



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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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, SENATE PASS CONFERENCE REPORT ON LONG OVERDUE FARM BILL RENEWAL

On Thursday, May 15, 2008, by a vote of 81-15, the Senate passed the conference report on HR 2419-- the Food, Conservation, and Energy Act of 2008 -- the long-awaited 5-year reauthorization of the \$307 billion Farm Bill. The House had previously passed the same version of the bill on Wednesday, May 14, by a vote of 318-106.

The bill includes a \$10.3 billion increase in spending on nutrition programs, including food stamps, as well as increases for rural development and land conservation programs, among other provisions.

House Speaker Nancy Pelosi (San Francisco) commented on the passage of the bill: "The Senate's passage of the bipartisan Farm Bill is good news for families who are struggling with the high cost of groceries and gasoline, and good news for America's farmers and ranchers who provide food and fiber for the world."

The President has threatened to veto the bill, despite the fact that it received more than the two-thirds majority in both houses that theoretically could make the legislation veto-proof. For more information regarding the bill, visit: http://agriculture.house.gov/index.shtml .

HOUSE NATURAL RESOURCES COMMITTEE MARKS-UP CALIFORNIA LEGISLATION

On Wednesday, May 14, 2008, the House Natural Resources Committee held a mark-up which included two pieces of legislation authored by California members:

HR 3022, "The Sequoia-Kings Canyon National Park Wilderness Act of 2007", was authored by Rep. Jim Costa (Fresno) and designates the John Krebs Wilderness to add land to the Sequoia-Kings Canyon National Park Wilderness.

HR 3682, "The California Desert and Mountain Heritage Act", authored by Rep. Mary Bono-Mack (Palm Springs) designates certain Federal lands in Riverside County as wilderness, designates certain river segments in Riverside County as a wild, scenic, or recreational river, and adjusts the boundary of the Santa Rosa and San Jacinto Mountains National Monument.

Both bills were favorably reported to the floor, with minor amendments, by a voice vote. For more information visit: http://resourcescommittee.house.gov .

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## SELECT COMMITTEE ON ENERGY INDEPENDENCE AND GLOBAL WARMING DISCUSS ROLE OF GREEN BUILDINGS IN REDUCING EMISSIONS

On Wednesday, May 14, 2008, the Select Committee on Energy Independence and Global Warming convened a hearing to discuss how Green buildings can help in the fight against global warming and the effort to reduce energy consumption. According to the Committee, "the building sector is responsible for 48 percent of all heat-trapping emissions, and it is estimated that 76 percent of all electricity generated by U.S. power plants goes to operate buildings."

The primary witnesses were San Francisco Mayor Gavin Newsom and Michelle Moore, Senior Vice President of Policy and Market Development for the U.S. Green Buildings Council (USGBC).

Mayor Newsom testified regarding San Francisco's efforts to promote Green buildings. Newsom commented: "In San Francisco, we are proud of our efforts to encourage green building practices. We've gone from modest requirements to green our municipal buildings almost a decade ago to the country's most aggressive green building standards for all new buildings." He noted that the city has received the support of the building industry and business community in their efforts.

He also noted that in San Francisco, "buildings...account for almost half (49%) of citywide greenhouse gas emissions." That is well above the national proportion of emissions produced by buildings, which accounts for roughly 38% of all emissions.

Newsom laid out several current development and redevelopment projects currently planned in San Francisco, and credited their inspiration to a Congressional leader. He remarked: "Much of the inspiration for this ambitious network of green building comes from Speaker Pelosi's vision of greening the US Capitol area. These governmental centers-which feature multiple buildings-can and should lead the way as models of sustainability and renewable energy districts within our urban centers."

San Francisco relies on established national and regional standards such as the US Green Building Council's LEED system and the Green Point Rating System for certification of their Green Building projects.

Michelle Moore, Senior Vice President of Policy and Market Development for the U.S. Green Buildings Council (USGBC), offered background on the environmental and economic benefits of going Green. Moore commented: "Buildings are an essential part of the solution to the energy, resource, and climate issues our country is facing. Buildings in America typically have a lifespan of 50 to 100 years, throughout which they continually consume energy, water, and natural resources. Buildings are responsible for 39% of U.S. CO2 emissions per year. If the U.S. built half of its new commercial buildings to use 50% less energy, it would save more than 6 million metric tons of CO2 annually for the entire life of the buildings-the equivalent of taking more than 1 million cars off the road every year.

