

Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541

Wednesday, March 14, 2012
Honorable Nadia Lockyer
Alameda County Supervisor, Second District,
County of Alameda Administration Building
1221 Oak Street, #536, Oakland, CA 94612
(510) 272-6692 / 271-5115 fax

Submitted by
Charlie Peters

March 27, 2012

RE: **NO** on AB 523 Valadao unless amended to support a waiver.

Goodafternoon Supervisor Lockyer,

Federal ethanol policy increases Government motors oil use and Big oil profit.

It is reported that today California is using Brazil sugar cane ethanol at \$0.16 per gal (\$8billion for Big oil) increase over using GMO corn fuel ethanol. In this game the cars and trucks get to pay and Big oil profits are the result, that may be ready for change.

Folks that pay more at the pump for less from Cars, trucks, food, water & air need better, it is time.

The car tax of AB 118 Nunez is just a simple Big oil welfare program, AAA questioned the policy and some folks still agree.

AB 523 is just a short put (waiver) from better results.

Thank you for your service.

Clean Air Performance Professionals (CAPP) / An award winning coalition.



Charlie Peters

cc: interested parties

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Will GMO corn fuel ethanol affect the beef?

"Sulfur is toxic to cattle. If there is 0.4 percent sulfur in the diet, cattle start getting sick," Stein said." -----

Distiller's grain apparently safe for pigs Even with sulfur content

By Phyllis Picklesimer, Southwest Farm Press, March 26, 2012

"When you buy DDGS, you don't have to be concerned about the level of sulfur it contains because there doesn't appear to be any impact on pig performance," said U of I animal sciences professor Hans Stein.

University of Illinois research reports that swine producers can feed distiller's dried grain with solubles (DDGS) to their pigs without concern for sulfur content.

"When you buy DDGS, you don't have to be concerned about the level of sulfur it contains because there doesn't appear to be any impact on pig performance," said U of I animal sciences professor Hans Stein.

According to the researcher, DDGS, a co-product of the ethanol industry, is used as a feed ingredient in diets fed to swine.

To maintain a stable pH in fermentation vats, ethanol producers use sulfuric acid, which results in a sulfur content in the DDGS that varies according to how much sulfuric acid was used. Until now, the effect of low levels of sulfur in the diet on growth performance in pigs fed DDGS had not been determined.

"Sulfur is toxic to cattle. If there is 0.4 percent sulfur in the diet, cattle start getting sick," Stein said.

"Because there hasn't been any work on sulfur toxicity with swine, we wanted to determine how sulfur affects palatability and performance in pigs."

In a recent study, Stein's research team compared a low-sulfur (0.3 percent sulfur) DDGS diet with a high-sulfur (0.9 percent sulfur) DDGS

diet. The same DDGS was used in both groups. The researchers compared palatability and growth performance of the pigs fed the low-sulfur and high-sulfur diets.

"We conducted four experiments: two with weaning pigs and two with growing-finishing pigs," said Stein. "In both weaning pigs and growing-finishing pigs, there was absolutely no difference between the two. The levels of sulfur we used in our experiments had no impact on palatability or pig growth performance."

Stein said the results of this research would be useful to producers interested in incorporating DDGS into swine diets, but further research is needed to determine whether excess sulfur from a high-sulfur DDGS diet is deposited into swine tissues.

This research was published in the Journal of Animal Science. Researchers included Hans Stein of the U of I, Beob Kim of Konkuk University in Seoul, South Korea, and Yan Zhang of the National Corn to Ethanol Research Center in Edwardsville, Ill. Funding was provided by the National Pork Board, Des Moines, Iowa.

<http://southwestfarmpress.com/livestock/distiller-s-grain-apparently-safe-pigs>

NO on California AB 523 Valadao unless amended to support a waiver of the fed GMO fuel ethanol mandate allowed by the 2005 Renewable Fuels Standard.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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Fuming about gas

The global market sets the price of gasoline, not the U.S. president

By Doyle McManus, Los Angeles Times, March 25, 2012

When the price of gasoline rises, the supply of hot air expands.

Just look at the recent GOP attacks blaming President Obama for prices that exceed \$4 a gallon in some parts of the country.

Not only is Obama responsible, according to some Republicans, he's downright pleased. As Mitt Romney put it last week to Fox News, "There's no question that when he ran for office, he said he wanted to see gasoline prices go up."

