



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

419 New Jersey Avenue, SE, Washington, D.C. 20003 202-546-3700
fax: 202-546-2390 e-mail:ransdell@calinst.org web:<http://www.calinst.org>

California Capitol Hill Bulletin

Volume 8, Bulletin 8 -- March 8, 2001

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.

CALIFORNIANS TESTIFY ON ENERGY CRISIS

On Tuesday, March 6, several members of the California Congressional Delegation testified before the Energy and Air Quality Subcommittee of the House Energy and Commerce Committee on California's energy crisis. Members either testifying, or submitting written testimony, included: Reps. Mary Bono (Palm Springs), Ken Calvert (Corona), Duke Cunningham (San Diego), Susan Davis (San Diego), Bob Filner (San Diego), Michael Honda (San Jose), Duncan Hunter (Alpine), Darrel Issa (Vista), George Radanovich (Mariposa), Brad Sherman (Sherman Oaks), Mike Thompson (St. Helena), Henry Waxman (Los Angeles), and Lynn Woolsey (Petaluma).

Rep. Bob Filner called for an investigation of whether criminal charges for fraud, extortion, and anti-trust violations were warranted and urged members to support his bill, H.R. 268, which would require any energy producers and marketers who illegally profited from high rates to provide restitution to consumers. Rep. Waxman, a member of the Committee, cautioned members not to have "blind-faith" in market forces and deregulation. Rep. Bono expressed concern that there will still be inadequate power available this summer and urged the Committee to seek ways to encourage capital spending on the power grid. Rep. Radanovich called for developing our own natural gas resources and supported developing the Arctic National Wildlife Refuge (ANWR).

Rep. Brad Sherman discussed his legislation that would allow California to adjust daylight savings time to conserve energy, stating it would save between one and two percent of the state's energy consumption. Rep. Issa called for eliminating barriers to market entry for new utilities and producers. Rep. Davis urged the members to consider a short-term increase in the housing allowance for military personnel adversely affected by the increase in energy rates. And Rep. Mike Honda discussed the impact on Silicon Valley's businesses and residents as a result of the rolling black-outs California had to institute.

Rep. Ken Calvert endorsed developing a comprehensive national energy policy and said that the House Resources' Water and Power Subcommittee, which he chairs, will be holding hearings to evaluate how management of public lands affects U.S. energy supplies. Rep. Lynn Woolsey urged that any

CONTENTS:

CA Members Testify on Energy . . .	1
House Appropriations Finalizes Subcommittee Slots	2
New USTR Robert Zoellick Testifies Before Ways And Means	2
Senate Environment Committee Reports Brownfields Bill	3
Public Policy Institute of California's Central Valley Survey	3
Geothermal Energy Briefing Held . .	3
Amtrak's High-Speed Rail Plan . . .	4
Census Data Highlights Growing Latino Population Nationally . . .	4
California Chamber To Brief Delegation on Energy Crisis Impact	4
Tentative Schedule Set For House and Senate	5

national energy policy should include renewable fuels, as well as energy conservation and efficiency provisions.

Further information on the hearing can be obtained through the Committee's website at: www.house.gov/commerce.

HOUSE APPROPRIATIONS FINALIZES SUBCOMMITTEE SLOTS

The House Appropriations Committee allocated its subcommittee assignments on Wednesday, March 7, after the appointment of Rep. Donald Sherwood (PA) as the last member of the full Committee.

Rep. Jerry Lewis (Redlands) retains his chairmanship of the Defense Subcommittee, and also holds seats on the Foreign Operations and Legislative Branch Subcommittees. Rep. Duke Cunningham (San Diego) will also sit on the Defense Subcommittee, as well as the Labor-HHS-Education Subcommittee and the District of Columbia Subcommittee. Rep. John Doolittle (Rocklin), newly appointed to the Committee, will hold seats on the Subcommittees on Energy and Water and the District of Columbia.

On the minority side, Rep. Nancy Pelosi (San Francisco) retains her seats on the Labor-HHS-Education and Foreign Operations Subcommittees. Rep. Sam Farr (Carmel) will sit on the Agriculture Subcommittee and the Military Construction Subcommittee. And Rep. Lucille Roybal-Allard (Los Angeles) will hold seats on the Commerce-Justice-State and Energy and Water Subcommittees.

Rep. Doolittle was also appointed by the majority, along with two other Republicans, as the Committee's representative to the Budget Committee.