"In addition, buildings annually account for 39% of U.S. primary energy use; use 12.2% of all potable water or 15 trillion gallons per year; and consume 40% of raw materials globally (3 billion tons annually)."

Moore said that Green buildings create an opportunity to address this waste while creating a unique opportunities economic growth in the building industry. She remarked: "Green buildings create powerful opportunities to mitigate climate change, enabling: reduced energy consumption through the use of energy-efficient heating and cooling systems, renewable power, and building commissioning; reduced water consumption through the use of low-flow fixtures and appliances, and the on-site treatment of storm water; reduced waste and improved environmental performance through the use of salvaged, recycled, and local materials, and through the development of plans for managing construction waste; and, reduced emissions and environmental impact by promoting the location of facilities near public transportation, the use of hybrid or electric cars, and the use of alternative means of transportation, such as bicycles and walking."

According to Moore, the "building design and construction industry - which represents 14.2% of U.S. GDP and generates 9 million American jobs - has been voluntarily leading a green revolution that has begun to visibly transform our cities and towns. McGraw-Hill projects that, by 2010, the market for green building products and services in the residential and commercial construction sectors will top \$58 billion, representing 770% growth over just five years."

For more information visit: <http://globalwarming.house.gov/pubs/?id=0041>

## **HOUSE HEALTH SUBCOMMITTEE HOLDS FINAL HEARING ON DISCUSSION DRAFT OF FDA GLOBALIZATION ACT**

On Wednesday May 14, 2008, the House Subcommittee on Health held a discussion draft of the 'Food and Drug Administration Globalization Act' Legislation: Device and Cosmetic Safety Provisions. This was the third and final hearing on the discussion draft. The act is designed in part to respond to the challenges created by medical devices for the U.S. market that are either fully manufactured overseas or that are manufactured in the U.S. but contain foreign components.

Stephen F. Sundlof, D.V.M., Ph.D., Director, Center for Food Safety and Applied Nutrition, Food and Drug Administration, discussed regulatory issues relating to increased overseas production and new technologies. Retinol, an ingredient used in cosmetic anti-wrinkle preparations, was not listed in any cosmetic product ingredient statement in FDA's Voluntary Cosmetic Registration Program database in 2003; by 2006 it was listed in almost 50. The rapid growth of products containing such compounds that straddle the line between cosmetics and drugs presents new difficulties. Often referred to by the industry as "cosmeceuticals," the term lacks a clear legal or regulatory definition in the U.S.

Sundlof also stated that "legislation should build on the framework in the Action Plan for Import Safety, i.e., building in safety measures to address risks throughout a product's life cycle and focus efforts on preventing problems first... The FDA cannot rely on inspection as its primary means of ensuring product safety." He noted that several of the legislative sections are not sufficiently focused on high-risk products and suggested that legislators more explicitly incorporate the Administration's strategy of leveraging third party certification as well as efforts by foreign nations already underway.

Marcia Crosse, Ph.D., Director of Health Care at the Government Accountability Office, reported on the FDA's progress on inspection of foreign establishments manufacturing medical devices. Crosse testified that the FDA has improved its database of foreign establishments that manufacture medical devices and fixed inaccuracies previously noted by GAO. Crosse said it was too early to tell whether third party certification would become a viable strategy.

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

## **BIPARTISAN CONGRESSIONAL BRIEFING FOCUSES ATTENTION ON RAPIDLY GROWING QUAGGA MUSSEL PROBLEM IN WATER SUPPLY SYSTEM**

On Thursday, May 15, 2008, a bipartisan briefing led by House Natural Resources Water and Power Subcommittee Chairwoman Grace Napolitano (Santa Fe Springs) outlined the rapidly worsening problem of quagga mussel infestations in the state's water supplies and waterways.

Water providers in California and neighboring states are facing a growing challenge from an invasive species. The quagga mussel is very small but can quickly overrun whatever water supply equipment it invades. Areas of Southern California are experiencing a population explosion of quagga mussels, and major water providers are battling to control the problem. And the infestation, with its accompanying costs, is likely to spread further absent significant efforts to control it.

