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California Capitol Hill Bulletin

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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 donations from Sun Microsystems and IBM Corp.

NEARLY UNANIMOUS DELEGATION URGES CAUTION BEFORE ANY ACTION REGARDING NATIONAL LABS

Forty-seven members of the bipartisan California congressional delegation have signed a letter to Secretary of Energy Bill Richardson regarding the University of California's contract to operate the National Laboratories, including Los Alamos National Laboratory. Acknowledging that the recent security lapses at Los Alamos are "deeply disturbing," the letter, dated June 20, urges that before any action is taken, "we believe its implications must be carefully evaluated so that there will not be any unintended consequences to our national security." The letter points out that in congressional testimony last week, DOE officials testified that UC and Los Alamos are in "full compliance with the security policies prescribed by the DOE."

The letter also outlines the immeasurable benefits that UC's operation of the labs has contributed to the United States and its national security for more than fifty years.

Noting that many of the facts surrounding the recent incidents are still under investigation, the delegation urges the Secretary to carefully consider its findings before any action is taken.

RESOURCES REPORTS ENDANGERED SPECIES ACT

The House Resources Committee reported H.R. 3160, reauthorizing and amending the Endangered Species Act (ESA), by a vote of 24-15 on Wednesday, June 21. The 1973 ESA expired in 1992, but remains in force. There is general agreement that the original Act needs reforming, but substantial controversy exists over what changes to make. H.R. 3160 is authored by Chairman Don Young, and he considers it a "moderate, small step." Others, however, argue that it would gut the original Act. Rep. George Miller (Martinez) has introduced an alternative bill, H.R. 960, which was discussed at yesterday's markup, but not offered as an amendment. Rep. Miller has indicated, however, if H.R. 3160 goes to the floor, he would offer his bill as a substitute.

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Among other provisions, Young's bill would place greater emphasis on hard empirical evidence, rather than extrapolations, before a species could be listed as endangered. In addition, it would allow any person to intervene as a matter of right in suits under judicial review upon demonstrating that a determination to list a species will have a direct economic effect on the person.

Rep. Young has conceded that H.R. 3160 can probably not garner sufficient votes to pass the House; in addition, the President is likely to veto it should it reach his desk.

HOUSE AGRICULTURE EXAMINES EXPORT PROMOTION PROGRAMS

The House Agriculture Committee held a hearing on Wednesday, June 21 to discuss export and market development programs for U. S. Agriculture. Secretary of Agriculture Dan Glickman testified before the panel.

In his testimony, Secretary Glickman praised the recent lifting of many sanctions on agricultural exports, and estimated that the easing of sanctions could bolster U.S. agriculture exports by as much as \$500 million a year. Since the Administration eased the sanctions in April, export sales of hard red winter wheat to Sudan, durum to Libya, and corn to Iran have already been made. Sec. Glickman stated that, in general, the Administration does not support the use of food and human necessity sanctions as foreign policy tools except in the most compelling circumstances.

For 2000, the Secretary said USDA has allocated \$90 million in Market Access Program funding for export promotion activities, and approved plans for \$33 million in overseas market activities under the Foreign Market Development program. He also stated that for 2000, USDA has announced the availability of more than \$5 billion in export credit guarantees for sales to countries where lack of credit might otherwise present a barrier to sales.

For the Secretary's complete testimony, contact the Committee's website at:

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

HOUSE REAFFIRMS MEMBERSHIP IN WORLD TRADE ORGANIZATION

By a vote of 56-363 on Wednesday, June 21, the House rejected a proposal (H.J.Res. 90) that would have required the United States to withdraw from the World Trade Organization (WTO). Despite the overwhelming support for continued U.S. membership in the group, some members used the debate to express concern over the lack of transparency in the WTO decision-making process, and its efforts to improve labor and environmental conditions in the world. Under the terms of the 1994 law under which the United States joined the WTO, Congress may reconsider U.S. membership every five years. The parliamentary procedure requires an up or down vote on a resolution to withdraw, with no amendments allowed on the floor.

