



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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To expand communications between Washington and California, the California Institute provides periodic faxed bulletins regarding current activity on Capitol Hill which directly impacts our state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods. The e-mail edition is made possible in part by in-kind contributions from Sun Microsystems and IBM Corp.

HOUSE AGRICULTURE COMMITTEE DISCUSSES GUESTWORKER PROGRAM PROPOSALS

The House Agriculture Committee held a hearing on Wednesday, January 28, 2004, to review the potential effect of recent temporary guest worker program proposals on the agriculture sector. The Committee heard from a number of witnesses, including: Stuart Anderson, Executive Director of the National Foundation for American Policy; James Edwards, Consultant for Numbers USA; Larry Wooten, President of the North Carolina Farm Bureau (representing the American Farm Bureau Federation); and María Echaveste, Deputy Chief of Staff to the President of the United Farm Workers of America.

In his opening statement, Chairman Robert Goodlatte outlined the provisions of his agriculture guestworker bill, H.R. 3604. The bill would establish a temporary visa program and simplify the application process. It would address Adverse Effect Wage Rate (AEWR) by replacing it with a prevailing wage standard which requires that employers to pay fair and realistic wages when compared to similar work in the region. It also would allow workers who are currently in the country illegally a one-time chance to participate in the program by returning to their native country and applying for admission under the program. The labor certification process would be adjusted to eliminate the requirement that employers receive a “labor certification” from the Department of Labor (DOL) and allow them to go through a more simple attestation process. Employers’ applications would be reviewed for completeness and obvious inaccuracies only, and they would be notified of approval within seven days.

Mr. Anderson argued that relying almost exclusively on enforcement to limit illegal immigration is a flawed approach. Between 1990 and 2000, he said, the U.S. government increased the number of Border Patrol Agents from 3,600 to 10,000. During that same 10-year period, however, illegal immigration rose by 5.5 million. Also, he noted that over the past four years alone, more than 1,300 men and women (and some children) seeking to work in the United States have died attempting to cross the border into the U.S. On the other hand, he testified, that using a legal visa system to allow workers into the United States reduced the rate of illegal immigration, and he cited for support the Bracero program which was in place

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from 1942-1964. Mr. Anderson also testified that the current H-2A visa program has not attracted a sufficient number of agriculture workers, noting that only 30,000 H-2A visas were granted in FY2003, which he attributed to the regulatory burdens placed on employers by the program. In conclusion, he encouraged the Committee to formulate a program that provided a way for enough workers to work in the country legally and have a path toward permanent legal residence.

Mr. Edwards opposed any proposal to grant amnesty to currently undocumented workers and was skeptical of the need for any guestworker program. Nevertheless, he offered the Committee three recommendations that should be included in any program: 1) that the employers should pay the full cost of the program, so that it is not subsidized by U.S. taxpayers; 2) that it include sufficient safeguards to protect low-wage American workers, and require that guestworkers be paid the prevailing wage; and 3) that it must contain maximum stay provisions to ensure that workers return to their home countries and do not stay permanently, whether legally or illegally, in the United States.

On behalf of the American Farm Bureau Federation, Mr. Wooten made the case for a reformed guestworker program. He pointed out that although the use of H-2A visas increased four-fold between 1995 and 2001, the number declined in the past year and further declines are expected. He attributed the decline to the difficulty of complying with the program's requirements. He supported the Chairman's bill because it would make the program more affordable and flexible, and replace the AEWL with a market-based, prevailing wage rate. He testified that the AEWL is calculated by averaging statewide the wages of more skilled workers with those of less skilled workers. For example, the minimum wage for rural H-2a strawberry pickers is thus based on the wages of non-H-2a tractor mechanics in more urban areas, he argued. Under a prevailing wage standard, on the other hand, he stated, the minimum wage for those strawberry pickers would be based only on the wages of strawberry pickers in the immediate area. He also argued that currently employers must also provide housing to workers at no cost, guarantee payment of three quarters of the wages promised regardless of crop harvest problems, and reimburse sometimes expensive travel expenses, none of which are typically provided by other employers do not typically provide. He testified that HR 3604 would help lower these costs by allowing farm employers to offer housing vouchers in lieu of housing when a state's Governor determined that there was sufficient housing available.

