

From: Marinos, Maria  
Sent: Monday, March 03, 2008 12:50 PM  
To: Board.Secretary  
Cc: Burns, Michael  
Subject: General Information: Weekly Legislative Reports

Attachments: Akin Gump Weekly Washington Update - 2-25-08.doc; California Strategies Weekly Sacramento Update - 2-25-08.doc

To: VTA Board of Directors  
From: Kurt Evans, Government Affairs Manager  
Date: March 3, 2008  
Subject: General Information: Weekly Legislative Summaries

For your information, I am attaching the weekly legislative updates for the week of February 25, 2008.

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Susan Lent  
Akin, Gump, Strauss, Hauer & Feld

Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** March 3, 2008

**SUBJECT:** Weekly Federal Update: Week of February 25, 2008

---

### **ENERGY**

The House approved \$18 billion in new taxes on the largest oil companies as Democrats cited record oil prices and rising gasoline costs in a time of economic troubles. The money collected over 10 years would provide tax breaks for wind, solar and other alternative energy sources, as well as for energy conservation. The legislation, approved by a vote of 236-182, would cost the five largest oil companies an average of \$1.8 billion a year over that period, according to an analysis prepared by the House Ways and Means Committee. Those companies earned \$123 billion last year.

Senate Democratic leaders said they would put the bill on a fast track and try to avoid a Republican filibuster. Meanwhile, the White House noted that the legislation unfairly takes aim at the oil industry. Administration officials said singling out the oil companies for higher taxes “would reduce the nation’s energy security rather than improve it and lead to higher energy costs to U.S. consumers and business.” President George W. Bush is expected to veto the measure if it passes Congress.

The bill would roll back two lucrative tax breaks for the five largest U.S. oil companies. One helps manufacturers compete against foreign companies; the other gives American companies a tax credit related to oil and gas extraction outside the country. Democrats estimated that those current breaks would save the oil companies \$17.65 billion in taxes over the next 10 years. The House-passed legislation would use that money to promote renewable energy industries—such as wind, solar and cellulosic ethanol plants—by extending tax credits that recently expired or are scheduled to sunset at year’s end. The bill would offer tax credits for more energy efficient homes and for “plug-in” gas-electric hybrid cars that would capture electricity off the power grid, once such cars become available in showrooms.

The oil industry has lobbied intensely against the House legislation, calling it a “discriminatory bill” that targets companies that already pay considerable taxes. But other energy industries and energy efficiency advocates have campaigned for the legislation because of the tax incentives that would be directed their way. A similar tax proposal passed the House last summer, but it was abandoned in the Senate where Democrats could not muster the 60 votes needed to overcome a GOP filibuster. Senate Democrats are maneuvering to avoid a repeat of that situation with the newly passed House measure.

## **GLOBAL WARMING**

Sen. Barbara Boxer released internal U.S. Environmental Protection Agency (EPA) documents that appear to support her view that the agency’s rejection of California’s tough fuel-standards waiver was directed by the White House. The California Democrat is chair of the Senate Environment and Public Works Committee, which is investigating the decision. The denial has stalled plans by California and at least 16 other states to enact vehicle standards that are tougher than federal law in an effort to curb carbon dioxide emissions blamed for global warming. EPA Administrator Stephen Johnson rejected California’s request in December, saying its release from less stringent federal Clean Air Act requirements is not appropriate because the effects of global warming are not confined to the state. He also noted that toughened federal vehicle mileage standards signed into law last year would achieve similar results nationally.

But documents obtained by House and Senate investigators have revealed sharp disagreements within the EPA over the waiver, with professional staff insisting that California had a legitimate claim and that the agency would likely lose a lawsuit filed by the state over a denial. During congressional hearings, Johnson has testified that he alone made the decision. But Boxer said the new documents show that Johnson went to the White House armed with briefing papers supporting California. “A funny thing happened on the way to the White House,” Boxer said. She also has asked for White House documents on the waiver decision, but so far her investigators have been given nothing.

Among the EPA documents that she released was a briefing memo by Christopher Grundler, deputy director of the agency’s Transportation and Air Quality Office, recommending to Johnson that he approve California’s application. “It is obvious to me that there is no legal or technical justification for denying this,” Grundler wrote. “You have to find a way to get this done. If you can’t, you will face a pretty big personal decision about whether you are able to stay in the job under these circumstances. If you are asked to deny this waiver, I fear the credibility of the agency that we both love will be irreparably damaged.”

