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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.

HOMELAND SECURITY: SENATE JUDICIARY HOLDS OVERSIGHT HEARING ON DHS

On Wednesday, April 2, 2008, the Senate Judiciary Committee held a hearing entitled "Oversight of the Department of Homeland Security." There was only one witness, Michael Chertoff, Secretary, United States Department of Homeland Security. Many issues were discussed, including border security, the construction of a U.S./Mexico border fence, and the reform of some visa programs. The Department was established five years ago March 1st.

The Department has so far completed approximately half of a U.S./Mexico border fence, which they expect will be complete by the end of the calendar year. The fence is intended to prevent the entry of illegal immigrants, drugs, and vehicles. To aid in accomplishing this task, the department has also expanded the border patrol and surveillance technologies. Operation Streamline has been successful in preventing border crossings in historically high-traffic areas by detaining and prosecuting offenders rather than immediately returning them across the border. The department also plans to begin utilizing radio frequency identification (RFID) which will further reduce wait times at border crossing points.

Committee Chairman Patrick Leahy (VT), expressed concern that despite the fee increase, processing times for naturalizing citizens are still slow and that due to the backlog approximately 500,000 who were approved in time might not be able to vote in the 2008 presidential election, as should be their right. Secretary Chertoff also responded to questions about the reform of HIV visas, agreeing that the program has been abused but also assuring that committee that they have addressed the issue by restructuring the lottery system whereby employers apply.

Sen. Dianne Feinstein asked about the visa waiver program, stating that it represents a security threat. Chertoff replied that they are monitoring countries to be sure they remain below the allowed overstay rate.

CONTENTS:

Homeland Security: Senate Judiciary Holds Oversight Hearing on DHS.....	1
Climate: Senate Environment and Public Works Committee Holds Hearing on Reducing Greenhouse Gas Emissions at Colleges and Universities.....	2
Space: Science and Technology Holds Hearing On NASA Exploration Plans.....	3
Public Opinion: PPIC Luncheon Highlights Californians' Mood on Government, Economy, Politics, and Leaders.....	3
Education: House Education and Labor Committee Discusses Continued Availability of Federal Student Loan Funding.....	4
Intellectual Property: House Judiciary Subcommittee Marks Up Copyright Protection Law.....	5
Energy: House Passes Renewable Energy Tax Act.....	5
Education: House Education Addresses Improving School Nutrition Programs.....	5
Energy: Senate Special Committee Hears Testimony on Renewable Energy and Green Jobs.....	6
Energy: House Energy Subcommittee Examines Cap-and-Trade.....	7
Immigration: California Institute and PPIC Hold Luncheon on Relationship Between Immigrants and Crime.....	8
Trade: Senate Finance Examines Administration's 2008 Trade Agenda.....	8
Elderly: Senate Committee on Aging addresses Hunger Among the Elderly.....	9
Employment: Senate Labor Committee Addresses Unemployment.....	10
Technology: Census Data Illuminates Business Technology Spending.....	10
Education: Excelencia Briefing on Boosting Latino Educational Success.....	11

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For more information on this hearing, please visit:
<http://judiciary.senate.gov> .

**CLIMATE: SENATE ENVIRONMENT AND PUBLIC WORKS
COMMITTEE HOLDS HEARING ON REDUCING GREENHOUSE
GAS EMISSIONS AT COLLEGES AND UNIVERSITIES**

On Thursday April 3, 2008, the Senate Committee on the Environment and Public Works, chaired by Sen. Barbara Boxer (CA), held a hearing entitled "Examining Strategies to Reduce Greenhouse Gas Emissions at U.S. Colleges and Universities." The hearing highlighted the efforts of public and private universities across the country in helping to create a sustainable future. As a home of research and developing technologies, universities are uniquely poised to make a difference in reducing U.S. carbon emissions and encouraging the development and implementation of solar, wind, biomass, and nuclear technologies. Supporters say that students will carry the knowledge they have gained on campus to business and other settings as they become influential leaders.

At the hearing, witnesses included: University of California Berkeley Chancellor Robert Birgeneau, Yale University President Richard C. Levin, and University of Minnesota (Morris) Chancellor Jacqueline Johnson. Participating Senators included Sens. Barbara Boxer, Larry Craig (ID), Bernie Sanders (VT) and Sheldon Whitehouse (RI) were all present.

UC Berkeley Chancellor Robert Birgeneau discussed the various initiatives on campus to promote sustainability. Many of these are student-led with university support, such as the recent development of green rooms -- dorm rooms that are converted for greater energy efficiency. This is accomplished through a series of integrated steps, such as computer controls and lights that turn off automatically. Each step is small, said Chancellor Birgeneau, but they collectively sum to make a significant impact. This project has led to a large scale research effort on how to design homes to be energy neutral.

