible as telecommuting becomes more accepted and wireless service expands to wider reaches. She referred to the Forest Service’s recent report, entitled “American Forests on the Edge,” available at <http://www.fs.fed.us/projects/fote/> .

During the hearing a Forest Service staffer was called up to provide additional information. According to research estimates, she said, the greenhouse gas emissions that have resulted from the California wildfires amount to 3 to 5 percent of the typical emissions for the U.S. in an entire year.

In response to another question regarding the impact of global warming on forest health, Chief Kimbell noted that there needs to be further study of temperature changes on pests that kill trees and thereby increase fuel supplies for fires. She said that they are tracking movement of birds that prey on damaging insects, that some insects have begun to have two breeding periods during a year instead of one, and that there have been other temperature-related changes affecting viruses, fungi, and even other insects that may prey on damaging insects. For example, she said that it has now been determined that the pine beetle is in greater numbers and in more areas thanks to the effects of global climate change. Other contributing factors, including increased drought, changes in snowmelt patterns, changes in precipitation, and simply higher temperatures, exacerbate fire danger in forests.

For further information and witness testimony, visit the select committee website at <http://globalwarming.house.gov/> .

## **SENATE EPW SUBCOMMITTEE MOVES FIRST CLIMATE CHANGE LEGISLATION**

On Thursday, November 1, 2007, a subcommittee of the Senate Environment and Public Works Committee marked up and approved, by a 4-3 margin, a bill designed to address the consequences of

global climate change. Dubbed “America's Climate Security Act of 2007,” the bill (S.2191) was jointly sponsored by Sen. Joseph Lieberman (CT) and John Warner (VA).

With Sen. Warner in the hospital and unable to attend the markup, Sen. John Barrasso (WY) attended the markup in Warner’s place. However, Sen. Barrasso is not a cosponsor of the bill, and he commented that he had “serious concerns” about the bill. In particular he commented that the bill would “put at risk the people of Wyoming,” and he opposed measures that would raise the price of energy. Barrasso offered an array of amendments that would have lessened the proposed constraints on the coal industry, which is very important in the Wyoming economy. Ultimately, the bill was reported from the subcommittee on the narrowest of margins, 4-3, with the absent Sen. Warner voting aye by proxy. Sen. Bernie Sanders (VT), a liberal independent who typically sides with Democrats, voted against the bill because in his opinion it did not go far enough.

Senator Barbara Boxer, Chair of the full committee, called the markup “a landmark moment.” She stated, “With passage of the Lieberman-Warner bill through the Senate Environment and Public Works Subcommittee we are finally on our way toward preventing the ravages of unfettered global warming.”

Ranking Member James Inhofe (OK) expressed concern about the legislative process, moving a bill from introduction to markup in a matter of weeks, and he urged more cautious movement. He vowed to remain focused on the high cost of the legislation -- which he estimated at ten times that of the tax increase of 1993 -- as the process moves ahead.

Chairwoman Boxer indicated that the bill will be scheduled for a full committee markup during the following week.

For additional information, including an archived webcast of the markup and a copy of the draft legislation, visit <http://epw.senate.gov/public/index.cfm?FuseAction=Hearings.Home> .

## **JUDICIARY SUBCOMMITTEE ASSESSES GENE PATENTS**

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property held a hearing on October 30, 2007 on "Stifling or Stimulating - The Role of Gene Patents in Research and Genetic Testing." The Subcommittee, chaired by Rep. Howard Berman (North Hollywood) received testimony from: Lawrence M. Sung, J.D., Ph.D., Law School Professor and Intellectual Property Law Program Director, University of Maryland, School of Law; E. Jonathan Soderstrom, J.D., Ph.D., Managing Director, Office of Cooperative Research, Yale University; Dr. Marc M. Grodman, Chair of the Board and Chief Executive Officer, Bio-Reference Laboratories; and Jeffrey P. Kushan, Partner, Sidley Austin, LLP, on behalf of Biotechnology Industry Organization (BIO). By way of background, the U. S. patent system recognizes the patentability of genes where the patent application distinguishes between the invention and the form of the genomic DNA found naturally.

Dr. Sung’s testimony focused on the nature of gene patents and considerations in balancing the interests of commercial exclusivity with public access to genetic technology. First, he warned, that because the term, “gene patent,” is often applied to very different things, the jurisprudence surrounding the technology is uncertain and generalizations remain problematic in the field. Sung also noted that the uncertainty is compounded because the U.S. patent system allows applicants to define their inventions in their own words; therefore, what one person defines as a “gene” may be quite different from another person’s definition. Dr. Sung then discussed several potential mechanisms that could be adapted to help achieve a balance between private and public interests. However, he cautioned that there is the potential for unintended consequences which might impact various technologies and industries and urged that any legislative changes be approached carefully.