INSTITUTE REVIEWS STATE IMPACT OF COMMERCE, JUSTICE, STATE APPROPRIATIONS; VA-HUD REVIEW ALSO POSTED TO WEBSITE

This week, the California Institute reviewed the House version of the FY 2001 Appropriations Bills for the Departments of Commerce, Justice, State, and Related Agencies. The House bill appropriates \$34.9 billion, including \$585 million in funding for the State Criminal Alien Assistance Program (SCAAP) and a \$2.5 billion increase in funding for Immigration and Naturalization Enforcement and Border Affairs. See, [Bulletin, Vol. 7, No. 20 \(06/15/00\)](#). The bill, H.R. 4690, was approved by the House Appropriations Committee on June 14. The report number is H.Rpt. 106-680. The full House began consideration of the bill Thursday evening and is expected to complete action by next week. The Institute report is available on our website in html text format at <http://www.calinst.org/pubs/cjsapp01.htm> or in Adobe Acrobat ("pdf") format at <http://www.calinst.org/pubs/cjs01.pdf> .

In addition, the Institute reviewed the FY01 appropriations measure for the Departments of Veterans Administration, Housing and Urban Development, and Independent Agencies, which passed the House on June 21. Overall, the VA-HUD bill, which passed 256-169, would increase spending by about \$9 billion over fiscal 2000 (PL 106-74). In addition to the VA and HUD, the bill would fund NASA at \$13.7 billion, the National Science Foundation at \$4.1 billion and FEMA at \$877 million. By a larger margin than in years past, 98-325, the House turn down a bid to kill funding for the International Space Station. The Institute's review is available in html text form at <http://www.calinst.org/pubs/vah01.htm> or in pdf form at <http://www.calinst.org/pubs/vah01.pdf> .

SENATE INTERIOR APPROPRIATES \$10.5 MILLION FOR LAKE TAHOE

The Senate Interior Appropriations Subcommittee on Tuesday, June 20, approved a \$10.5 million plan from restoration and preservation efforts in and around the Lake Tahoe Basin. The money is broken down as follows:

- \$4 million for U.S. Forest Service land acquisition from willing sellers;
- \$3 million for erosion control grants;
- \$2.75 million for watershed restoration efforts; and
- \$750,000 for efforts to identify and decommission roads on Forest Service lands.

The House bill, H.R. 4578, was reported by the House Appropriations Committee on May 25. It contains \$2 million for land acquisition in the Lake Tahoe area.

The Senate bill, as yet unnumbered, also contains \$9 million to continue the implementation of the Quincy Library Group project; \$4.2 million for a visitor's center at the Manzanar Internment Camp in Southern California; \$100,000 to support a feasibility study for a proposed Sequoia Visitors Center along Highway 99; and language giving preference in awarding contracts to firms that hire workers in Tulare, Fresno, and Kern Counties dislocated as a result of the establishment of the Sequoia National Monument. The Senate bill passed the subcommittee by voice vote; full committee action may come this week. The committee is not expected to strike any of the California funding provisions.

(Note: the Institute has not yet been able to obtain the full text of the Senate bill and is thus far unable to undertake a full analysis.)

FEINSTEIN URGES RELEASE OF FUNDS TO COMPENSATE FOR PIERCE'S DISEASE

On Tuesday, June 20, Senator Dianne Feinstein wrote to U.S. Department of Agriculture (USDA) Secretary Dan Glickman asking for the release of funds approved under H.R. 2559, which was signed into law by the President this week. The \$7.14 million in what is known as "Risk Management for the 21st Century" is designated to aid state and local efforts to combat Pierce's Disease. The Act reforms the U.S. Crop Insurance Program and consolidates eleven plant quarantine laws governing the USDA. *See, Bulletin, Vol. 7, No. 19 (6/8/00).*

Pierce's Disease, carried by the Glassy Winged Sharpshooter, was spotted in Alameda and Fresno counties this month. Treatment in Tulare county has begun with aid from CalTrans and the California Farm Bureau. Possible hosts of the disease include corn, strawberry trees, avocado, apples, peaches and pears. Shipments of these hosts and others are currently considered at risk.