Berkeley has also benefitted from ground breaking public-private partnerships, such as the Energy Biosciences Institute, a collaboration with the Lawrence Berkeley National Laboratory, the University of Illinois at Urbana-Champaign, and British Petroleum. The Institute is funded by a \$500 million, 10-year grant from BP explore biofuels beyond corn and ethanol.

U.C. Berkeley has also pledged to reduce greenhouse gas emissions on campus to 1990 levels by 2014, six years ahead of the state requirement. Their efforts have included large-scale lighting retrofits, on sight renewable energy production, and related environmental efforts such as water conservation and minimizing waste. Students have voted in favor of a \$5 student fee to fund sustainability efforts on campus, and the university has recently created a new position -- a Director of Sustainability -- to coordinate the implementation of these efforts.

Jacqueline Johnson discussed the successful efforts to use alternative energy sources to power the University of Minnesota, Morris. This rural campus will have no carbon footprint by 2010. A wind turbine currently powers 6% of campus buildings and has been in operation since 2005, the first of its kind for a university. The University plans to add a second wind turbine in 2009 and a steam turbine in 2008 to produce energy when there is not

enough wind and to create redundancy. These efforts have been funded largely by the university, the state of Minnesota, and the U.S. Departments of Energy and Agriculture. Senator Sanders noted that he would be interested in pursuing strategies to help purchase wind turbines, as they are cost-effective in the long run but require a large up-front investment that many schools find difficult to afford.

Richard Levin noted that "Much of the work on climate science that has led to the detection and understanding of climate change was done within our walls, and we have been at the forefront of modeling the economic, social, and environmental impact of rising global temperatures and sea levels". He added that universities must advance understanding of climate change, discerning its effects on both the economy and the environment as well as understanding the consequences of taking corrective action. Yale is dedicated to promoting sustainable energy, serving as an example and proving that it can be cost effective. Yale University has several small wind turbines as well as hybrid buses which run off of used cooking oil from the cafeteria fryers. Levin also pushed for a cap on trade that would cause the price of carbon to more closely reflect its scarcity and environmental cost.

Senator Larry Craig complained that not enough time was available to prepare for the hearing and that he would have liked the University of Idaho to be represented in the panel. Chairwoman Boxer agreed to schedule a second hearing so that more views could be heard.

For more information on this hearing, visit: <http://epw.senate.gov/> .

SPACE: SCIENCE AND TECHNOLOGY HOLDS HEARING ON NASA EXPLORATION PLANS

On Thursday, April 3, 2008, the House Committee on Science and Technology held an oversight hearing of the National Aeronautics and Space Administration (NASA) focusing on the agency's Exploration initiative, a broad and sustained program of human and robotic exploration of the solar system

In his opening statement, Chairman Mark Udall commented, "NASA's core missions in aeronautics and science -- and especially Earth science and climate research -- are highly relevant to addressing the nation's needs and must be better supported than they have been." For an agency whose budget has not always kept pace with inflation, it is imperative that the money available is spent as effectively as possible. The chairman also expressed a desire not for a re-run of the space race, but for "a new, internationally cooperative approach to exploration that will be of long-term benefit to citizens."

Richard J. Gilbrech, Associate Administrator, Exploration Systems Mission Directorate, NASA, stressed the importance of sustained purpose, direction and budget stability as NASA transitions away from key elements of the Space Shuttle to the Constellation program.

Cristina T. Chaplain, Director, Acquisition and Sourcing Management, Government Accountability Office, spoke about the next major investments --the Ares I and Orion projects. She noted that due to their complexity, scope, and interdependence, they are risky endeavors, and that the desire to minimize the gap in manned space flight adds to that risk, as it could limit NASA's ability to study emerging problems and pursue solutions. Congress must remain well-informed, she said, and the upcoming preliminary design review milestone represents a critical juncture where hard decisions must be made concerning whether and how the programs should proceed forward.