Mr. Kushan testified that: “BIO does not believe issues exist that justify legislation to modify the patent system with regard to nucleic acid inventions. Like any other industry, commercial conflicts can arise regarding use of patented technology. The presence of occasional patent conflicts, or the need to resolve them (including through litigation), does not signal a need for legislative reform. Rather, it is a

signal that there is a healthy degree of competition in this sector. And, the benefits delivered by the R&D investments of biotechnology companies far outweighs the incidental costs of resolving these patent disputes.”

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

## **SCIENCE SUBCOMMITTEE ASSESSES ENVIRONMENTAL AND SAFETY IMPACT OF NANOTECHNOLOGY DEVELOPMENT**

The House Science and Technology Subcommittee on Research and Science Education held a hearing on October 31, 2007 entitled: *Research on Environmental and Safety Impacts of Nanotechnology: Current Status of Planning and Implementation under the National Nanotechnology Initiative*. The Subcommittee received testimony from a number of witnesses, including: Dr. Clayton Teague, Director of the National Nanotechnology Coordination Office

(NNCO), which supports the efforts of the multi-agency National Nanotechnology Initiative (NNI); Mr. Floyd Kvamme, Co-Chair of the President’s Council of Advisors on Science and Technology (PCAST); Dr. Richard Denison, Senior Scientist, Environmental Defense; and Mr. Paul D. Ziegler, Chairman of the Nanotechnology Panel, American Chemistry Council, and Global Director, PPG Industries, Inc.

Dr. Teague discussed NNI’s approach to prioritizing and addressing the environmental, health, and safety (EHS) research related to nanotechnology, consisting of four major elements: 1) Successful multi-agency coordination; 2) Comprehensive planning and guidance for agencies, industry, and academia on EHS research needs; 3) Leveraging forefront science through collaboration by supporting EHS research and leveraging its investment through collaborations among multidisciplinary research groups, with industry, and with other governments worldwide; and 4) Periodic reviews of the state of EHS research to determine new developments or discoveries that would require changes in emphases or directions of research.

Dr. Denison testified that although Environmental Defense believes nanotechnology offers environmental and health benefits, that objective must be balanced with the need to implement a robust process to identify and address the potential risks of engineered nanomaterials; and, he argued, the approach of the federal government’s current National Nanotechnology Initiative (NNI) “is well out of balance.” Arguing that NNI has focused more on talking about EHS research needs than implementing those needs, Denison presented four criteria that should be used to prioritize the research needs identified by NNI: “Research that will develop the enabling infrastructure; Information that will facilitate “look back” studies; Selection of materials that focuses on key concerns related to toxicity and biological response; and Selection of relevant materials and methods.

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

## **HOUSE HOMELAND SUBCOMMITTEE HOLDS HEARING ON THE IMPLEMENTATION OF THE SAFE PORT ACT**

On Tuesday, October 29, 2007, the House Border, Maritime Security and Counterterrorism Subcommittee held an oversight hearing addressing the status of the implementation of the “SAFE [Security and Accountability For Every] Port Act.” Chairwoman Loretta Sanchez (Anaheim), in her opening remarks, noted the importance of the issue because once implemented the SAFE Port Act will “improve the safety of all American ports.” She further emphasized that her concern for this issue arises from the effect the Act will have on the nation’s two largest ports, Los Angeles and Long Beach, which are located in close proximity to her district. Rep. Dan Lungren (Folsom) reiterated the importance of the issue because of the positive impact that the ports of Long Beach and Los Angeles have on the country. He also said that he believes that Americans “are safer as a result of the actions of this Congress,” referring to the passage and enactment of the SAFE Port Act.

The chairwoman and committee members sought updates on the implementation of key initiatives including, but not limited to, delays with the Transportation Workers Identification Card (TWIC) credential and Customs-Trade Partnership Against Terrorism (C-TPAT) third party validation. The primary testimony in this hearing was given by Maurine Fanguy, Program Director of the Transportation Workers Identification Credential Program for the Transportation Security Administration (TSA); Thomas Winkowski, Assistant Commissioner, Office of Field Commissioner, Customs and Border Protection (CBP); and Stephen L. Caldwell, Director, Homeland Security and Justice Issues, Government Accountability Office (GAO).