NEW USTR ROBERT ZOELICK TESTIFIES BEFORE WAYS AND MEANS

The Honorable Robert B. Zoelick, the newly confirmed United States Trade Representative, testified before the Ways and Means Committee on Wednesday, March 7, and presented the Administration's policy on U.S. trade matters. The hearing focused on several pending trade matters, including: (1) extension of trade promotion authority (formerly known as fast-track authority); (2) prospects for an agreement to establish a Free Trade Area of the Americas (FTAA); (3) progress on the WTO "built-in agenda;" (4) the status of preparations to launch a new round of multilateral trade negotiations in the WTO; (5) implementation of the bilateral trade agreement with Jordan; (6) approval of the bilateral "Jackson-Vanik" trade agreement with Vietnam; (7) progress in negotiations to establish trade agreements with Singapore, Chile and other nations in the Pacific Rim region; (8) the functioning of the WTO dispute settlement system; and (9) whether to extend and expand the Andean Trade Preference Act.

In announcing the hearing, Chairman Bill Thomas (Bakersfield) stated: "The Committee is committed to moving quickly to consider new Trade Promotion Authority so that the United States can reclaim its historic leadership role in global and regional trade discussions." He also noted approvingly, the Administration's decision to change the nomenclature from "fast-track authority" to "Trade Promotion Authority (TPA)." Ambassador Zoelick reiterated that the Administration cannot do without trade promotion authority, especially for broad-based agreements. TPA provides that trade agreements negotiated by the Administration must be considered by Congress within 90 days and are not subject to amendment. On the issue of addressing labor and environmental concerns in trade agreements, the Ambassador testified that he does not see one legislative solution that could be applied to all countries, but rather thinks that there are many viable options available that should be tried on a country-by-country basis. He emphasized, however, that the Administration would not address these issues in a "protectionist" way.

He noted that the President will attend the Summit of the Americas in Quebec City in April and stated that the Administration hopes to negotiate an FTAA by at least January 2005. He also testified that the USTR wants to launch a new round of global trade negotiations in the World Trade Organization (WTO), with an emphasis on agriculture issues, and will also seek to negotiate regional and bilateral agreements to open markets around the world.

Further information on the hearing can be found on the Committee website:

www.house.gov/ways_means.

SENATE ENVIRONMENT COMMITTEE REPORTS BROWNFIELDS BILL

The Senate Environment and Public Works Committee marked up S. 350 on Thursday, March 8. The bill would increase federal grants to states to promote the cleanup of brownfields. Brownfields are abandoned industrial sites, most often in urban areas, where fears of toxic contamination dissuade companies from purchasing and developing the sites.

The bill boosts federal funding for site cleanup from \$15 million to \$50 million, annually, and provides \$150 million annually over the next four years to state and local governments to evaluate brownfields. In addition to the increased funding, S. 350 also provides some liability protection to companies redeveloping brownfields. The Committee approved the bill by a vote of 15-3.

During the markup several amendments were withdrawn or defeated. Sen. Harry Reid (NV) cautioned members against tinkering with the language, calling it a "delicate compromise" that would fall apart if changed. Chairman Robert Smith (NH) noted that EPA Administrator Christine Todd Whitman supports the bill as written.

Action on the Senate floor may come on the bill as early as next week.

PUBLIC POLICY INSTITUTE OF CALIFORNIA'S CENTRAL VALLEY SURVEY

The Public Policy Institute of California released a Special Survey of the Central Valley, under its series of statewide surveys. The public opinion survey covered 18 counties in the Central Valley region of California from Shasta county to Kern County. The survey which covers such issues as quality of local public service, job opportunities, economic conditions and satisfaction with local and state government found that 75% of Central Valley residents rate it as an excellent or good place to live. A majority of the residents also rate the public services as good or excellent. However, just under 50% of those surveyed rate the region's economy as excellent (7%) or good (42%), with 37% describing it as fair and 13% describing it as poor.

Many Central Valley residents according to the survey cited growth related issues such as population growth, electricity, water, jobs and the economy as important issues facing the region. To view the special survey in its entirety, please visit PPIC's website at: <http://www.ppic.org>.

GEOHERMAL ENERGY BRIEFING HELD

On Wednesday February 28, the Environmental and Energy Study Institute hosted a Congressional briefing entitled *Geothermal Energy: A Sustainable Answer to the West's Energy Crisis*. Speakers included: John Lund, Ph.D., Director of Geo-Heat Center, Oregon Institute of Technology; Gordon Bloomquist, Ph.D., Director, Energy Program, Washington State University; Karl Gawell, the Washington Representative of the Geothermal Energy Association; and, Kai Anderson, Legislative Assistant for Senator Harry Reid of Nevada.