For more information on this hearing, please visit: <http://democrats.science.house.gov/>

PUBLIC OPINION: PPIC LUNCHEON HIGHLIGHTS CALIFORNIANS' MOOD ON GOVERNMENT, ECONOMY, POLITICS, AND LEADERS

On Tuesday, April 1, 2008, the California Institute and the Public Policy Institute of California held a Capitol Hill luncheon briefing to discuss new survey data on Californians' attitudes toward their government and the economy. Mark Baldassare, PPIC President, CEO, and survey director, discussed the Institute's latest Statewide Survey, entitled *Californians and Their Government*. The survey examines Californians' opinions of the economy, spending cuts as a solution to fiscal crises, preferences in the presidential election, and attitudes toward immigrants, immigration policy, the situation in Iraq, and California's state and federal officials. Californians are becoming increasingly concerned about the economy and California's precarious

fiscal condition. Seventy-five percent of California residents expect the state to experience bad economic times during the next twelve months, and issues that used to be of central concern, such as healthcare, have given way to worries over the economic outlook. Accordingly, approval ratings for most elected officials have dropped, though voters appear to be more satisfied with Senators Boxer and Feinstein than with Congress as a whole. Californians also projected a deep level of distrust in both the state and federal government- among other measures, a majority felt that their tax dollars are wasted.

Californians agree that major steps are needed in the state's budget process and that the nation should bring the troops home as soon as possible. Nearly half of likely voters say they prefer to deal with the budget gap through a mix of spending cuts and tax increases. If the 2008 presidential election were held today, likely voters say they prefer Barack Obama over John McCain (49% to 40%), while a race between Hillary Clinton and McCain would be closer (46% to 43%). Voters are split on the issue of rent control, which would be limited if Prop. 98 passes, with 53% in favor and 39% against.

PPIC has a busy schedule for its Statewide Survey in 2008, with reports expected in April (Californians and Education), May (Californians and Their Government), June (Californians and Information Technology), and July (Californians and the Environment).

For more information on the PPIC Statewide Survey, please visit: <http://www.ppic.org>.

EDUCATION: HOUSE EDUCATION AND LABOR COMMITTEE DISCUSSES CONTINUED AVAILABILITY OF FEDERAL STUDENT LOAN FUNDING

On Friday March 14, 2008, the House Education and Labor Committee, chaired by Rep. George Miller (Martinez), held a hearing entitled "Ensuring the Availability of Federal Student Loans." Chairman Miller opened the hearing by discussing the need for ensuring continued availability of loans in spite of the recent liquidity crisis. Ranking Minority Member Buck McKeon (Santa Clarita) added that their bipartisan goal is to avoid a situation similar to the current crisis in the mortgage industry by intervening before students are affected. Cuts to the federal loan program are compounding the recent problems.

Margaret Spellings, U.S. Secretary of Education, assured the committee that, "The department is working with the lending community... including the many stakeholders involved in federal aid... to assess any potential impact on students." She noted that broad stress across the credit markets and the economy as a whole have caused a small number of Federal Family Education Loan Program (FFEL) lenders to either reduce their participation or stop originating new loans; however, other lenders have stepped in to meet needs. The Department has undertaken extensive outreach to monitor the situation and it appears that currently all eligible students have been able to secure a federal loan. Earlier this week, the Consumer Bankers Association reaffirmed that banks plan to continue making both guaranteed and private loans.

Paul W. Wozniak, Managing Director and Group Manager, UBS Securities LLC, warned: "The burden on this marketplace is significant and real and is unlikely to correct itself to avoid having an impact on access to loans." UBS Securities coordinates all education loans related to finance activities in the Fixed Income department, including asset-backed finance and municipal securities. He discussed conditions in the capital market, methods for refinancing, and the issues involved in the recent failure of the auction rate securities market.

Terry Muilenburg, Senior Vice President, USA Funds, Washington D.C., spoke about the work of USA funds, which works to improve financial literacy and counsels borrowers on their repayment options to prevent defaults. USA Funds' is able to "successfully resolve more than nine out of ten past-due accounts, and as a result, last year we prevented \$16.7 billion in potential loan defaults." Ms. Muilenburg suggested that eligibility for lender of last resort loans (LLR) be school-based, rather than borrower-based, with students not needing to qualify individually. This would both simplify and expedite the process. She also suggested that the LLR loans reflect an electronic loan processing environment and that—as in the 1998 agreements -- guarantors be permitted to sell LLR loans made with federal advances, with the proceeds used to repay such advances.

For more information on the above hearing, please visit: <http://edlabor.house.gov/>.

INTELLECTUAL PROPERTY: HOUSE JUDICIARY SUBCOMMITTEE MARKS UP COPYRIGHT PROTECTION LAW

The House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property held a markup on March 6, 2008 on H.R. 4279, the "Prioritizing Resources and Organization for Intellectual Property (PRO-IP) Act of 2007." The bill would improve copyright law in an effort to stop the piracy and counterfeiting of U.S.-owned intellectual property.

