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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 contributions from Sun Microsystems and IBM Corp.

DELEGATION CIRCULATING LETTER ON SCAAP FUNDING

The California congressional delegation, led by Reps. Jerry Lewis (Redlands) and Sam Farr (Monterey), is circulating a letter urging full support for the State Criminal Alien Assistance Program (SCAAP). The SCAAP program provides funding to the states to partially reimburse them for the costs of incarcerating illegal criminal aliens. The letter is addressed to the Chairs and Ranking Members of the House and Senate Appropriations Subcommittees on Commerce-Justice-State.

The letter urges the appropriators to fund SCAAP at its fully authorized level of \$650 million, but at a minimum to include \$585 million in funding. The lower figure is contained in the House passed bill, and reflects the appropriation level for the program over the last several years.

The letter points out that even at the fully authorized level SCAAP would not totally reimburse the states, because 1999 SCAAP awards under the \$585 million represented only 38 percent of the costs to the states.

Members wishing to sign the letter should contact Pam Barry (Rep. Farr's office) at x54780 or Dave LesStrang (Rep. Lewis' office) at x55861. The letter will be sent out next week.

DELEGATION TO GATHER SIGNATURES ON FEMA INSURANCE RULE LETTER

Reps. Jerry Lewis (Redlands) and Sam Farr (Monterey), co-chairs of the California delegation, will be circulating a letter to the conferees on the Disaster Mitigation Act, S. 1691/H.R. 707. The letter urges the conferees to recede to the House language, which calls for a GAO study of the availability of disaster insurance for public institutions, before FEMA promulgates any regulation. Currently, the Senate language provides for FEMA to move forward on a regulation requiring public entities to carry disaster insurance. *See, Bulletin, Vol. 7, Nos. [5 \(2/10/00\)](#), [10 \(3/23/00\)](#), [13 \(4/13/00\)](#), [14 \(4/20/00\)](#), and [24 \(7/20/00\)](#).*

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In addition, the letter will urge conferees to include language requiring a national panel of insurance and public safety experts to assess the full impact of implementing predisaster insurance requirements.

All of the members of the California delegation signed a letter in June of 1999 to FEMA Director James Lee Witt urging him to slow down the rule making process to ensure an effective and viable rule.

Members wishing to sign the current letter should contact Dave LesStrang at x55861 (Rep. Lewis' office) or Pam Barry (Rep. Farr's office) at x54780.

SENATE CONSIDERING PERMANENT TRADE RELATIONS WITH CHINA

The Senate has begun consideration of the legislation to grant China Permanent Normal Trade Relations (PNTR) with the United States. It voted 92-5 on Thursday, September 7, to move to final consideration of the bill, H.R. 4444. Several amendments may be offered to the bill, however, slowing consideration.

On Thursday, the Senate defeated an amendment offered by Sen. Paul Wellstone (MN), which would have required the President to certify that religious freedom had increased significantly before PNTR was triggered. It was defeated 28-69. Another amendment offered by Sen. Robert Byrd (WV), was also defeated by a vote of 31-65. It would have promoted China's use of clean energy technology. Finally, on Thursday, a third amendment, introduced by Sen. Ernest Hollings (SC), that would have continued the practice of annual reviews of China's trade status was voted down by a vote of 13-81.

The Senate is not expected to complete action on the bill until late next week. Proponents of the legislation hope that the Senate will continue to vote down all amendments, eliminating the need for the bill to go back to the House, where its second passage may be more difficult as the election nears. The House passed H.R. 4444 on May 24 by a vote of 237-197. See, [*Bulletin, Vol. 7, No. 18 \(5/25/00\)*](#).

SENATE ENVIRONMENT COMMITTEE MARKS UP MTBE BILL

The Senate Committee on Environment and Public Works met on Thursday, September 7, to mark up S. 2962, the Federal Reformulated Fuels Act of 2000. The bill, introduced by Committee Chair Bob Smith (NH), is intended to address the problems associated with methyl tertiary butyl ether (MTBE), as well as encourage the use of renewable fuels. MTBE is a gasoline additive that allows fuel to burn more cleanly, but has contaminated the ground water in several California areas.