But there are some problems with Romney's statement. First, it's false. Obama never said he wanted to see gasoline prices go up — although it's true that his Energy secretary, Steven Chu, once argued that higher prices would be good for conservation. (That was when Chu was a physics professor; once he became a Cabinet secretary, he recanted that view.)

Second, Obama's policies in office haven't held down the oil supply or pushed prices up; U.S. oil output is at its highest point since 2003. Yes, Obama imposed a moratorium on deep-water drilling in the gulf after the BP oil spill in 2010, but the moratorium has been lifted and BP is drilling off Louisiana again. True, Obama hasn't opened as much federal land to drilling as the energy industry wants, but even if he had, that wouldn't ease prices in

the short run.

Third, and most important, the president doesn't set the price of gasoline; the global market does. Over the long term, the price of crude oil has been pushed up by booming demand from developing countries such as China, which has doubled consumption in the last 10 years and is on the way to doubling it again. In the short term, oil prices have also been pushed up by wars and rumors of wars in the Middle East, including fear that an escalating standoff with Iran could disrupt oil shipments from the Persian Gulf.

That's why gasoline prices have risen all over the world, not only in the United States. Germany and Britain aren't ruled by Barack Obama, but that hasn't spared them from price increases.

Of course, Obama can't be too surprised by the GOP attacks. After all, when he ran for president in 2008, he blamed then-President George W. Bush for high gasoline prices, just as his opponents are blaming him now.

It's no wonder the president has spent so much energy recently promoting himself as a friend of domestic production. Last week, he hopscotched around the nation's oil patch for a series of photo opportunities (derricks, pipelines, solar panels), arguing along the way that he's in favor of more energy.

"We've quadrupled the number of operating oil rigs to a record high," he said at an oil field in New Mexico.

"We've added enough new oil and gas pipeline to encircle the Earth," he said at a construction site in Oklahoma.

Like most politicians, in other words, Obama sometimes tries to have it both ways.

He pleased environmentalists last year by blocking permission for a new pipeline from Canada's shale oil fields to the refineries of Texas. But last week, safe from any primary challenges on his left, he signaled that the pipeline might get his OK after election day. "We'll be happy to review future permits," he said as environmentalists howled.

He tried to take credit for allowing a Canadian pipeline firm to begin building the southern leg of the pipeline from Oklahoma to Texas, even though the federal government didn't really have a say in the matter.

America's voters, subjected to these gas fumes from both sides, have reacted remarkably calmly, and arguably more sensibly than most of the politicians who would lead them.

Surveys show that most Americans don't blame Obama for high gas prices. though they would like him to do something to fix the problem. (Hence the president's trip to the wilds of Oklahoma and New Mexico.) Most voters say they're in favor of the Republican demand for increased oil production, but they also support the Democrats' desire for more conservation, more fuel efficiency and more

investment in alternative energy sources such as solar or wind power.

Is there anything a president can do to affect the price of gasoline over the long run? In fact, says David G. Victor, an energy scholar at UC San Diego, there is one thing: "innovation."

"The most interesting changes in the energy market over the last 10 years have come about because of unexpected technological innovation," he told me, pointing to the new techniques for extracting natural gas and oil from shale — gas and oil that were once inaccessible.

"Long-term innovation on both the supply side and the demand side can really make a difference," he said. By demand side, he meant measures such as increased fuel efficiency in vehicles and power plants that are actually driving U.S. oil consumption downward.

"That's the one place where domestic U.S. policies can play an effective role," he said.

Last week, Rep. Paul D. Ryan (R-Wis.) unveiled a new Republican budget proposal that Romney and other GOP candidates quickly endorsed. Ryan's budget would eliminate federal subsidies and tax breaks for alternative energy firms and would slash funding for energy research.

Obama, on the other hand, wants to continue funding alternative energy projects but end tax breaks for oil and gas drilling. That should give voters a nice, clear choice on energy issues when they decide which party to support in the fall.

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<http://www.latimes.com/news/opinion/commentary/la-oe-mcmanus-oil-prices-and-the-election-20120325.0.6092146.column?>

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Green means go: NASCAR promoting alternative fuels, recycling at Fontana auto races

By Andrews Edwards, San Bernardino Sun, 03/23/2012

FONTANA - Race teams competing in this weekend's Auto Club 400 events are fueling their stock cars with a racing fuel that contains 15 percent ethanol, and NASCAR managers say they want to use their sport's clout to call more attention to alternative fuel.

"If it's good enough for NASCAR and our drivers, maybe it's good enough for you," said Mike Lynch, NASCAR's managing director of green innovation.