Among its provisions, the bill would provide a safe harbor for copyright registrations that contain inaccurate information; provide that copyright registration requirements apply to civil (not criminal) infringement actions; require courts to issue protective orders to prevent disclosure of seized records relating to copyright infringement; and prohibit importing and exporting of infringing copies of copyrighted works.

H.R. 4279 also establishes within the Executive Office of the President the Office of the United States Intellectual Property Enforcement Representative to formulate a Joint Strategic Plan for combating counterfeiting and piracy of intellectual property and for coordinating national and international enforcement efforts to protect intellectual property rights. It also establishes within the Department of Justice the Intellectual Property Enforcement Division to be headed by an Intellectual Property Enforcement Officer (IP Officer).

During the markup, a manager's amendment was approved that struck from the bill as introduced a provision to allow courts to consider parts of a copyright infringement lawsuit separately and award damages on each separate violation. Committee Chair John Conyers (MI) said that he would hold hearings on the impact of that provision on businesses and creativity.

The manager's amendment also modified provisions intended to forestall lawsuits when an intellectual property violation takes place without the violator's knowledge.

The amendment was approved by voice vote and the bill reported by voice vote.

For more information, go to: <http://www.judiciary.house.gov> .

ENERGY: HOUSE PASSES RENEWABLE ENERGY TAX ACT

On Wednesday, February 27, 2008, by a vote of 236-182, the House of Representatives passed The Renewable Energy and Energy Conservation Tax Act of 2008. The Act, HR 5351, repeals subsidies for five major integrated oil and gas companies to offset \$13.7 billion of the \$18.1 billion in renewable-energy tax breaks contained in the bill.

The five major oil and gas companies affected by this bill are ExxonMobil, Chevron, ConocoPhillips, BP and Shell. Under the bill's provisions, these companies would lose the domestic manufacturing deduction they received as part of a corporate tax law in 2004.

Other key provisions of the Act:

- Extends and expands tax incentives for renewable electricity, energy and fuel.
- Increases incentives for plug-in hybrid cars and energy efficient homes, buildings, and appliances.
- Includes solar energy tax credits that could reduce carbon dioxide pollution by 240 million tons.

The new investments in wind, solar, geothermal and fuel cell technology are intended to help create new jobs and strengthen the American economy, as well as deal with the need for more energy sources.

For more information visit www.waysandmeans.house.gov .

EDUCATION: HOUSE EDUCATION ADDRESSES IMPROVING SCHOOL NUTRITION PROGRAMS

On Tuesday, March 4, 2008, the House Education and Labor Committee held a hearing entitled "Challenges and Opportunities for Improving School Nutrition Programs." The committee heard testimony regarding improving school nutrition programs and food safety, and recommendations for the reauthorization of the Child Nutrition Act and the National School Lunch Act, as well as the U.S. Department

of Agriculture's (USDA) recall of 140 million of pounds of beef produced in California - of which more than 45 million pounds went to the National School Lunch Program.

In an opening statement, Chairman George Miller (Martinez) said, "We know that when children don't have enough nutritious food to eat, it can have serious negative effects not just on their health but on many aspects of their lives, including their ability to learn. We can't expect children to go to school on an empty stomach and still be able to succeed academically."

The Chairman addressed the recall of beef by the Westland/Hallmark Meat Company in Chino, which provides over 30% of the beef for the National School Lunch Program. He commented: "It goes without saying that we have an obligation to ensure the safety of the food that our children eat. But this incident raises very alarming questions about the U.S. Department of Agriculture's ability to monitor the safety of meat in this country - including the meat that is being served to children in the National School Lunch program.

"It is unacceptable that the USDA so completely failed to do its job. We cannot judge the USDA's inspection process as successful or effective if it allows tainted meat to enter the school food supply."

Ranking Republican Member Buck McKeon (Santa Clarita) stated, "Child nutrition is an area that is constantly evolving because of the changing needs among those who are disadvantaged and dependent on nutrition assistance....[A]n update on these programs is reason enough to convene this hearing." He also expressed his disappointment with the Westland/Hallmark recall: "There should be no doubt that we will get to the bottom of this matter," he said.

Kathleen Corrigan, Director of Food and Nutrition Services for Mt. Diablo Unified School District (MDUSD) in Concord, and Kenneth Hecht, Executive Director for California Food Policy Advocates in San Francisco, delivered the pertinent witness testimony. Corrigan stressed the academic significance of feeding children at school, particularly breakfast. "We believe breakfast is critical for every student in order to start the day ready to learn", she said. She led efforts to get breakfast served to more students, and now MDUSD serves breakfast at 35 of 47 schools. Corrigan used research that showed that students who eat breakfast learn better and have a higher rate of class participation to support her idea. She also stated that "it is prohibitively expensive to operate small breakfast programs," and she urged the committee to consider the potential benefits of expanding the programs when reauthorizing the Child Nutrition Act.