Senator Barbara Boxer worked with Chairman Smith to include in the manager's amendment to S. 2962 language allowing MTBE to be banned nationwide. Under the bill, it would be phased out over a four year period. The legislation also allows states to opt out of the federal oxygenate requirement, which is one of the primary reasons for the use of MTBE. This will clarify California's legal right to ban MTBE, shielding it from potential liability claims. The MTBE ban in California must be implemented by December 21, 2002.

During the markup the panel defeated an amendment by Sen. James Inhofe (OK) which would have protected MTBE producers from liability, as well as one by Sen. Kay Bailey Hutchison (TX) which would have compensated oil companies for investments in MTBE development technology.

The bill, also, requires some use of renewable fuels. This provision would in effect require the use of ethanol in gasoline in California during the summer months, which may create further problems for the state.

INTERNATIONAL RELATIONS REPORTS TIJUANA SEWAGE CLEANUP BILL

The International Relations Committee on Thursday, September 7, reported favorably H.R. 3378, the Tijuana River Valley Estuary and Beach Sewage Cleanup Act. The bill, introduced by Rep.

Brian Bilbray (Imperial Beach) and co-sponsored by Rep. Bob Filner (San Diego), provides for the secondary treatment of effluent from wastewater treatment facilities in the Tijuana area that flow into and impact on U.S. lands and beaches. The bill would authorize the United States to provide increased treatment capacity above the current 25 million gallons per day level, and would provide for a treatment facility to be located in Mexico.

During the markup, an amendment in the nature of a substitute was adopted which made technical and clarifying changes to the bill. It also requires the development of a comprehensive plan to address the long-term secondary treatment needs in the San Diego-Tijuana border region.

The House Transportation and Infrastructure Committee favorably reported the bill on July 26, 2000, and included an amendment identical to that which was attached to the bill by the International Relations Committee.

REPS. ESHOO AND CAMPBELL TO CIRCULATE LETTER URGING FUNDING FOR THE DEPARTMENT OF ENERGY'S OFFICE OF SCIENCE

Next week, a bipartisan cross-section of members of Congress will write to Congressional leaders urging a boost in funding for sciences in the Department of Energy, and California Reps. Anna Eshoo (Atherton) and Tom Campbell (Campbell) are lending their logistical support to the effort.

The letter from Reps. Eshoo and Campbell urge Californians to sign a letter to Congressional and Appropriations Committee leaders currently being circulated by Rep. Judy Biggert (IL) which seeks \$3.151 billion for the DOE Office of Energy Science. The national letter states that the Office is "the nation's primary supporter of the physical sciences, providing key user facilities and an important partner in the areas of biological sciences, environmental sciences, mathematics and computing, and engineering."

Supporters of the physical sciences are concerned that while some other science sectors have enjoyed substantial and well-deserved increases, many physics programs within the DOE's Office of Science have lost at least 10 percent in real purchasing power since 1990, and probably more since inflation for science substantially exceeds standard cost-price inflators. The letter states that the writers "applaud the strong support shown for research conducted within the NIH and NSF, and ask that this level of support be extended to DOE's Office of Science." Senators Frank Murkowski (AK) and Jeff Bingaman (NM) are circulating a similar letter among members of the Senate.

As currently drafted, the Energy and Water Appropriations bill continues to appear poised for a presidential veto, and the final bill is presently expected to be included in an omnibus spending measure.

California universities and industries, led by the University of California, perennially win a significant share of DOE science and R&D expenditures.

Members wishing to sign the letter should contact Paul Doucette with Rep. Biggert at x53515.

GOVERNOR DAVIS REQUESTS FEDERAL RELIEF FOLLOWING NAPA QUAKE

On Thursday, September 7, Governor Gray Davis wrote to President Clinton requesting federal assistance to Napa Valley homeowners and businesses, after a 5.2 magnitude earthquake occurred at 1:37 a.m. on September 3. The epicenter was roughly three miles south of Yountville on what was apparently an unknown fault.