Ms. Eschaveste urged the Committee to support H.R. 3142, the Agricultural Jobs, Opportunity, Benefits, and Security Act of 2003, known as "AgJOBS." The bill was introduced by Reps. Howard Berman (Valley Village) and Chris Cannon (UT). Ms. Eschaveste called it "a fair, reasonable, bipartisan compromise that benefits farmworkers, agricultural employers, consumers, and the nation as a whole." She also noted that the Senate counterpart, sponsored by Sens. Larry Craig and Edward Kennedy, now has 50 bipartisan co-sponsors, and the 80 co-sponsors in the House are also from both sides of the aisle. Continuing, she said: "There are no alternatives that can become law; they have been considered and rejected during eight years of conflict. No other immigration proposal regarding agricultural workers and employers is going to pass the House or the Senate." She opposed the Goodlatte bill, H.R. 3604, because it would make it easier for agricultural employers to hire guestworkers, rather than U.S. workers, lower wage rates paid to both the guestworkers and U.S. workers, and reduce government oversight over the program. Ms. Eschaveste stated: "It offers no chance for undocumented workers to become immigrants, offers no incentive for them to come out of the shadows, and therefore just adds a new group of vulnerable guestworkers to the farm labor force. The guestworkers would have even less protection than they have now. The proposal guarantees a repeat of the notorious Bracero program."

For testimony of all the workers, please access the Committee's website at:

<http://www.house.gov/agriculture> .

SENATE JUDICIARY SUBCOMMITTEE EXAMINES SEAPORT SECURITY

The Senate Judiciary Subcommittee on Terrorism, Technology and Homeland Security held a hearing entitled "Covering the Waterfront — A Review of Seaport Security since September 11, 2001," on Tuesday, January 27. The Committee heard from three government officials: Rear Admiral Larry Hereth, Director of Port Security for the U.S. Coast Guard; Robert M. Jacksta, Executive Director for Border Security and Facilitation for U.S. Customs and Border Patrol; and Gary M. Bald, Acting Assistant Director of the Counterterrorism Division at the Federal Bureau of Investigation.

During her opening remarks, Sen. Dianne Feinstein, Ranking Member of the Subcommittee, stated: "In my view, the ports are the soft-underbelly of our nation's security. I believe that it is really central that our ports, working with the department, develop the security capabilities that not only protect the employees of the port, but also the citizens of our nation from a potentially devastating terrorist attack on our port." She also mentioned that she was disappointed that the Captain of the Port of Los Angeles/Long Beach was not testifying at this hearing.

Senator Feinstein also outlined the details of the bill she has introduced with Subcommittee Chairman Jon Kyl (AZ), the Comprehensive Seaport and Container Security Act. Part of its provisions would: require that high-risk shipping containers be inspected in foreign ports - before they arrive in the United States; establish a comprehensive container risk profiling plan to allow U.S. authorities to focus their limited inspection and enforcement capabilities on high-risk cargo; and increase penalties to prosecute and punish terrorists.

During questioning of witnesses, Sen. Feinstein was also told that the LA/Long Beach port led the way after September 11th, developing standards with the cooperation of government agencies and industry, and that the newly-opened Pier 400 is a state of the art facility and serves as a solid model for other ports.

Admiral Hereth outlined the steps that the Coast Guard has taken to comply with the Marine Transportation Security Act of 2002 (MTSA), which established a comprehensive approach to maritime security. Noting that the industry's cost for the MTSA is estimated to be \$1.5 billion in the first year and \$7.3 billion over the next 10 years, Admiral Hereth emphasized that the government is sensitive to the economic impact of the bill. Nevertheless he testified, "a terrorist incident against our marine transportation system would have a devastating and long-lasting impact on global shipping, international trade, and the world economy. To quantify this risk, a major port closure for one month due to a maritime terrorist act could cost up to \$60 billion in economic loss to the United States. We have developed the security regulations to be performance-based, providing the majority of owners and operators with the ability to implement the most cost-effective operational controls, rather than more costly physical improvement alternatives."

Mr. Jacksta detailed the numerous programs and activities of the Customs and Border Patrol (CBP) that are being utilized to coordinate security for U.S. ports. These include the National Targeting Center, which is a single location designed to handle targeting technology and subject matter expertise. The NTC has established a range of liaisons with other agencies responsible for securing U.S. borders and commerce including, U.S. Coast Guard, the Transportation Security Administration, and the Department of Energy. Many of these agencies, Mr. Jacksta testified, have liaison personnel assigned to the NTC to better coordinate their operations. In addition, CBP's Automated Targeting System is being used to implement the 24 Hour Manifest Rule. That rule requires detailed and accurate information for all shipments destined for the U.S. 24 hours prior to lading on the vessel overseas. In addition, the Trade Act Final Rule promulgated on December 5, 2003 mandates advance electronic cargo information inbound and outbound for all modes of transportation, Mr. Jacksta stated. These and several other activities directly related to port security, according to Mr. Jacksta, demonstrate the agency's continued commitment to port security.