Boxer said events have proved the wisdom of the warning, saying, “I believe the EPA is an agency in crisis because of this decision.” But EPA officials claimed that the new documents support what Johnson has been saying all along—that he made his decision after a full briefing on the options. “Senator Boxer can hold as many press conferences

or release as many documents as she wants, but it won't change the Administrator's decision under the Clean Air Act," said an EPA spokesperson.

## **HOUSING**

The White House promised to veto legislation seeking to follow up the recent economic stimulus package with several proposals to shore up the struggling housing market and reduce foreclosures. The Democratic housing bill would: (a) change bankruptcy laws to allow judges to cut interest rates and reduce what is owed on troubled borrowers' mortgages; (b) provide \$4 billion to communities to purchase and rehabilitate foreclosed homes; and (c) improve disclosure of subprime mortgage loans in hopes that borrowers would not be surprised by big payment increases.

But the White House said the \$4 billion for purchases of foreclosed homes is too expensive and "would constitute a bailout for lenders and speculators, while doing little to help struggling homeowners." The provisions rewriting the bankruptcy code, the White House commented, would allow borrowers to effectively rewrite their mortgage contracts, leading lenders to tighten their standards and raise interest rates. The White House said both provisions would in fact slow the recovery of the housing sector.

## **HOMELAND SECURITY**

President Bush said Democratic leaders in the House are blocking key intelligence legislation so that trial lawyers can sue phone companies that helped the federal government eavesdrop on suspected terrorists after the September 11, 2001, attacks. "Terrorists are plotting new attacks against America at this very moment," the President said in renewing his call for the House to pass legislation needed to renew the intelligence law that expired several weeks ago.

The Senate bill, which passed 68-29, provides retroactive immunity for telecommunications companies that wiretapped American phone and computer lines at the federal government's request, but without the permission of a secret court created 30 years ago to oversee such activities. The House version does not provide such immunity. The current law expired after Congress left on a 10-day recess before reconciling the House and Senate versions of its replacement. President Bush has promised to veto any surveillance bill that does not protect the companies from civil lawsuits that allege violations of privacy and wiretapping laws under the warrantless wiretapping program.

## **WAR IN IRAQ**

- Defense Secretary Robert Gates said he hopes to be able to continue to reduce the number of U.S. troops in Iraq over the next 10 months, even as he and his military commanders lean toward a pause in troop cuts in July. Gates commented that he thinks a "brief pause" to evaluate the security situation in Iraq "is probably necessary in order to be able to assess the pacing of any subsequent drawdowns." While Gates would not say how long a brief interruption in troop cuts might be, his comments

signaled that reductions could begin again before the end of the year. “I think my hope still is that we will be able to further draw down our troops in Iraq over the course of the next 10 to 12 months,” he said. After a 30,000-troop buildup ordered by President Bush last year to quell violence in Baghdad, the Pentagon—under pressure from Congress and a war-weary public—has begun a plan to pull five combat brigades out of Iraq by July without replacing them.

- Turkey’s military assault into northern Iraq will not solve the terrorist problem there, Defense Secretary Gates noted, calling for greater political and economic initiatives by the Turks to win over supporters of the Kurdish rebels. Speaking as the Turkish military continued its first major ground incursion into Iraq since 2003, Gates said it would take a broader approach, similar to U.S. and coalition efforts in Iraq and Afghanistan, to erode support for the rebel Kurdistan Workers’ Party, or PKK, in northern Iraq. He also called on the Turks to bring a quick end to the incursion.

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Mark Watts  
California Strategies and Advocacy

Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** March 3, 2008

**SUBJECT:** Weekly Sacramento Update: Week of February 25, 2008

---

### **STATE BUDGET**

Senate Democrats mapped out a 10-week budget strategy that will emphasize the impact of Gov. Arnold Schwarzenegger's proposed cuts to health care and education. Senate President Pro Tem Don Perata (D-Oakland) said the public needs to understand the full impact of the Governor's proposed reductions before it will embrace tax increases as part of the solution. For example, he noted that a \$4.4 billion cut to public schools could mean delaying the start of the school year by one month or adding five students to each classroom to offset the loss of thousands of teachers.