The briefing featured comments from a bipartisan cross-section of regional Members of Congress and presentations from officials from the U.S. Department of Interior, regional water providers from California, Arizona, and Nevada, and other experts.

Chairwoman Napolitano noted that the situation was frightening to many in the region and that there is yet much to be done to achieve a solution to the threat. Ricardo De Leon, Operations Manager for the Metropolitan Water District (MWD) of Southern California's water system, urged quick action to address the problem. California providers have worked hard to avert crises before they occur. An official from water suppliers in Nevada indicated that the invasive mussels have caused two plant shutdowns.

Quagga mussels -- also known as zebra mussels because of their striping -- first appeared in the Great Lakes in 1985, and they spread south through the Mississippi River watershed over the ensuing decade. A federal effort called the "100<sup>th</sup> Meridian" campaign attempted to keep it from moving westward, but the mussels were first found in the Colorado River watershed in Nevada in January 2007, in Lake Mead. Perhaps due to the hospitably warm conditions in the region, the aquatic pests quickly moved southward into Lake Havasu, and then into the water supplies of MWD.

Eradication is extremely challenging and unlikely to be effective, involving either chemicals such as chlorine -- which can harm the environment and equipment -- or painstaking manual scraping, chiseling, and vacuuming from supplies. Even effective control measures are limited, and officials are seeking federal expertise for research and coordination as well as assistance for affected parties.

More information regarding the problem is available from the State Department of Fish and Game, at <http://www.dfg.ca.gov/quaggamusel> . Additional information is available from the Aquatic Nuisance Species Task Force, a project of the U.S. Department of Fish and Wildlife and the Coast Guard, at <http://www.ProtectYourWaters.net> .

## **HOUSE SUBCOMMITTEE ON RAILROADS DISCUSSES AMTRAK REAUTHORIZATION AND THE PASSENGER RAIL IMPROVEMENT ACT**

On Wednesday, May 14, 2008, the House Transportation & Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing to discuss the reauthorization of Amtrak, including H.R. 6003, the Passenger Rail Investment and Improvement Act.

H.R. 6003 will provide a total of \$14.4 billion for Amtrak and for states to develop intercity passenger rail systems, including \$4.2 billion to Amtrak in capital grants and \$3 billion in operating grants. It will also create a new State Capital Grant program for intercity passenger rail capital projects to encourage state investment.

Mr. Mr. Alexander Kummant, President and Chief Executive Officer of Amtrak, and Mr. Ed Wytkind, President of the Transportation Trades Department, AFL-CIO, delivered the witness testimony. Kummant said that rail travel remains a popular option for travel among Americans. He commented: "Today, we are seeing record numbers of Americans choosing Amtrak for its convenience,

its comfort, and it's environmentally friendly qualities." In reference to the reauthorization, he said the U.S. needs "a strong transportation policy that recognizes the role of rail in our national life. Our transportation policy needs to evolve...and this authorization must eventually become part of an integrated national policy where rail will play a meaningful and relevant role." He went on to say that with major congestions and the failure of much non-rail transportation infrastructure, Congress must "work harder at using...existing resources and infrastructure to make better policy."

In California, Amtrak has seen success in expanding services between major cities. Specifically, he argued that California is an example of the growth and business Amtrak can generate when travelers are provided with networked operation. According to Kummant, Amtrak's "partnership with California...has been a success. We have built a network of three major passenger rail corridors. Eighty-six percent of the stations in California have some kind of intermodal connectivity and the result has been a very strong system built on a range of choices we can offer travelers --the Pacific Surfliner between San Luis Obispo, Los Angeles, and San Diego is our second largest corridor operation. [A]nd the Capitol Corridor between San Jose and Sacramento was one of the ten fastest growing corridors on the system last year, expanding ridership by 14.8%." These successes underscore the benefits of investments in expanding intercity passenger rail. He also said that while Amtrak focuses on corridors, they believe that long range rail transit options are viable as well.