Mr. Bald testified that, although the U.S. Coast Guard has primary responsibility for port security, the FBI works in conjunction to provide a coordinated response to the security concerns of the port authorities. In addition, the FBI continues to manage Joint Terrorism Task Forces (JTTFs) in each of its 56 field offices in the United States. Within these JTTFs, according to Mr. Bald, critical security information is exchanged on a daily basis, as representatives of the participating federal agencies work side-by-side with their counterparts in the local law enforcement community to ensure that sea ports and other national assets are safely guarded. Mr. Bald did state that “One significant challenge is the limited amount of funding and resources available to the state and local agencies, including the port authorities to address the many issues involved in securing our ports from terrorist attacks. We have attempted to address this challenge by pooling our resources.”

Mr. Bald also outlined the specific efforts being taken at the Port of LA/Long Beach. The Area Maritime Security (AMS) Committee is scheduled to begin on Feb. 6, 2004. This new Committee is being established in response to the MTSA 2002 and will continue steps taken over the last two and a half years by all prior committees, according to Mr. Bald. The AMS committee will be chaired by the Captain of the Port, with the close involvement and leadership of the FBI JTTF Supervisor, and it will be composed of approximately 12 voting members, each carrying a responsibility as Chair of one of the 12 subcommittees. The AMS committee, Mr. Bald stated, is patterned around the widely accepted and existing Unified Command and Incident Command Systems (ICS), and “will meet to proactively address Port Security needs and concerns.” He said that the AMS will incorporate voices from private industry, labor, law enforcement, intelligence, emergency, medical, and fire assets. In addition, the AMS will subsume several existing committees now operating within the Port community.

The witnesses noted the goal of screening 100% of all cargo shipped into the U.S., that (through a program known as CT-PAT) work is underway to strengthen & enhance the supply chain by engaging trade assns to develop global stds, and that the federal government is working to develop a secure, inexpensive container screening system using such techniques as large scale x-ray imaging, gamma scanning, and both large and handheld detectors for radiation.

Responding to questioning from Sen. John Kyl regarding threats and vulnerabilities, Bald answered that “ports are a key area of vulnerability in the U.S.” and that the presence of recreational vessels complicates matters. He pointed out that it is relatively easy to regulate commercial vessels, but much harder to regulate small vessels that may pull up alongside those commercial vessels.

For testimony, access the Committee’s website at: <http://www.judiciary.senate.gov> .

SENATE PANEL HOLDS HEARING ON NASA’S FUTURE SPACE MISSION

On Wednesday, January 28, 2003, the Senate Committee on Commerce, Science and Transportation held a hearing to examine President Bush’s proposal to return astronauts to the Moon and expand human space exploration to Mars. The primary witness, National Aeronautics and Space Administration (NASA) Administrator Sean O’Keefe outlined the Administration’s proposals, but he urged that judgements be deferred until release of plan details in conjunction with the President’s FY 2005 budget proposal on February 2. The plan is expected to seek a budget increase of \$1 billion over five years for NASA, and it anticipates a \$11 billion yet-undisclosed reprogramming of funds within the agency.

A cornerstone goal of the plan, O’Keefe said, is to “extend human presence across the solar system, starting with a human return to the Moon by the year 2020, in preparation for human exploration of Mars and other destinations.” He urged a concerted effort to return the Space Shuttle to operational status as soon as possible in order to complete construction of the International Space Station (ISS) by the end of this decade. The Shuttle would be retired after that goal is achieved, O’Keefe said.

Replacing the Shuttle would be a new Crew Exploration Vehicle (CEV) -- initiated by an effort dubbed Project Constellation -- to provide crew transport for exploration missions beyond low Earth

orbit. He stated, "NASA plans to develop the CEV in a step-by-step approach, with an initial unpiloted test flight as early as 2008, followed by tests of progressively more capable designs that provide an operational human-rated capability no later than 2014." During the transition period, the Shuttle would be used for cargo-intensive trips, whereas the new vehicle would be the vehicle of choice for human travel. O'Keefe repeated a plan cited previously, that NASA would launch the first in a series of robotic missions to the Moon by 2008, and the first human expedition to the lunar surface would begin "as early as 2015 but no later than 2020." No date goal was set for a human expedition to Mars, but it is considered a long-term policy priority.