Democrats, who hold a majority in the Legislature, said they would rather prioritize programs than adopt the Governor's 10 percent across-the-board cuts in dealing with the remaining \$8 billion state budget shortfall projected for the fiscal year that begins on July 1. However, the Schwarzenegger Administration countered that the Governor's aim was to spread the cuts broadly so that "no one individual program or agency shouldered a disproportionate share of solving this problem." In addition, the Governor and GOP lawmakers continue to say they would not support any tax increases to fix the budget problem.

Senate Democrats also announced a slight change in the budget process that is intended to get more lawmakers to participate in finding solutions to the state's fiscal crisis. Rather than breaking off into subcommittees, the full Senate Budget Committee will hold weekly hearings leading up to the Governor's next budget update in May. Republican Senate GOP Leader Dick Ackerman (R-Irvine) welcomed the change but dismissed the severity of Governor Schwarzenegger's proposed cuts, calling Perata's statements a "scare tactic." Under the Governor's \$101 billion General Fund spending plan, Ackerman said the state would still spend nearly \$25 billion more than it did five years

ago. "There's plenty of money in the budget to take care of things the state needs to take care of," he commented. Ackerman also noted that K-12 education, which commands the largest share of the budget, has grown 21.4 percent over the past five years despite fewer students. Enrollment is expected to decline for the fourth consecutive year in FY 2009, according to the Legislative Analyst's Office.

## **WATER**

U.S. Sen. Dianne Feinstein (D-CA) and Gov. Schwarzenegger met privately with state lawmakers in an effort to jump-start stalled negotiations on a state water bond. There were no major breakthroughs, and significant hurdles remain. But legislative leaders from both parties agreed to meet again in two weeks.

Feinstein, who was invited to the State Capitol Building for the meeting by the Governor, said, "I found it very productive and very constructive and I think the key is to keep these people together." She and the Governor pressed for a legislative deal to get a measure on the November ballot, rather than relying on an outside initiative.

Legislative water solutions have proved to be elusive due to the partisan divide over the construction of new dams. Talks collapsed last year, and lawmakers from both parties had put the issue aside this year as they wrestle with the state's fiscal crisis. But Feinstein said "the window of opportunity is on us now." If no deal is reached for this year's ballot, lawmakers would probably have to wait until 2012, she noted. That is because reaching a deal for the 2010 ballot might prove to be politically impossible because it is a gubernatorial election year, Feinstein commented. Feinstein has long pushed for state money for dams, parting ways with other leading Democrats who have strongly opposed using public money to pay for surface water storage. While in Sacramento, Feinstein called for a "comprehensive solution" that would include money for dams and groundwater storage, as well as for repairs to the deteriorating Sacramento-San Joaquin Delta.

An initiative proposal sponsored by the California Chamber of Commerce, and other business and farm groups calls for spending \$11.7 billion in new bond money for water projects, including about \$3.5 billion for dams. The group has until July 14 to collect 433,971 valid signatures from California voters to qualify the measure for the ballot. But sponsors are unlikely to launch the expensive drive unless they have broad political backing from politicians such as Feinstein and Gov. Schwarzenegger. The business proposal is similar to a \$10 billion plan floated last year by the Governor, who failed to broker a deal with Perata. In fact, Perata, who leaves the Legislature at the end of the year, joined environmental organizations in launching a media campaign against the Governor's plan.

## **CALIFORNIA STATE LEGISLATURE**

Karen Bass secured the votes to become the next Speaker of the Assembly, elevating an African-American woman to the post for the first time in California's history. Bass, a 54-

year-old Los Angeles Democrat, was the top lieutenant of outgoing Speaker Fabian Núñez (D-Los Angeles), who pitched in behind the scenes to help her win a feverish, 10-person battle for the job. Bass is expected to work alongside Núñez in the coming months, then transition into the Assembly's top spot.

Bass, considered the front-runner for weeks, will assume a political job considered by many to be second only to the Governor in power and prestige in California state government. Núñez will be forced from office at the end of 2008 by term limits. The end of his reign as Speaker—the longest of the term limits era—was sealed after voters defeated a February 5 ballot measure that would have extended his time in office.