Wytkind said that the AFL-CIO supports the reauthorization of Amtrak, but wants to ensure funding is available of pay salaries negotiated through collective bargaining. Wytkind commented: "Amtrak has never been more vital to our nation nor more in need of a robust, long-term funding plan. Passenger rail helps ease highway and airport congestion, and is critical to the success of our multi-modal transportation system. Performance, ridership and revenue are all rising. Employee productivity at Amtrak increased dramatically in recent years. Ridership reached a record high of 25.8 million passengers in 2007. For the first time in almost a decade we have new and up-to-date collective bargaining agreements in place. Congress must ensure that the costs of these contracts are fully funded and that the carrier can move forward with the capital improvements and expansion plans that we all know are urgently needed."

He concluded: "The time has come for the U.S. to invest in passenger rail... We must reject the White House's irresponsible budgets that would drive the railroad out of business. We should stop under-funding passenger rail and then expect the carrier and its employees to do the impossible in terms of service and reliability....Providing long-term financing for Amtrak strengthens our economy, reduces traffic congestion and creates good jobs." For more information visit: <http://transportation.house.gov>

## **CALIFORNIA RESEARCH BUREAU RELEASES REPORT ON FORECLOSURES**

The California Research Bureau has released a report containing detailed data on housing foreclosures in California. The report examined evidence from many sources including Global Insights, Credit Suisse, Lehman Brothers, Moody's Economy.com, The Center for Responsible Lending, The Brookings Institution, and the Pew Center on the States. Foreclosures are projected to affect between 3.0 and 7.8 percent of all homeowners with mortgages in the state by 2009, or by 2010, if the cycle is drawn out. The estimate of housing foreclosures in California during the current cycle, spanning the three years 2006 - 09, varies from 170,000 to 434,000. In the opinion of study author Rani Isaac, the number of foreclosures is likely near the upper-end estimate.

Recently enacted federal emergency measures may save some homes from foreclosure and begin to produce noticeable effects by the middle of this year. Restructurings at Fannie Mae and Freddie Mac as well as new allowances for them to purchase or back jumbo loans and lender-or-service-initiated workouts may also help. CRB will revise its estimates as these effects are better quantified.

This is the first cycle since the Great Depression in which home prices have fallen throughout the nation. Due to its severity, the housing recovery may not follow the same path as previous recoveries.

However, during 2008 the economies of the U.S. and the state are expected to begin recovery from the brink of recession.

The Pew Center on the States study presents California's policy responses to the housing foreclosure crisis and suggests that the state create state-funded refinancing programs to help homeowners avoid foreclosure. While California has taken commendable action to modify loans, the state could also help those at risk of losing their homes by providing financial counseling and educating homeowners about fraudulent rescue schemes.

For more information on this report, please visit: <http://www.library.ca.gov> .

### **CALIFORNIA STATE ASSEMBLY SWEARS IN NEW SPEAKER**

On Tuesday, May 13, 2008, Assemblywoman Karen Bass (Los Angeles) was officially sworn in as the 67th Speaker of the California State Assembly. Bass, a Los Angeles Democrat representing California's 47th Assembly District, is the first African American female Speaker in California history. In fact, she is also the first African American female to lead any legislative house in the nation. Bass was administered the oath of office by outgoing Speaker Fabian Núñez (Los Angeles).

For more information visit: <http://democrats.assembly.ca.gov/members/a47/> .

### **SENATOR BOXER TO BE FEATURED SPEAKER AT GOLDEN STATE ROUNDTABLE LUNCHEON ON TUESDAY MAY 20**

The next Golden State Roundtable Luncheon will be held on Tuesday, May 20, 2008 and will feature remarks by Senator Barbara Boxer. The California State Society event -- for which there is a \$35 ticket fee -- will be slightly different from similar luncheons in the past in two ways. The luncheon will begin at 11:45 a.m. and the program will start promptly at 12:00 noon, in order to accommodate the Senator's schedule. In addition, it will take place on the Senate side of Capitol Hill, in the Russell Caucus, which is Room 325 of the Russell Senate Office Building.

Senator Boxer chairs the Environment and Public Works Committee in the Senate, and she also serves as a member of both the Commerce, Science and Transportation Committee and the Foreign Relations Committee.

Ticket prices are \$35 per person or \$350 per table of 10. Participants are encouraged to buy tickets online from the California State Society website, <http://www.californiastatesociety.org> .