Many members of the bipartisan California Congressional delegation have been very active this year in efforts to combat Pierce's Disease and the Glassy Winged Sharpshooter. For more information on Pierce's Disease, contact the California Department of Food and Agriculture's web site devoted to the disease: <http://plant.cdffa.ca.gov/gwss/> . Also see, *Bulletin Vol. 7, Nos. 2 (1/27/00), 6 (2/17/00), 7(3/2/00), 10 (3/23/00), 19 (6/82/00).*

PPIC EXPLAINS CALIFORNIA'S DECLINING WELFARE CASELOADS

In *The Rise and Fall of California's Welfare Caseloads: Types and Regions, 1980-1999*, The Public Policy Institute of California (PPIC) reports a 30 percent decline in California's welfare caseloads and attributes the improvement to changes in the types of recipients, immigration, the strength of the economy, birth rate shifts, and welfare reform. The report also found that these factors varied in their degree of influence on welfare caseloads, depending on the region studied.

One of the most remarkable influences on welfare caseload numbers can be attributed to immigration: one-third of caseloads in California are in the "child only" category. According to PPIC, child-only refers to children in families in which parents do not receive aid -- 60 percent of those cases are due to children who have undocumented parents. Between 1989 and 1995, child-only caseloads doubled, and then dropped substantially after 1995. The report speculates that cases increased in the early '90s because of the legalization of 1.6 million immigrants through the 1986 Immigration Reform and Control Act. Non-marital birth rates and the economy also had an influence on the wave of child-only cases. These cases are most heavily centered in Los Angeles County which witnessed a surge in the 1989-1993 period -- a 55 percent average increase per month in child-only cases.

The economy also played a factor in the rise of caseloads in the early 1990s, due to the recession. A rise in non-marital birthrates was not affected by the economic stronghold in the 1980s, but then helped to increase caseloads as the economy went into recession. Federal welfare reform in 1994 further helped the decline of cases -- more so by families' reactions to the reforms, than by the actual reforms themselves.

By region, the Bay area has seen the most dramatic decline in welfare caseloads, with the rural northern and mountain areas having higher welfare rates. The agricultural regions of the Central Valley and central coast have the highest welfare rates in the state -- due to high unemployment, the highest-marital birth rates in the state, and a large percentage of child-only cases.

For more information, contact the PPIC at (415)291-4400 or their web site <http://www.ppic.org>

SENATE ENERGY FAILS TO REACH COMPROMISE ON BROAD ELECTRICITY DEREGULATION BILL, TARGETS ELECTRICITY RELIABILITY

After canceling a scheduled two-day mark up of S. 2098, a comprehensive electricity deregulation proposal, the Senate Energy and Natural Resources Committee approved by voice vote, S. 2071 on Wednesday, June 21. The bill, sponsored by Sen. Slade Gorton (WA), would require the Federal Energy Regulatory Commission (FERC) to establish an industry-run organization that would assign transmissions rules. Left out of the discussion was the extent of FERC's jurisdiction over transmission utilities in a restructured market: whether FERC would regulate utilities only in states that already have restructured their markets, or in all states. Another unresolved issue is that of control of electric transmission across state lines.

At the hearing, Chairman Murkowski (AK) expressed both his disappointment in failing to pass comprehensive legislation before the July 4th recess and appreciation for Sen. Bingaman's (NM) efforts to ensure reliability. Murkowski opined about a coming "energy train wreck" and argued that recent gasoline prices increases are just a beginning. Murkowski outlined the two sticking points in the debate, which he calls "philosophical differences:" the extent of FERC's jurisdiction in federal and state electricity and whether or not comprehensive reform should include a mandate for renewable fuels. Like the Administration's proposal, if utilities can not purchase renewable energy, they would be required to purchase credits from the government. The Chairman expressed concern over the purchase of credits, saying that it would open a "pandora's box" and a whole new business in credits.

Sen. Murkowski said he intends to take up other electricity deregulation issues at a later date, and in the meantime, will ask the leadership to bring S. 2071 to the floor under unanimous consent.

For more information, contact the Senate Committee on Energy and Natural Resources Committee at (202)224-4971 or their web site <http://www.senate.gov/~energy>.

SANTA MONICA SUES OVER MTBE

Santa Monica officials have filed suit against seven oil companies and 11 pipeline firms charging that MTBE has contaminated the city's water wells and seeking \$200 million for the clean-up effort needed to reopen the wells. The lawsuit, filed Monday, June 19, in San Francisco County Superior Court, claims that MTBE used by the oil companies and pipelines seeped into the city's water through faulty underground storage tanks and pipelines. As a result the Charnock Well Field, which has been the city's primary source of water, was contaminated and had to be shut down. The city now must buy 80 percent of its water from outside sources, as opposed to about 20 percent before the contamination.