Hecht offered further insight and recommendations for improvement, and also addressed the failings of the USDA in inspecting the recalled beef. He commented: "Our children are in the grip of an obesity epidemic that threatens their health, well-being, and longevity. We have to change the environment in which this is happening, and school meals give us one such opportunity.

According to Food Policy Advocates research, "In California over 3 million children - half the state's enrollment -- eat a USDA reimbursed lunch every day. Almost a third of those eat breakfast", explained Hecht. USDA provides meals that are healthy, but only a minority of school meals meets all of the USDA's standards. Furthermore, he said, the standards are not being met on schedule. Hecht recommended that the reauthorization help to expand the supply of fruits and vegetables; add school breakfast as a basis for accumulating entitlement dollars, just as is done with lunch; remove barriers to participation in the program; and, implement universal breakfast and breakfast in the classroom.

Kate Houston, Deputy Under Secretary of Food, Nutrition and Consumer Services at the USDA, gave an update on the recall. Houston assured the committee that "the food supply was safe." She said that it was an administrative hold driving the recall, not a direct safety issue. The beef was recalled due to the gross mistreatment of animals.

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

ENERGY: SENATE SPECIAL COMMITTEE HEARS TESTIMONY ON RENEWABLE ENERGY AND GREEN JOBS

On Thursday, March 6, 2008, the Senate Special Committee on Energy Independence and Global Warming held a hearing entitled, "Blowing in the Wind: Renewable Energy as the Answer to an Economy Adrift."

Rep. Hilda Solis (El Monte) referred to the current economic crisis and noted that unemployment is currently above 7.2% in her district. Funding renewable energy technologies would create economic growth and jobs with liveable wages. She is supporting legislation that would provide 3 million "green-collar" jobs.

Witnesses included Bianca Jagger, Chair, World Future Council; Vic Abate, Vice President, Renewable Energy, General Electric; and Barbara Lockwood, Manager, Renewable Energy, Arizona Public Service Co.

Mr. Abate noted that the current tax credit for renewable energy is set to expire this year. Failure to extend it would result in an estimated 90% drop in new installations. Ms. Lockwood added that merely extending it for a few years is not sufficient. It takes three to four years to construct a large-scale solar plant, and companies must have an assurance that the tax credit will still be in effect when their business becomes operational.

Ms. Jagger delivered a very strong warning on the consequences of global climate change, explaining that the poles do not melt in a linear fashion, but rather in bursts. A climate change of just a few degrees is therefore enough to trigger an ice sheet collapse that would drown many of the world's population centers. She continued: "We have experienced an industrial revolution. We have experienced a technological revolution. It will take a global renewable energy revolution, similar in scale and consequence to those two, to avert catastrophe."

For more information on this hearing, please visit: <http://globalwarming.house.gov> .

ENERGY: HOUSE ENERGY SUBCOMMITTEE EXAMINES CAP-AND-TRADE

On March 5, 2008, the House Energy and Commerce Subcommittee on Energy and Air Quality held a hearing addressing the impact of cap-and-trade programs on the U.S. economy and developing countries. The hearing, entitled "Climate Change: Competitiveness Concerns and Prospects for Engaging Developing Countries," also reviewed recommendations made by the committee staff in their recent "Climate Change Legislation Design White Paper." The White Paper is part of a series designed to "foster discussion of these issues by raising key factors that should be considered in determining what roles are appropriate for each level of government" in implementing an economy wide climate change program.

The committee discussion centered around whether or not the U.S. should be taking steps to prevent climate change, which are potentially harmful to the economy, while other countries, such as India and China, are moving up the major emissions ladder. The committee also discussed the impact that climate change policy may have on trade as a result of attempting to levy U.S. standards on foreign countries and companies.

Rep. Jane Harman (Venice) said, "climate change is a worldwide problem", but that as the United States, "we must lead" the effort to address it. "We must not use the problems of the developing world to avoid leading on this matter", she said. Harman believes that "with leadership, we can slow-down and turn back the emissions of green house gases and save our planet."