NASCAR adopted producer Sunoco's Green E15 fuel for its 2011 racing season. The green flag that will be waved to start this weekend's races at Auto Club Speedway will be emblazoned with the words "American Ethanol," Lynch said.

Ethanol-blend fuel is but one of the initiatives that NASCAR executives are promoting at venues like the Speedway as part of an endeavor to give the stock car association a greener image.

NASCAR is also trumpeting a large-scale recycling program at the races, as well as plans to plant trees at the beginning of races.

This year will be the second that Coca-Cola will promote recycling at the Speedway, said Mary Anne Biddiscombe, marketing director for Coca-Cola Recycling. The soda company will have 10,000 recycling bins at the Speedway during this weekend's festivities.

In addition to cans and bottles, NASCAR is also working with a Tampa, Fla.-based

company called Creative Recycling Systems to promote the recycling of old cell phones and other electronics. Electronics contain many substances that can pollute groundwater if thrown away.

Professional racers' embrace of ethanol-blended fuel is but one aspect of the debate over whether ethanol-blended fuel is the best way for U.S. drivers to reduce petroleum consumption.

Ethanol advocates say the fuel - often distilled from corn or sugar stocks - burns cleaner than gasoline while avoiding the risks and expenses associated with oil exploration or imports.

On the other hand, others point to corn-to-ethanol conversion as a source of rising food prices. Corn is an important feed stock for meat and dairy producers and critics of ethanol conversion say turning corn into fuel is a bad idea.

"The cost of producing milk and feeding our animals is at near record highs," said Rob Vandenheuvel, general manager of the Ontario-based Milk Producers Council.

Ethanol critics received a bit of a victory at the end of 2011, when federal subsidies for the U.S. ethanol industry expired. The government also ended a tariff on Brazilian ethanol, which is produced from sugar cane.

The Milk Producers Council would like to see still less federal support for ethanol, Vandenheuvel said.

The group supports bills introduced by Rep. Bob Goodlatte, R-Va., that would change Washington's fuel policies. The more ambitious bill eliminates the renewable fuels mandate that oil companies can meet by blending gasoline with corn ethanol while another would allow for blending mandates to be adjusted when domestic corn supplies are tight.

But Tom Buis, CEO of pro-ethanol trade group Growth Energy, predicts a bright future for ethanol fuels.

He agrees with Lynch's view that NASCAR's decision to use ethanol-blended fuel will make the American audience more receptive to biofuels.

Buis also predicts advances in cellulosic ethanol technology will enable U.S. farmers to generate fuel from all parts of plants like corn and sorghum, as opposed to relying on corn kernels that may otherwise be used for animal feed.

For example, a Sioux Falls, S.D.-based ethanol company called Poet has this month started construction on a cellulosic ethanol plant in Iowa.

Poet projects to begin production of fuel from corn cobs, leaves and other material next year, and Buis said he thinks it's possible for cellulosic ethanol and other biofuels to eventually make petroleum-based fuels obsolete.

"There's a lot of exciting technology going on out there," he said.

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http://www.sbsun.com/medicare/ci_20244324/green-means-go-nascar-promoting-alternative-fuels-recycling

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<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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Why Shell Oil Supports California's Climate Change Legislation

By Alison van Diggelen, KQED News, March 22, 2012

Shell CEO is pro-AB 32, but stands by taking legal action against environmentalists in Alaska

Shell, US

Shell has partnered with MIT to explore carbon sequestration.

Royal Dutch Shell CEO, Peter Voser affirmed his company's commitment to AB 32, California's climate change legislation, and also explained why a carbon trading system is crucial to the development of alternative energy sources.

"We are clearly in favor of cap and trade systems," he said to an audience of Silicon Valley business people and climate experts Wednesday in Burlingame. "We'd like to have it globally, to level the playing field."

This statement from Shell, the global oil and gas company headquartered in the Netherlands and one of the world's largest companies, is notable when you consider the strong opposition to AB 32 from the oil industry at large. In 2010, Proposition 23 attempted to derail the imposition of AB 32 provisions and was largely bankrolled by Tesoro and Valero, two Texas oil companies.

High producers of carbon dioxide, especially oil refineries, will be hard hit when AB 32 goes into force. So what's the rationale of Shell's apparent "green" attitude?

Voser explained that the company is not waiting for cap and trade to be commonplace. Several years ago, he

said Shell started taking into account a charge for CO2 of \$40 per ton to reflect the future price of CO2 in its internal accounting. What he didn't say is that in Europe, where Shell is headquartered, an emissions trading scheme is already in existence and the implementation of AB 32 would arguably make Shell more globally competitive.