Ms. Fanguy testified that in the last six months the TWIC program had completed testing and made significant progress by reducing the price of TWIC cards; publishing specifications for the TWIC card readers; and identifying the participants for the TWIC card reader pilot program, which includes the Port of Long Beach. She said that 17 new TWIC enrollment sites have been identified bringing the total number to 147. By mid-November the program should begin enrollment in the Port of Oakland. She recognized, however, that the TWIC program was behind schedule, but that they are following the process laid out by the legislation. Mr. Winkowski testified that the “C-TPAT program should fulfill its operational goal for both the 2007 and 2008 calendar years.”

Mr. Caldwell said that the GAO made several recommendations to the Department of Homeland Security (DHS) in order to facilitate more effective use of resources in implementing the SAFE Port Act. He testified that the Department made progress in the area of effectively creating inter-agency operation centers. Inter-agency operation centers are used to combine agencies to prevent and deter terrorism at U.S. sea ports while better utilizing resources. In regard to the C-TPAT third-party validator program, Mr. Caldwell testified that it is too early to tell whether the program will prove necessary or successful. To date, only nine importers have voluntarily signed up for the program and CBP has not been able to do any validations. One reason for this delay is that China is the first location where it is attempting to implement this program due to the large amount of goods imported from the region, and DHS is still waiting for the Chinese government to allow CBP validators to do the cargo checks.

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

## **HOUSE HOMELAND SECURITY CONTINUES TWIC INVESTIGATION**

On Wednesday, October 31, 2007, the House Homeland Security Committee continued its examination of the implementation of the SAFE Port Act by addressing the implementation of the Transportation Worker’s Identification Credential (TWIC) program. The hearing, entitled “Homeland Security Failures: TWIC Examined,” sought to expose the specific initiatives of the TWIC program that failed to be completed on time.

The Committee was concerned with when the actual roll out of the TWIC program would take place, miscalculations of the number of people that would need a TWIC card, and a smooth integration of the program at all sites to avoid any interruption in commerce when it is implemented.

Congresswomen Jane Harman (Venice) and Loretta Sanchez (Venice) took particular issue with the program because of the many constituents they have working at the ports of Long Beach and Los Angeles, and the impact those ports have on their respective districts. Sanchez expressed concerns about the potential of counterfeiting the cards without the implementation of the card reader system intended to be implemented with the cards. She also worried about the burden placed on longshoremen and truck drivers who would be working among a number of locations that may or may not be TWIC enrollment sites.

Congresswoman Harman, who co-authored the SAFE Port Act, said that the federal government “absolutely has to get TWIC right.” She is concerned about the potential of a terrorist attack devastating the Port of Los Angeles, which lays in her district, and the impact it would have on the nation’s commerce.

The principal testimony was given by Mr. Kip Hawley, Administrator, Transportation Security Administration (TSA); Mr. Brian Salerno, Director, Inspection and Compliance, U.S. Coast Guard; and Ms. Cathy Berrick of the Government Accountability Office (GAO).

Mr. Hawley acknowledged that the rollout was behind schedule, but reaffirmed that TSA was following the legislative requirements. Specifically, the legislation required that a pilot program be conducted to test the effectiveness of TWIC card readers before the system was adopted on a wider scale. Currently, TSA has identified the participants in the TWIC cardreader pilot, which include the Ports of Long Beach and Los Angeles. He said that once this requirement is met, it will take about two years to issue the final rule. In regards to the timeliness of the rollout, he stated that TSA has a quarterly rollout schedule, but still did not have exact dates. He cautioned that a quick rollout of the program was not advisable as they want to ensure that the process is done right. Mr. Hawley also testified that though there were mis-estimates of the number of people requiring a TWIC card, he does not foresee capacity as an issue in the long run.

Mr. Salerno also testified that progress was being made in the program. He seconded most of Mr. Hawley's statements, but also added that a recent success was publishing the standards for the TWIC cardreaders. This information was given to manufacturers who are charged with creating or adapting the necessary technology to read the cards. Additionally, to address Congresswoman Sanchez' concerns, Mr. Salerno assured the Committee that even without readers for the card, there are built-in physical tamper proof features, such as special inks, holograms, etc., that would prevent counterfeiting.

Ms. Berrick also testified that, despite delays, TSA has made progress in implementing the program. TSA has taken actions to address the legislative requirements to implement and test the program, as well as address GAO's recommendations related to conducting additional system testing, strengthening contractor oversight, and improving coordination among stakeholders. Despite these gains, however, significant challenges remain to reaching full implementation.