PRC BRIEFS HILL STAFF ON IMPACTS OF CURRENT IMMIGRATION POLICY

On Friday, June 16, the Population Resource Center (PRC) held a briefing on the demographic and economic impacts of current immigration policy. The presentation was in cooperation with Rep. John Porter (IL), Rep. Thomas Sawyer (OH) and the California Institute.

Presenters at the briefing included former Congressman Anthony C. Beilenson, George Borjas, Ph.D. from Harvard University, and B. Lindsay Lowell, Ph.D. from Georgetown University. While Mr. Borjas focused mainly on the economic impact of today's immigration policy, he started the discussion with a profile of immigration. California, and five other states account for 70 percent of the immigrants in the United States. And while earlier in the century, most immigrants originated in Europe and Canada, 50 percent of current immigrants are native to Latin America and 30 percent native to Asia. Borjas further noted wage depreciation among immigrants: today's workers earn 23 percent less than native workers - a decline of 27 percent since 1960. While he admits that controversy surrounds any wage predictor, he claims that the best wage predictor is knowing the country of origin of an immigrant. He urged that Congress adopt a policy that encourages more skilled immigration.

B. Lindsay Lowell added to the discussion by stressing the value of education in predicting the success of an immigrant. He raised key issues about immigration including: management, types of regulation, temporary visa programs, and integration. He pointed out that even if all future immigrants are highly-skilled, those already in the country need help assimilating and advancing. Consequently, he argued that education assistance, as well as federal and state social benefits should be made available to immigrants when needed.

For more information, contact the Population Resource Center at (202)467-5030 or their web site <http://www.prcdc.org>.

In addition, the event was video recorded by EXBTV and will be available on their website, in streaming video, at <http://www.exbtv.com/index7.jhtml?subsectionId=6678>.

SOUTHERN CALIFORNIA COMPLETES MAGLEV PROPOSAL

Last year, U.S. Department of Transportation Secretary Rodney Slater chose California's magnetic levitation (maglev) proposal as one of seven finalists to compete for \$950 million in federal dollars for the \$5-6 billion transportation project. The Southern California Association of Governments (SCAG) Maglev task force completed their formal application on June 15. If approved by SCAG's Transportation and Communications Committee on July 6, the proposal will go to the Federal Railroad Administration, which will then decide on three finalists. Those finalists will then need to develop environmental and feasibility studies for the projects, which could take up to two years.

California's proposal would extend from LAX to Union Station, connecting to Ontario Airport and then through Riverside County. The T-route would total 75 miles, traveling at speeds of 240 mph -- 58 minutes in all (because of multiple stops).

Other finalists include a 40-mile project from Baltimore to Washington D.C.; a 42-mile jaunt from Las Vegas to Primm, NV (which would then move to Southern California with funds in future years); and a trip from Pittsburgh to Pennsylvania's eastern suburbs and Philadelphia.

As initially envisioned, federal funds would make up a small portion of funding for the maglev project finalist. Project initiators will have to raise private funding for the construction and operation of the system, in which train cars are suspended in air by magnetic force and moved over a guideway.

For more information on magnetic levitation projects, contact the U.S. DOT website at <http://www.fra.dot.gov/o/hsgt/maglev.htm>.

CALIFORNIA STATE SOCIETY ANNUAL PICNIC THIS SATURDAY IN ALEXANDRIA

On Saturday, June 24, the California State Society (CSS) will celebrate California's 150 years of statehood at its annual picnic. Picnic events will include a volleyball tournament, moon bounce, and a charity raffle with the grand prize a trip for two to Los Angeles.

The event will be held at Jones Point State Park in Alexandria, Virginia from 11am to 4 pm. CSS members can attend for free, the non-members cost is \$15 (in advance), and children under 16 are free. Door tickets will be \$20.

To get to Jones Point State Park: Take the G.W. Pkwy south past the airport. In Alexandria, it turns into Washington Street. Follow Washington St. past King St. for 8 blocks to Green Street. Turn left on Green St. and then right on Royal St., then left on a side road marked "Jones Point", just before the Woodrow Wilson Bridge. Follow the road past the stop sign. Jones Point Park is on your right.

For more information, contact the CSS hotline at (202)745-1938.