Mr. Christopher Wenk, Senior Director of International Policy for the U.S. Chamber of Commerce, and Mr. David Doniger, Policy Director of the Climate Center for Natural Resources Defense Council delivered primary witness testimony. Mr. Wenk said that the Chamber recognizes climate change as a threat and an important issue to address. He stressed, however, that the policies developed to address it should protect American businesses and workers and not have a negative impact on trade. Twenty-seven percent of the U.S. Gross Domestic Product is from trade, and roughly 12 million "good-paying" American jobs are directly supported by our exports, in addition to millions of indirectly connected jobs, he said. He argued that policies that attempt to place restrictions on foreign countries are potentially problematic. Foreign countries "cannot be forced to comply without risk to U.S. exports, workers, and the domestic product".

He said "a combination of technology research and development to reduce greenhouse gas emissions and international cooperation to implement new technologies among developed and developing nations is the best -- and only -- policy approach to address greenhouse gas emissions.

"In this time of economic uncertainty, the Chamber urges Congress to not risk provoking a trade war with countries like China and India, where the U.S. exported almost \$83 billion worth of goods combined in 2007.

Otherwise, the United States could face retaliation on our exports as was the case when the WTO ruled against the Foreign Sales Corporation (FSC)/Extraterritorial Income (ETI) legislation and the Byrd amendment where billions of dollars of U.S. exports, on a broad range of products, were subject to retaliation."

Doniger echoed Rep. Harman's call for U.S. leadership. He commented: "Leadership must come from industrialized countries...Emerging industrializing countries need to see industrialized countries to show what they are doing to set the example. [Climate change] needs to be on the top of the list." Doniger cautioned "the time for effective action is very short...wait 10 years and the necessary emissions reductions double." NRDC believes that "early enactment of a cap-and-trade program is the first step we must take."

Doniger also said, "Big emerging economies showed unprecedented willingness in Bali to negotiate "measurable, reportable, and verifiable actions." China, for example, is already taking significant steps to improve energy efficiency, deploy renewables, and dampen greenhouse gas emissions growth." He said it's possible to work with other countries to achieve emissions reductions. However, there are risks posed if we enact policies too early, and without World Trade Organization input.

For more information visit www.energycommerce.house.gov .

IMMIGRATION: CALIFORNIA INSTITUTE AND PPIC HOLD LUNCHEON ON RELATIONSHIP BETWEEN IMMIGRANTS AND CRIME

On Friday, March 14, 2008, the California Institute and the Public Policy Institute of California held a luncheon where Kristin Butcher (Wellesley College) and Anne Morrison Piehl (Rutger's University) discussed the findings from their recent study "*Crime, Corrections, and California: What Does Immigration Have to Do with It?*"

Contrary to public opinion, the authors found that immigrants are far less likely than the average U.S. native to commit crime in California. Further, they found that state prison incarceration rates for U.S.-born adult men are as much as three times the incarceration rate for foreign-born men. U.S.-born men ages 18-40 (the age group most likely to commit crime) are 10 times more likely than their immigrant counterparts to be in county jail or state prison. Lower educational attainment rates do not alter the findings. While people born outside the United States make up about 35 percent of California's adult population, they represent only about 17 percent of the state prison population.

The authors say the low rates of criminal involvement by immigrants may be due in part to current U.S. immigration policy, which screens immigrants for criminal history and assigns extra penalties to noncitizens who commit crimes. Violent crime rates in cities with large flows of recent immigrants have decreased compared to similar cities lacking such an influx over the same time period, the report found. The authors believe that some studies that examine federal prison statistics may have over reported the incidence of crime amongst immigrants as any immigration issue is a federal matter.

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

TRADE: SENATE FINANCE EXAMINES ADMINISTRATION'S 2008 TRADE AGENDA

The Senate Finance Committee held a hearing on Thursday, March 6, 2008 to hear from U.S. Trade Representative Susan Schwab on the Administration's 2008 Trade Agenda.

In his opening remarks, Sen. Max Baucus, Chair of the Committee, stated that this year's agenda must begin with "reform, expansion, and implementation of Trade Adjustment Assistance," before the Committee takes up free trade agreements. He said the TAA program "must cover services workers and workers whose jobs are offshored to China, India, and other non-FTA partner economies. It must enhance the health care tax credit. It must boost retraining funds that help displaced workers to get back in the labor force. And it must help communities — like Montana's lumber communities — that are negatively affected by unfair trade." He also said that the Committee will reauthorize Customs and Border Protection this year in order to provide border enforcement and security without sacrificing trade facilitation and enforcement. Finally, he intends to pursue the Trade Enforcement Act that he and others introduced last year. It is intended to strengthen U.S.

trade remedy laws, create a Senate-confirmed trade enforcement officer, and increase oversight of dispute settlement implementation.