"We are emitting quite a bit of CO2," Voser acknowledged in his clipped Swiss accent. And he highlighted the company's investment in carbon sequestration projects, one of which begins construction in Canada shortly.

Shell, US

The Gulf of Mexico accounts for approximately 55% of Shell's oil and gas production in the USA.

He also drew attention to the GameChanger program at Shell, which invites people to pitch innovative ideas for potential sponsorship from the company. But almost in the same breath, he accepted that the energy industry is resistant to change, citing the innovator's dilemma.

According to Voser, global energy demand will double between now and 2050, half of which will come from growth in China. So how can we grow without burning up the planet?

The Shell chief executive says alternative energy, energy efficiency and demand management are all parts of the solution, and he anticipates that Silicon Valley's greatest contribution

will be on the demand side.

He pointed out that shortening the delivery time for innovative technologies is key. Historically, it takes 15- 30 years for new energy technologies to be scaled and delivered. This needs to be cut in half, according to Voser, and he says he views energy policy as an important component to spur innovation and adoption.

"If we really want to have the right technologies developed, not having a CO2 price will mean there is uncertainty and therefore you will not get certain energy efficiency or innovation projects that you need implemented," he added.

This green talk by Voser is all very well, but Shell's environmental record, particularly in Africa, is hardly emerald green. One example that's drawn recent criticism is the company's legal action against environmental groups that are seeking to block drilling in the Arctic Ocean off Alaska's North Slope.

Voser's explanation of the legal action on Wednesday was not convincing. He described the company's move as "a tactic to bring all parties to the table early," and begin an open dialogue. The environmental groups argue that the drilling project will adversely affect native communities and that the company's oil spill contingency plans are grossly inadequate. But Shell has spent over \$4 billion on the project to date, and has vowed to spend even more, setting up a David and Goliath battle: deep-pocketed oil company versus feisty but meagerly funded nonprofits.

Note: Voser spoke at a Churchill Club event at the Hyatt Regency Hotel in Burlingame on Wednesday March 21st. The audience included a who's who of the Bay Area's climate and clean tech experts, including Facebook's new green czar Bill Weihl; venture capitalist Ira Ehrenpreis and Dan Geiger of the US Green Building Council.

Lawsuit over corn syrup headed to L.A. courtroom

Los Angeles Times, March 20, 2012

They are the two bad boys of the American diet, linked to a variety of ailments including obesity, diabetes and tooth decay.

But now sugar is taking high-fructose corn syrup to court in a landmark battle over which is the greater evil.

In a lawsuit that goes before a Los Angeles federal judge Wednesday, sugar producers accuse their corn industry rivals of false advertising in a campaign that casts the liquid sweetener as "nutritionally the same as table sugar" and claims "your body can't tell the difference."

Sugar forces argue that high-fructose corn syrup is far less healthy than their product and are demanding the ads run by the Corn Refiners Assn. be halted and that the corn association pay unspecified monetary damages.

The corn industry promoters "characterize high-fructose corn syrup as a natural product. It is not -- it is man-made," said Adam Fox, an attorney for the sugar industry plaintiffs, led by Western Sugar Corp. "Yet they are advertising it as identical to sugar cane and sugar beets."

The lawsuit is likely to bring more scrutiny to high-fructose corn syrup as its producers are trying to improve the sweetener's image. The association representing corn growers, processors and distributors -- including farm belt giants Archer-Daniels-Midland Co. and Cargill Inc. -- has applied to the U.S. Food and Drug Administration to officially change the name of high-fructose corn syrup to "corn sugar" for labeling purposes.

Concern about the health effects of the corn-based product began escalating about a decade ago, when the U.S. surgeon general first expressed alarm over the rapid and ubiquitous spread of the sweetener in processed foods.

But more recently, the debate has unfolded in popular culture. In a "Saturday Night Live" skit last spring, actresses Kristen Wiig and Nasim Pedrad played mothers arguing over the sweet red drink being served at a children's birthday party. Pedrad's character defends high-fructose corn syrup, and her

argument seems to be winning until her grossly overweight daughter -- played by Bobby Moynihan -- emerges from the background. "Parks and Recreation" and "The Simpsons" have also spoofed the sweetener dispute.

In court papers, the sugar industry says the nation's soaring rise in obesity and diabetes has dovetailed with the penetration of the synthesized corn sweetener in soft drinks, condiments, bread, cookies, jam and syrups.