In response to questions from Chairman John McCain (AZ), O'Keefe noted that the human endurance challenges of human space flight would be among the agency's primary research focus areas in the near term. He urged that the NASA budget include significant funding reserves to guard against the natural uncertainty associated with this sort of scientific venture. Responding to concerns about a reduction in U.S. space capabilities, O'Keefe lauded the collaborative international partnerships (noting that Russian resources have been used to send all humans into space since the Columbia Space Shuttle tragedy) but added that the U.S. also needs to increase its capabilities.

Asked whether the Space Shuttle was necessary to complete the International Space Station (ISS) or if a replacement vehicle could be developed sooner, O'Keefe responded that the ISS components were all designed to fit into the Shuttle cargo bay, so developing an alternative approach would be inefficient, given the Shuttle's payload capabilities. O'Keefe noted that the NASA website has had 4 billion hits in January, almost twice as many as in all of 2003 – prompting Sen. John Breaux (LA) to quip, "No wonder the computers on Mars crashed."

Responding to a question about whether the increased focus on space activities would cause a lessened emphasis on aeronautics pursuits, O'Keefe said that NASA would maintain aggressive efforts in the area – specifically mentioning California's Edwards Air Force Base and NASA Ames Research Center. He said that aeronautics functions would be focused not only on retaining capabilities, but also using them to enhance space program objectives and pursuing aeronautical objectives as well.

Asked about the proposed reprogramming of \$11 billion, O'Keefe suggested that observers look to the NASA budget when it is released on February 2. Cost concerns were a primary focus on committee member comments. Sen. Byron Dorgan (ND) expressed concern that exploration proposals could prove expensive, and Committee Chairman McCain noted that costs frequently have exceeded initial estimates. In testimony, O'Keefe said that retiring the Space Shuttle would "free up over \$4 billion per year." McCain also expressed the opinion that, "the \$12 billion the President has suggested be spent over the next 5 years, falls far short of what might be required to actually return to the moon and reach for Mars and beyond."

For witness testimony, visit the Commerce, Science & Transportation Committee website at <http://commerce.senate.gov/hearings/witnesslist.cfm?id=1021>.

PPIC REPORT IDENTIFIES CAUSES OF SOARING CHILD CARE COSTS

A new report published by the Public Policy Institute of California examines the pricing trends of California's child care market, concluding that the average price for services increased by 14 percent through the 1990s and that government subsidies contributed to the price hikes. The authors identify a number of additional factors affecting the soaring price of child care services such as economic growth, demographic shifts, child care wages, and welfare caseload reductions.

The average weekly cost of center-based child care climbed to \$121 in 2000 from \$106 in 1991. The sharp rise in child care costs between 1991 and 2000 could have been higher had licensed care slots not increased 20 percent during that time to improve the supply of child care, according to the authors.

Furthermore, the report recorded dramatic regional variations in cost increases, with the Bay Area experiencing the highest child care prices (\$149).

The report details California's child care subsidy system, describing the CalWORKS child care voucher program as one of the most generous in the country. Child care subsidies operate with support from the general fund as well as infusions from federal block grants, such as Temporary Assistance for Needy Families (TANF), and the Child Care Development Fund (CCDF). The report finds a positive correlation between price increases in the child care market and the expansion of child care subsidies. Government subsidies were responsible for an 8 percent increase in center prices and a 4 percent increase in family day care prices since 1998, according to the authors.

To view a copy of this report visit the PPIC website at <http://www.ppic.org>.

FEDERAL RULING RESTRICTS USE OF PESTICIDES TO PROTECT SALMON

A U.S. District Judge issued a ruling last Thursday, January 22, 2004, banning the use of various pesticides near salmon streams in three western states including California. The ruling prohibits the use of some 38 pesticides within 20 yards of the waterline and the airborne spraying of them, though the aerial spraying is permissible within 100 yards if it is done for public health reasons. The restriction is in effect until the U.S. Environmental Protection Agency (EPA) can determine whether the pesticides are likely to harm protected fish.

Some critics argue that such buffer zones are harmful to agricultural interests and hinder pest control in the Pacific Northwest. Currently, California already has voluntary buffer zones ranging from 20 yards to 1 mile. A 2002 EPA study suggested that such buffer zones would have only a nominal financial impact on growers considering that much of agricultural land is located far from salmon streams. The study also concluded that northern California rice growers will be the hardest hit - \$3.5 million - since they rely more heavily on aerial spraying.