Baucus also addressed the free trade agreements negotiated by the Administration and pending before Congress. They are with: Colombia, Panama, and South Korea. He said, "Each holds some promise. Each poses some obstacles. None are simple. And none face unanimous support. But each agreement has its potential for passage, when fairly handled and properly addressed."

In her testimony, Ambassador Schwab said the Administration will work to get those pending free trade agreements approved this year, as well as continue to aggressively enforce existing agreements.. She testified that the Administration also "will work with congressional leaders to reform and reauthorize Trade Adjustment Assistance."

On the issue of free trade in general, she stated, "Anyone who doubts the positive impact of agreements like the Doha Round and the three pending FTAs need look no further than the Uruguay Round and the North American Free Trade Agreement. The collective impact of those two agreements is felt today by the average American family of four – to the tune of a boost to annual income of \$1,300 to \$2,000." In terms of enforcement, Schwab testified that the Administration will continue to use dialogue to resolve problems, but where that does not prove successful, it will not hesitate to use the WTO dispute settlement process, if appropriate.

Ambassador Schwab also mentioned the emerging issue of trade and climate change. She said, "It is high time we played up the important benefits trade can bring to environmental stewardship. One example I want to highlight is the proposal that we and others presented recently in advance of the meetings on climate change in Bali. We proposed to eliminate worldwide tariff and nontariff barriers on trade in environmental technologies and services." She also testified that when the two dozen or so trade ministers met in Bali to discuss the nexus between trade and the environment, "we also largely agreed that nations should avoid using the environment and climate change as an excuse to impose trade restrictions."

For further information, go to: www.finance.senate.gov .

ELDERLY: SENATE COMMITTEE ON AGING ADDRESSES HUNGER AMONG THE ELDERLY

On Wednesday, March 5, 2008, the Senate Special Committee on Aging held a hearing to evaluate hunger among seniors. Kate Houston, Deputy Under Secretary, Food Nutrition and Consumer Services, US Dept. Of Agriculture, identified lack of participation in food stamp programs among the elderly as a significant problem. Many seniors, reluctant to admit that they are no longer self-sufficient and independent, do not want to accept government assistance. Renaming the program "nutrition assistance" could help with this by refocusing the program on proper nutrition, Houston said. Elements of the Farm Bill that is pending in a House-Senate conference committee could also help ameliorate the problem.

James Weil, President of the Food Research and Action Center, agreed with Houston's analysis and added that transportation to and from the food stamp office often presents a hardship. The \$10 minimum monthly allotment has not been changed since 1977 (it was never indexed to inflation), and some decline to apply simply on the assumption that they would only receive this minimum. Some states have achieved greater enrollment by allowing seniors to enroll at day care centers and similar locations. In contrast, a few states have begun requiring that all who apply be fingerprinted. While meant to deter fraud, Weill noted that the practice was nonetheless disrespectful and sure to decrease enrollment. Increasing the minimum monthly allowance, taking steps to remove the stigma associated with food stamps, and educating seniors on the amount of assistance for which they are eligible would help.

Seniors on a tight income are sometimes forced to choose between paying for their medication and paying for a meal. This dilemma is all the more pressing because many medications need to be taken with food to ensure absorption. Marcus Lampros, President of Lampros Steel Inc. and a volunteer for Meals on Wheels, made a pressing argument for future funding of the Meals on Wheel program: it saves the federal government money. By providing nutritious meals to house-bound seniors who would otherwise be unable to provide for

themselves, seniors are able to delay or avoid entering a nursing home (which would be paid for with federal funds due to their low-income).

For more information on this hearing, please visit: <http://aging.senate.gov/>.

EMPLOYMENT: SENATE LABOR COMMITTEE ADDRESSES UNEMPLOYMENT

On Thursday, March 6, 2008, the Senate Health, Education and Labor Committee heard testimony on unemployment rates and benefits. The hearing, "Unemployment in a Volatile Economy: How to Secure Families and Build Opportunity," explored circumstances resulting from growing unemployment, and potential benefits that may help remedy the problem.

Ms. M. Patricia Smith, Commissioner of the New York Department of Labor and Alan B. Krueger, Professor of Economics and Public Affairs at Princeton University, delivered the witness testimony.

Ms. Smith testified that improving unemployment insurance may be the best way to care for the unemployed in these harsh economic times. She commented: "An extension of UI benefits during a downturn is a particularly effective economic stimulus because the benefits are both well-targeted — to areas and industries most affected by economic slowdowns — and are temporary. It puts money into the hands of those who need assistance the most and are most likely to spend it immediately on basic essentials. Money invested in extended benefits flows immediately to local businesses, which in turn provides a further economic boost.