Bass beat a field of Democratic speakership candidates consisting of Alberto Torrico of Newark, Kevin De Leon of Los Angeles, Hector De La Torre of South Gate, Joe Coto of San Jose, Fiona Ma of San Francisco, Charles Calderon of Whittier, Mike Feuer of Los Angeles, Anthony Portantino of La Cañada Flintridge, and Ed Hernandez of West Covina. There are 48 Democratic members of the Assembly, meaning Bass needed at least 25 votes to become Speaker. An official vote had been planned for March 11, but news that Bass had secured support from a majority of the Democratic caucus left no reason to wait another two weeks for ratification. Democrats, who control the Assembly by a vast margin, 48-32, can elect Bass to the speakership with or without GOP support.

As Speaker, Bass will serve as chief negotiator for Assembly Democrats in discussions with Gov. Schwarzenegger and the other three legislative leaders. Of the so-called Big 5, Bass will be the only woman and the only non-white. As the leader of the lower house, Bass will also name the chairs of every legislative committee, set staff budgets, assign offices to members, and have ultimate say in picking what legislation reaches the Assembly floor.

Bass is the fifth consecutive Speaker from Los Angeles. Before Núñez, there was Herb Wesson, currently a member of the Los Angeles City Council, Bob Hertzberg and Antonio Villaraigosa, now mayor of Los Angeles. In addition to becoming the first African-American woman Speaker, she is one of only two African-American women serving in the 120-member Legislature.

The daughter of a homemaker and a postal worker, Bass served as leader of the non-profit Community Coalition following the 1992 Rodney King riots in Los Angeles. The group sought to replace burned-out liquor stores and run-down motels with businesses less likely to attract a rough-and-tumble clientele. A native of Los Angeles, Bass worked as a nurse and a physician's assistant before arriving in Sacramento. As a legislator, she has been an outspoken liberal, voting for Democratic causes, including universal health care and gay marriage. One of Bass' first major efforts, though unsuccessful, was to push for California to develop alternative methods of measuring academic proficiency, besides the high school exit examination, for granting high school diplomas.

From: Marinos, Maria  
Sent: Thursday, March 06, 2008 4:10 PM  
To: Board.Secretary  
Cc: Burns, Michael  
Subject: General Information: Weekly Legislative Reports

Attachments: Akin Gump Weekly Washington Update -- 3-3-08.doc; California Strategies Weekly Sacramento Update -- 3-3-08.doc

To: VTA Board of Directors  
From: Kurt Evans, Government Affairs Manager  
Date: March 7, 2008  
Subject: General Information: Weekly Legislative Summaries

For your information, I am attaching the weekly legislative updates for the week of March 3, 2008.

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Susan Lent  
Akin, Gump, Strauss, Hauer & Feld

Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** March 7, 2008

**SUBJECT:** Weekly Federal Update: Week of March 3, 2008

---

### **TRANSPORTATION**

- A bipartisan group of governors met with President George W. Bush to request his support for a second economic stimulus package that would provide \$12 billion to rebuild aging transportation infrastructure across the country. Washington Gov. Christine Gregoire said following the meeting that the President was not interested in pursuing a second stimulus bill at this time and wanted to see what impact the recently enacted tax rebates would have. The White House meeting took place as part of the National Governors Association winter meeting and covered a number of policy issues. While the White House did not completely rule out further stimulus spending, Transportation Secretary Mary Peters, in addressing a session at the National Governors Association meeting, suggested that the best way to secure money for transportation infrastructure would be to attract more private-sector investment through partnerships with state or local governments. Peters commented that additional federal spending would take too long to rejuvenate the economy.
- Senate Aviation Subcommittee Chairman John Rockefeller (D-WV) predicted that Congress would not reauthorize the Federal Aviation Administration (FAA) this year. He blamed the general aviation industry for blocking an increase in user fees and failing to compromise to fund upgrades to the air traffic control system. General aviation interests support a continuation of the fuel tax, while large commercial carriers favor a \$25 per flight fee that would increase general aviation's share of the revenue. The FAA has estimated that general aviation represents 16 percent of the costs of the system, but contributes only 3 percent of the revenue. The FAA's authorization expired last September, and the agency has been operating under a series of short-term extensions.

- The House Science and Technology Committee approved a bill authorizing \$6 billion in grants to transportation research centers to adapt “green technology” in the construction of highways, roads and parking lots. H.R. 5161, the so-called Green Transportation Infrastructure Research and Technology Act, would support technologies that preserve and restore natural processes and landforms, use natural design techniques to manage pollution from storm-water runoff from highways, and minimize energy consumption and air pollution. The legislation also authorizes the Federal Highway Administration (FHWA) to include green infrastructure and construction training in the National Highway Institute’s curriculum.