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

## **SMALL BUSINESS LOOKS AT IMPACT OF FREE TRADE AGREEMENTS**

The House Small Business Committee held a hearing on November 1, 2007 entitled: "Evaluating the Impact of Pending Free Trade Agreements Upon U.S. Small Businesses." The Committee heard from a number of witnesses, including: Hon. John Veroneau, Deputy United States Trade Representative; Mr. Paul Johnson, President and COO, DPT Laboratories, San Antonio, Texas, on behalf of AdvaMed; Mr. Cass Johnson, President, National Council of Textile Organizations; and Ms. June Ling, Associate Executive Director, Codes & Standards, American Society of Mechanical Engineers.

In his testimony, Amb. Veroneau described USTR's bilateral and regional Free Trade Agreement (FTA) agenda and the broad benefits it believes this agenda has for U.S. small business. He then discussed specifically the four free trade agreements, Peru, Columbia, Panama, and South Korea, that are currently on the Administration's agenda. In support of the benefits of trade to small business, Veroneau noted that the number of small and medium enterprises (SMEs) that exported merchandise more than doubled from 1992 to 2005, increasing from 108,026 in 1992 to 232,612 in 2005, and that eighty-nine percent of U.S. exporters to Central America in 2005 were small- or medium-sized companies.

Mr. Johnson, however, argued that U.S. trade policy is headed in the wrong direction. Nothing that the House was voting this week on the Trade Adjustment Assistance reauthorization (see related article in this Bulletin), he also said that "after visiting many textile plants across this country and talking with textile employees about their hopes for the future, I can say with confidence that workers in the U.S. textile industry would prefer Congress advocate policies that help preserve their jobs rather than compensate them for lower paying jobs they must take once their jobs are gone." He set out nine items that his organization believes the government should take action on to improve U.S. trade policy, including: pass strong currency legislation; extend or replace the current China textile safeguard; create a comprehensive

subsidy database; increase enforcement efforts at USTR and the Department of Commerce; and increase and reform customs enforcement efforts targeting China;

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

## **ENVIRONMENTAL AND ENERGY STUDIES INSTITUTE BRIEFING ON BIOENERGY FUTURE & PRODUCTION OPPORTUNITIES**

On Wednesday, October 31, 2007, the Environmental and Energy Studies Institute (EESI) conducted a Congressional staff briefing on the future of bioenergy. The briefing, entitled “Opportunities for Bioenergy Production In Every State,” highlighted the potential for state’s to better use a resource that was previously considered waste material. Available biofuels can be harvested from sustainable, environmentally friendly processes.

Bioenergy sources include varying types of vegetation, such as trees, switch grass and sugarcane, and animal and poultry manure. Bioenergy can also be produced from post-disaster debris such as wood from homes demolished in a hurricane or tornado. According to EESI, assessments have determined that it would be possible to sustainably harvest at least 350 million dry tons of forest biomass, logging debris and secondary wood residues per year. For example, during forest restoration and fire hazard mitigation, contractors are often asked to thin forests. The materials trimmed from the forest are often not put to use, but could easily be used as a source of bioenergy.

Though the use of bioenergy has proven effective in some areas, the impediment to using bioenergy on a wider scale stems from engineering inefficiencies, lack of infrastructure, and lack of incentives for biomass use and production. Currently, the nation has well over 100 million tons of unused biomass that could be used to create bioenergy.

EESI believes that with bioenergy included in a smart energy portfolio, states and the federal government can reach the “20 by 10” standard, or 20% of energy production coming from sustainable resources by 2010.

According to EESI, Southern California offers one of the highest availabilities of potential biofuels in the nation.

For more information visit <http://www.eesi.org> .

## **WIRES GROUP HOLDS BRIEFING ON TRANSMISSIONS COST ALLOCATIONS**

On Friday, October 26, 2007, WIRES, a transmission infrastructure trade group, held a Congressional staff briefing entitled “A National Perspective On Allocation Costs of New Transmission Investments.” The cost allocation referenced is at the center of a debate about who pays for new transmission facilities and upgrades.

The panel discussed several factors contributing to the answer of this question, such as who will be the main beneficiary of the upgrade and who is the upgrade meant to benefit. The potential payers are public utilities, consumers, and Regional Transmission Organizations.

The panel attempted to articulate a set of principles to simplify current practice. The briefing gave an objective set of principles about how the costs should be allocated in different situations. They sought to distinguish between reliability and economic upgrades, and waded through the potential beneficiaries of either in a given situation.

For more information visit [www.ksg.harvard.edu/hepg](http://www.ksg.harvard.edu/hepg) .