Geothermal energy, which is derived from the Earth's heat, is relatively accessible, particularly in many western states, according to experts. The geothermal industry is a \$1.5 billion a year enterprise, as it can be used to produce electricity for commercial and industrial heat and for health spas. Current U.S.

geothermal electric power generation is approximately 2,800 Megawatts. The briefing focused on geothermal energy as a possible solution to the current energy crisis.

Policy options related to geothermal energy were also explored, with specific focus on legislation introduced by Senator Reid. His bill, S.249, would develop thousands of new megawatts of new renewable energy capacity in the West.

For more information on the issue of geothermal energy please visit the Geothermal Energy Association website, <http://www.geo-energy.org> .

AMTRAK UNVEILS HIGH-SPEED RAIL PLAN

On Wednesday March 7, Amtrak unveiled a 20-year, \$10.1 billion vision plan for high speed rail in California. The plan was unveiled by Amtrak Vice Chair and former Massachusetts Governor Michael Dukakis and Caltrans Director Jeff Morales. Part of the plan is to add three round-trip trains to the existing four trains traveling between San Diego and Santa Barbara daily. The plan also aims to double some tracks in Simi Valley, increasing speeds from 79mph to 90mph. The practice of double tracking, according to Amtrak, enables passengers to get to their destination 25% faster. Plans for a high speed rail capable of reaching 125mph between downtown Los Angeles and San Francisco are also included in the proposed plan.

Some of Amtrak's partners in developing this plan include Caltrans, Metrolink, Caltrain and the Burlington Northern Santa Fe Railway. The proposed plan would be paid for using federal, state, local and regional financing. The financing for the proposed plan depends highly on whether Congress passes a high-speed rail investment bill which would raise \$12 billion for rail projects nationally through the sale of Amtrak bonds. Similar legislation failed last year. If the high-speed investment legislation passes, funds coming into the state from bonds would be leveraged against state and local matching dollars to pay for the high speed rail plan.

CENSUS DATA HIGHLIGHTS GROWING LATINO POPULATION NATIONALLY

According to recently released Census 2000 data, the Latino population nationally has increased to 35.5 million. This number reflects a significant growth from the 1990 Census, which recorded 23 million Latinos in the U.S. This growth in the Latino population has caused it to slightly exceed the African American population, which is estimated at 34.2 million.

It is estimated that about 12.8 million of the 35 million Latinos in the U.S. are foreign born. Also census data shows that the majority of the nation's Latinos are of Mexican descent, (about 66%) with about 14% being of Central American or South American descent. California continues to be the major population center for Latinos in the U.S., along with Texas, Arizona, New Mexico, Florida, New York, New Jersey and Illinois. The Census also recorded increasing Latino communities in North Carolina and Georgia.

On Tuesday, March 6, Secretary of Commerce Donald Evans announced that raw, unadjusted population figures will be used for congressional redistricting. He called last year's effort the most accurate Census in U.S. history, and adopted the recommendation of the Census Bureau's statisticians in calling for the use of unadjusted figures. Secretary Evans, however, did leave open the possibility that adjusted population figures might be used at a later date to allocate federal funding.

More information can be obtained from the Bureau's website at: www.census.gov

CALIFORNIA CHAMBER TO BRIEF DELEGATION ON ENERGY CRISIS IMPACT

The California Chamber of Commerce, represented by its President Allan Zaremborg, will brief the California congressional delegation and staff on the impacts of the current energy situation on

California's business climate and how the imbalance between supply and demand affects the economic output of the state.

The briefing will be held on Wednesday, March 14 at 2:00 p.m. in Room B-318 of the House Rayburn Building. It is open to the public.

Representing more than 12,000 companies of all types and sizes, the California Chamber of Commerce is one of the state's largest broad-based non-profit organizations and is the state's leading business organization.

TENTATIVE SCHEDULE SET FOR HOUSE AND SENATE

The House and Senate have set the following tentative schedule for recesses during 2001. Spring Recess will run from April 7 through April 22, for both bodies, with the Memorial Day Recess scheduled to begin on May 26 and go through June 3. The Independence Day Recess will start June 30 and end July 8, and the August Recess is set for August 4 through September 3 in the House and September 4 in the Senate.

The Senate has set October 5, 2001 as its adjournment target. The House has not set a target date for adjournment.