## **GUN CONTROL**

Guns, and questions about how much power the government has to keep people from owning them, are at the core of one of the most divisive topics in American politics. Nowhere is that divide more pronounced than in the gap between Americans’ beliefs about their rights under the Second Amendment, and how courts have interpreted the law. Yet for decades, federal judges have seen the U.S. Constitution differently, allowing a range of gun-control measures imposed by governments seeking to curb gun violence.

Lower court judges overwhelmingly have ruled that the right “to keep and bear arms” is not for individuals, but instead applies to state militias, such as National Guard units. The U.S. Supreme Court repeatedly declined to hear appeals of those rulings, fueling the debate over gun control and tension between the law and public opinion.

Now, in a benchmark case that arises against the backdrop of election-year politics, the high court will take its first definitive look at the Second Amendment. However the nine justices rule in the case, their decision will reshape the national debate over guns, a conflict that pits images of America’s history of frontier liberty against concerns about public safety. The case tests the constitutionality of a handgun ban in Washington, D.C., where in 1976 officials imposed one of the nation’s strictest gun-control laws in response to alarming levels of gun violence. The justices will hear arguments on March 18; a ruling is likely by the end of June.

If the Supreme Court decides there is an individual right to bear arms, it would be a huge victory for gun-rights advocates. It would reverse years of legal precedent and embolden politicians and groups such as the National Rifle Association (NRA) that have touted gun rights. It also likely would discourage new gun regulations and inspire challenges to other gun restrictions.

The possibility that the D.C. dispute could jeopardize a range of federal firearms laws—including those banning individuals from owning machine guns and those establishing rules for transporting weapons—has led the Bush Administration to take a step back from its strong support of gun rights. In 2001, the Administration reversed decades of U.S. Justice Department positions when then-Attorney General John Ashcroft said the Second Amendment did cover an individual right to have guns. Now, with the D.C. case before the Supreme Court, the Bush Administration is not taking such a hard line on an

individual right to own and use guns, a stance pushed by the NRA and its allies. Instead, the White House is urging the justices to adopt a legal standard that would protect an individual right to own guns but also protect federal firearms laws.

The Second Amendment says, “A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.” Until recently, judges seized on the first part, the collective “militia” right, rather than the second clause, “the right of the people.”

The last time the U.S. Supreme Court took up a major gun-rights case was in 1939. That dispute, *United States v. Miller*, involved two men who were caught transporting an illegal sawed-off shotgun across state lines. The high court did not directly address the scope of the Second Amendment. Yet its decision rested on the notion that the Second Amendment protects a collective right to firearms, not an individual right. In the years since, most lower federal courts interpreted the *Miller* decision to mean there was no individual right to have firearms.

Last year, the U.S. Court of Appeals for the District of Columbia set the stage for the high court to weigh in when it ruled that the Second Amendment “protects an individual right to keep and bear arms ... for such activities as hunting and self-defense.” The appeals court invalidated D.C.’s ban on handguns in the home. Lawyers for the D.C. government have echoed lower court rulings that have rejected such a notion: “The text and history of the Second Amendment conclusively refute the notion that it entitles individuals to have guns for their own private purposes.” D.C. officials say they banned handguns because such weapons “are disproportionately linked to violent and deadly crime.”

## **JUSTICE DEPARTMENT**

House Speaker Nancy Pelosi (D-CA) asked the U.S. Justice Department to open a grand jury investigation into whether Josh Bolten, the White House chief of staff, and Harriet Miers, President Bush’s former counsel, should be prosecuted for contempt of Congress. Pelosi demanded that the department pursue misdemeanor charges against Miers for refusing to testify to Congress about the firings of federal prosecutors in 2006 and against Bolten for failing to turn over White House documents related to the dismissals. The Democratic-controlled House voted two weeks ago to hold Bolten and Miers in contempt for failing to cooperate with congressional committee investigations.

“There is no authority by which persons may wholly ignore a subpoena and fail to appear as directed because a president unilaterally instructs them to do so,” Pelosi wrote Attorney General Michael Mukasey. She noted that Congress subpoenaed Miers to appear before the House Judiciary Committee, which is investigating the firings. “Surely, your department would not tolerate that type of action if the witness were subpoenaed to a federal grand jury,” Pelosi wrote. She added, “Short of a formal assertion of executive privilege, which cannot be made in this case, there is no authority

that permits a president to advise anyone to ignore a duly issued congressional subpoena for documents.”