"Although extended UI benefits have been provided in every recession in recent decades, the case for them is especially strong now, before economic conditions deteriorate to that level. An extension of benefits will put high-velocity dollars into the hands of families that will spend them quickly, providing an immediate boost to consumer spending."

Mr. Krueger offered insight into the behavior of the unemployed based on his research, and further expounded the benefits of UI expansion. Following are some of his research findings:

- Unemployed Americans devote much more time to searching for a new job than do the unemployed in each of the other countries that we have studied.
- Within the U.S., those who appear eligible for UI benefits tend to search more than those who are not eligible (because they are new entrants, re-entrants or part-time workers).
- For the period that they are eligible for UI benefits, job search intensity tends to rise the longer that workers are unemployed.

For more information visit www.help.senate.gov .

TECHNOLOGY: CENSUS DATA ILLUMINATES BUSINESS TECHNOLOGY SPENDING

On March 6, 2008, the U.S. Census Bureau released a new report, *Information and Communication Technology Survey*, showing that U.S. businesses spent \$250.7 billion on information and communication technology equipment and computer software in 2006, an increase of 6.3 percent over 2005. The report presents annual data on noncapitalized and capitalized business spending for information and communication technology equipment and computer software. Noncapitalized expenditures are expenses for assets that have a useful life of more than one year and are written off in the same year in which they are made. Capitalized expenditures are expenditures for assets that have a useful life of more than one year and are usually depreciated.

Of the total spending in 2006 on information and communication technology equipment and computer software, sometimes referred to as e-business infrastructure, noncapitalized spending accounted for \$90.8 billion (36.2 percent), and capitalized spending accounted for \$159.9 billion (63.8 percent). Noncapitalized spending in 2006 was unchanged from 2005, while capitalized spending increased 10.9 percent.

Other highlights in the report include:

- In 2006, about 77 percent of noncapitalized spending and about 75 percent of capitalized spending was concentrated in five business sectors: information; finance and insurance; manufacturing; professional, scientific and technical services; and health care and social assistance.

- The information sector spent \$62.7 billion on equipment and computer software in 2006, an increase of 13.7 percent from 2005. That represented 25 percent of all spending in e-business infrastructure in 2006.
- Spending in the finance and insurance sector for equipment and computer software totaled \$48.3 billion. The finance and insurance sector accounted for 19.3 percent of total e-business infrastructure spending in 2006.
- The manufacturing sector spent \$34.9 billion for equipment and computer software in 2006, an increase of 5.6 percent from 2005. Manufacturing accounted for 13.9 percent of total e-business infrastructure spending in 2006.
- Spending for the professional, scientific and technical services sector totaled \$25.9 billion in 2006. This sector accounted for 10.3 percent of total e-business infrastructure spending in 2006.

EDUCATION: EXCELENCIA BRIEFING ON BOOSTING LATINO EDUCATIONAL SUCCESS

On Wednesday March 5, 2008, Excelencia in Education hosted a breakfast briefing entitled "Accelerating Latino Student Success in Higher Education." The briefing focused on highlighting exemplary programs that have achieved positive, measurable results in the area of Latino education. Panel members discussed how to extend these programs and overcome obstacles to creating such programs.

Rep. Joe Baca (Rialto), chair of the Congressional Hispanic Caucus and keynote speaker at the briefing, spoke of the need for all U.S. students to be able to compete internationally in science and math. He emphasized the importance of role models and the necessity of closing the gap between white and minority students, stating that "accelerating Latino students now is vital to our Nation's interest." He is planning legislation that would forgive the student loans of all new teachers.

Three programs, each with a representative of the school present, were highlighted. One such program, the Compact program at San Diego State University, guarantees admission and financial assistance to all Sweetwater Union High School District students who enter the district by ninth grade and meet all program requirements, including maintaining a 3.0 GPA. This program has doubled the freshman enrollment of Sweetwater students at San Diego State and tripled the number of Sweetwater students who enrolled without the need for remediation. The success of programs like Sweetwater's create a "culture of hope" which in turn encourages more students to push themselves.

One key facet of this program is 'demystifying' the path to college, an issue highlighted by several of the panel members. Guidance counselors in California and other states with large school districts are overwhelmed by the number of students and overburdened with additional tasks. All of the administrators addressed the need for collaboration between secondary schools and institutions of higher education.

For more information on Excelencia in Education, please visit: <http://www.EdExcelencia.org> .