The Governor's letter stated that preliminary estimates of the damage caused by the seismic event have been calculated at \$50 million for private sector businesses and residences, and \$5 million for public sector facilities. The letter stressed that, "Although much of the damage assessed by the teams is considered 'minor' under FEMA guidelines, the overall impact due to the large number of damaged residences and businesses is significant." Preliminary estimates suggest that 3,000 to 5,000 residences

have been damaged by the earthquake, and aftershocks (there have been 20 to date) are expected to continue for some time.

The Governor's letter states that "it is clear that this incident is of such severity and magnitude that effective response is beyond the capabilities of the state and affected local governments and that federal supplementary assistance is necessary." He adds that he will implement the Individual and Family Grant program, and added "I am also specifically requesting the implementation of the federal Public Assistance, Temporary Housing, Disaster Unemployment Assistance, Hazard Mitigation Grant, Crisis Counseling programs, as well as the disaster loan programs of the SBA."

For a copy of Governor Davis' letter to the President, see

<http://www.governor.ca.gov/briefing/pressreleases/sept00/pr0023497att.html> .

CALIFORNIA TO RECEIVE \$60 MILLION READING DEVELOPMENT GRANT

The U.S. Department of Education recently announced that California will receive a \$60 million competitive grant to improve reading skills of children in the State's poorest school districts. The award of the grant was announced by Governor Gray Davis.

The money, funded through the Federal Reading Excellence Act, will be used to increase and improve the efforts of the State's poorest, lowest performing schools to teach all of their students to read by the end of third grade. According to the Governor, approximately 83 percent of California's school districts receive federal funds for disadvantaged students. Grant funds will also be used to address the challenges presented by the large numbers of students with limited English proficiency.

Among other things, the grant will be used to establish a California Reading Center in Sacramento to provide statewide project management, and satellite centers in Northern and Southern California to provide Regional Literacy Coordinators, who will support participating school districts.

CALIFORNIA COUNTY ECONOMIC PROJECTIONS REPORTED

The Center for Continuing Study of the California Economy recently released its *California County Projections, 2000 Edition*. The objective of the report is to present projections of key market variables for each county in California. Nine market characteristics are covered for each county: population, households, total personal income, per capita personal income, average household income, total taxable sales, taxable retail sales, total nonfarm wage and salary jobs, and manufacturing jobs. The report ranks each county for each key market characteristic.

The report finds that California strong economic growth has led to an increase in annual population growth. Since 1996, according to the report, population gains have averaged near 550,000 per year, far above the 400,000 annual growth of the 1990-96 period.

In terms of income, California leads the nation's productivity growth, with real per capita income rising by 2.4 percent annually since 1994 to reach \$29,038 in 1999, slightly above the \$28,518 national average. The Bay Area had the largest gains in per capita income, according to the report, finding that eight of the top ten counties for per capita income were in the Bay Area. The Los Angeles Basin counties also experienced strong growth, but the San Joaquin Valley and nonmetropolitan counties continue to lag behind the state's growth rate.

The report finds, however, that there is a "black cloud on the horizon" for household formation in California in the decade ahead. Housing supply and affordability have become "enormous challenges" in many California regions. The report recommends two responses to address this growing problem: 1) policies that increase the incentive for housing units to be built; and 2) policies that increase the incentives for infill development and modest density increases in existing urban areas.

For a complete copy of the CCSCE report, contact the Center at 650-321-8550. The Center's website is <http://www.ccsce.com> .

STATE'S 150-YEAR ANNIVERSARY TO BE CELEBRATED IN D.C.

On Wednesday, September 13, the 150th anniversary of California's entry into the union will be celebrated in Washington with a cake cutting ceremony and other activities. On the 13th, California delegation leaders are coordinating the insertion of 52 "Extensions of Remarks" into the *Congressional Record*. California became the 31st state on September 9, 1850. The event will be commemorated in California on Saturday and throughout the weekend.

Also on Wednesday, Californians in Washington will take part in the East Coast unveiling of a commemorative postage stamp, featuring a scene of the California coastline at Big Sur. A press release and a preview of the stamp is available on the postal service's website at <http://new.usps.com/cgi-bin/uspsbv/scripts/content.jsp?A=B&D=24598&K=B&U=X&U1=B&U2=H> .