The letter was the latest chapter in a year-long saga that began with the firings of nine federal prosecutors and led to Alberto Gonzales’ resignation as attorney general last August. The House voted 223-32 this month to hold Miers and Bolten in contempt for failing to cooperate with an inquiry into whether the prosecutors’ firings were politically motivated. Angry Republicans boycotted the vote and staged a walkout in an unusually bitter scene even for the fractious House. At the time, the Bush Administration was no less harsh, saying the information sought by the House was off-limits under executive privilege, and that Bolten and Miers were immune from prosecution. The White House said it would not ask the Justice Department to pursue the House contempt charges.

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Mark Watts  
California Strategies and Advocacy

Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** March 7, 2008

**SUBJECT:** Weekly Sacramento Update: Week of March 3, 2008

---

### WATER

Despite stalled negotiations with Democrats on a comprehensive water plan, Gov. Arnold Schwarzenegger intends to move forward on studies of the Sacramento-San Joaquin Delta, including a controversial canal, and call for a 20 percent per capita reduction in statewide water use, according to a letter he sent to Senate Democrats. The Governor's four-page letter came after leading Democrats alleged that he was working "unilaterally" to pursue a canal that would move water around the Delta, a sensitive ecosystem that provides water to 25 million California residents and 2 million acres of farmland.

In the letter, Gov. Schwarzenegger wrote that he intends to direct the Department of Water Resources to begin federal and state environmental reviews on at least four Delta canal alternatives. Those include no new Delta transfer system, a two-part system with a canal and pumps, a stand-alone canal, and substantial improvements to the existing pumps. The studies could take two to three years and cost more than \$100 million. According to the Schwarzenegger Administration, these studies will not predetermine which project would be best. Instead, the Governor said he believes it is necessary to have the environmental reviews in place so that work can begin quickly when the Administration, lawmakers and voters determine which Delta option is best.

Lawmakers and California governors have long sought a permanent solution that could protect the Delta and provide reliable water transfers. The Delta remains at risk for disruptions because its pumps are viewed as harmful to the ecosystem. State and federal officials had the pumps shut off last summer because they harmed the protected Delta smelt.

The Governor also plans to have the Department of Water Resources complete feasibility studies of three dams, including new projects at Temperance Flat northeast of Fresno,

Sites Reservoir in Colusa County and expansion of the existing Los Vaqueros Reservoir north of Livermore. He also plans to set forth a goal of reducing statewide per capita water use by 20 percent by 2020, and will ask state agencies to install a plan “to the extent permitted by current law.”

## **MISCELLANEOUS**

During a visit associated with the winter meeting of the National Governors Association, Governor Schwarzenegger visited Washington, D.C., to address a variety of federal issues with California implications. Priority topics included encouraging growth in California’s economy, protecting the nation’s borders, and reversing the state’s housing slump, as he met with White House and Bush Administration officials.

In a statement, the Governor said, “The temporary increase to the federal home loan limits included in the economic stimulus package helps reduce foreclosures and allows more Californians to achieve the American dream with solid, responsible loans, but it is time to permanently raise these limits.” He also asked for an extension of Operation Jump Start, which he said “has successfully reduced illegal border crossings and significantly limited drug and human trafficking.” He said, “The combined efforts of the Border Patrol and the California National Guard have proven successful in reducing illegal border crossings and limiting the influx of narcotics and human trafficking.” The Governor noted that Operation Jump Start is scheduled to end in July 2008, but the operational objective is only half complete—fewer than 3,000 of 6,000 new Border Patrol agents have been added to the force.

Regarding the request to permanently increase government mortgage loan limits to address the mortgage loan crisis, the Governor stated, “No other state has been more impacted by the ongoing mortgage crisis than California.” The federal economic stimulus plan increased home mortgage loan limits to 125 percent in high volume areas temporarily through the end of the year. For California, the new cap increases loan limits from \$417,000 to \$729,500. To make the increased loan limits permanent, Congress must pass comprehensive reform legislation before the end of the year.

The Governor led a meeting of fellow border governors from both the United States and Mexico with Homeland Security Secretary Michael Chertoff, and Commerce Secretary Carlos Gutierrez. The meeting focused on border security, money laundering, economic development, and disaster preparedness and response.