VEGETABLE FARMERS FACING SHRINKING SHARE OF DOMESTIC MARKET

It is getting harder every year for domestic vegetable growers to compete with cheaper year-round imports from foreign countries, ranging from China to Chile and Mexico, suggests statistics that are part of a new survey by the Economic Research Survey (ERS) of the U.S. Department of Agriculture (USDA). The survey was released in December of 2003, and is titled "*Agricultural Outlook Statistical Indicators*".

California farmers also feel the pressure from imports. For example, in 1999 there were about 36,000 acres of asparagus grown in California, but that number has now dropped to 24,000 acres. Overall, 65 percent of asparagus is imported now, mainly from Peru and Mexico, whereas only 30 percent of all asparagus consumed in the U.S. was foreign grown in 1990. California's tomato growers are also struggling against foreign competition, with tomato imports coming in year-round from Mexico and Canada.

Nationwide, imports of fresh vegetables went up by 7 percent in the first 10 months of 2003. Imports of fresh vegetables have been going up steadily - up 11 percent in 2001 and 6 percent in 2002. According to some experts, competition of this sort is only expected to increase as trade agreements are negotiated and other countries gain easier access to the U.S. market.

To obtain a copy of the survey, please visit the Economic Research Survey website at: <http://www.ers.usda.gov/publications/Agoutlook/AOTables/>.

NEW EDD STUDY PREDICTS IMPROVED EMPLOYMENT MARKET IN CA

About 142,000 jobs should be added in California during 2004, suggests a new study by the state's Employment Development Department (EDD). The study is the first time EDD is attempting to predict job gains in specific occupations within a year. According to the study, retail sales, food services, cashiers,

customer service and computer software are the occupations expected to produce the most new jobs in California, with up to 6,000 new jobs created in each occupation in the upcoming year. The study also notes that new jobs will open up for computer programmers, system analysts, computer support specialists and database administrators throughout the state during 2004. EDD predicts that 2,000 to 3,000 new jobs will be added in each of the following occupations: systems software engineers, elementary school teachers, office clerks, general and operations managers, security guards, and cooks. Construction workers, truck drivers, computer systems administrators, registered nurses, automotive service technicians, medical assistants and housekeepers are also expected to see strong job gains.

CALIFORNIA SCHOOL BOARDS ASSOCIATION TO GIVE BRIEFING ON EDUCATION ISSUES (NOTE CHANGE OF ROOM)

On Friday, January 30, 2004, representatives of the California School Boards Association (CSBA) will give a briefing regarding federal education policy issues. The briefing will be held from 2:00 to 3:00 p.m. on Friday in Room 2175 of the Rayburn House Office Building. (Please note that the room has been changed – to 2175 Rayburn -- due to committee business.)

The presenters will discuss the California state budget, implementation of the No Child Left Behind Act (NCLB), and the reauthorizations of the Individuals with Disabilities Education Act (IDEA), Head Start, the Perkins Act, and the National School Lunch Act. In addition, the presenters will be available to discuss other California issues, including the state's school accountability system.

For further information, or to contact the presenters in advance, feel free to visit the CSBA website at <http://www.csba.org> or contact either Rick Pratt or Phil Escamilla at 916-325-4020. No reply is necessary to attend the briefing.

MONDAY BRIEFING TO EXAMINE AGING ISSUES

On Monday, February 2, 2004, the Population Resource Center and the Northeast-Midwest Institute will conduct a breakfast briefing entitled "Aging in America: The Silver Surge." The event will be held from 9:30 - 11:00 am on Monday in Room 121 of the Cannon House Office Building.

The briefing will feature an introduction by PRC consultant Rebecca Beauregard, and presentations by Census Bureau Aging Studies Branch Chief Victoria A. Velkoff and International Longevity Center - USA President Robert Butler. Ms. Velkoff's briefing is entitled "America's Golden Years: Data for Decision Makers" and Dr. Butler's "The Challenge of Change."

PRC notes that by the year 2020, more than 20 percent of the United States population will be 65 years of age or older and that understanding the implications of this "silver surge" for American society will be a major challenge to policy makers, especially with older Americans of today and tomorrow expected to live longer than ever before.

Like all segments of the state's population, California's older population is expected to continue rising in the coming years, but California continues to be a relatively young state. At present, California has the 6th lowest in the percentage of residents below age 65.

To attend the briefing send e-mail to PRC@prcdc.org, call 202-467-5030, or fax to 202-467-5034.

FEDERAL BUDGET FOR FISCAL YEAR 2005 TO BE RELEASED MONDAY

On Monday, February 2, 2004, the Bush Administration will release its budget proposal for fiscal year 2005. As usual, the California Institute plans to prepare a quick analysis within 24 hours of the budget's release.