The corn forces respond that there is nothing dishonest about their advertising and that they will prove it in court.

"It is wrong for the refined sugar industry to try to stifle this truthful speech," said Dan K. Webb, lead attorney for the corn refiners.

The defendants, he said, plan to present nationwide survey results suggesting that consumers think high-fructose corn syrup is higher in fructose and calories than table sugar, which he says it is not.

"Good science proves that obesity is caused by the over-consumption of calories from any source, not from one ingredient," Webb said. "USDA data shows that consumption of high-fructose corn syrup has actually been in decline, while obesity rates are rising. It is just wrong for the plaintiffs to claim that high-fructose corn syrup is uniquely responsible for obesity."

Americans consumed an average of 47 pounds of sugar per person in 2010, plus 35 pounds of high-fructose corn syrup -- more than three times the per-capita sweetener intake elsewhere in the world, according to statistics from the U.S. Department of Agriculture. That means the average American consumes 888 calories per day from sweeteners, according to the USDA.

Medical research on the metabolic effects of consuming sugar versus high-fructose corn syrup has been limited but consistent in indicating heightened risks from the liquid sweetener, said Michael J. Goran, director of the Child Obesity Research Center at USC's Keck School of Medicine.

"There's definitely a difference in metabolic fate and outcome of fructose ingestion relative to glucose," Goran said, noting that high-fructose corn syrup contains more of the former ingredient, as its name implies. "So the more you tip the scale toward fructose, the more those negative effects kick in."

Table sugar made from cane or beets is 50% fructose and 50% glucose, and the molecules are bonded in a way that slows the body's absorption of the fructose, Goran said.

By contrast, high-fructose corn syrup is typically 55% fructose -- and some formulas contain as much as 90% -- elevating blood sugar levels more swiftly.

"It's not just about the calories," said Goran, citing the liquid sweetener's broad use in food production because it is cheaper to make than sugar, helps stabilize foods, allows for better browning of baked goods and provides a more concentrated sweetness than the same amount of sugar.

Corn industry representatives contend that any confusion about high-fructose corn syrup stems from its name and would be resolved by changing it to "corn sugar."

It's not just Big Sugar, however, that opposes high-fructose corn syrup's efforts to rebrand itself.

"If sugar wanted to change its name to 'highly nutritious vitamins,' we would oppose that too," said James S. Turner, a Washington attorney who heads Citizens for Health, which has taken sugar's side in the legal battle.

Turner said he and his group "are not arguing against high-fructose corn syrup, we are arguing that the public understands that it and sugar are different things and to try to cloud that over is a mistake. All we want is for the public to be able to distinguish a product they don't want to buy."

An FDA spokeswoman, Tamara N. Ward, said the corn industry's September 2010 petition for the name change "is still pending before the agency and we are actively working on it."

<http://latimesblogs.latimes.com/lanow/2012/03/lawsuit-hgh-fructose-corn-syrup-los-angeles.html>

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SCIENTISTS WARN EPA ABOUT MONSANTO'S GENETICALLY MODIFIED CROPS

Claiming nation's food crop is at risk

Sky Valley Chronicle, March 20, 2012

(NATIONAL) -- A group of scientists is calling for federal action by the Environmental Protection Agency to deal with what they believe is a threat to the nation's food supply posed by Monsanto's genetically modified ***GMO crops***

"The groups of 22 academic corn experts are drawing attention to the immense failure of Monsanto's ***genetically modified*** corn, which is developing mutated and resistant insects as a result of its widespread usage," says a new report in naitonofchange.org.

Corn is a critical food staple for the nation and is also heavily used in ethanol production, animal feed and more.

As GM corn edges all other varieties out – it presently has 94 percent of the supply of corn in America - scientists are growing concerned about the future of corn production.

The report quotes Joseph Spencer a corn entomologist with the Illinois Natural History Survey, part of the

University of Illinois.

He says what's happening is not a surprise and it needs to be addressed by the EPA.

The groups of experts sent a letter March 5th to the EPA explaining their concerns regarding long-term corn production prospects in light of GMO crops failures – specifically what they view as a lack of protection presented by GMO crops against rootworms.

"The EPA has already acknowledged that Monsanto's GMO crops are creating resistant rootworms, which are now ravaging the GMO crops as they mutate to the bio pesticide used known as *Bacillus thuringiensis* (BT). The EPA found that the resistant rootworms, which are evolving to resist the insecticide, are currently found Iowa, Illinois, Minnesota, and Nebraska," says the report.

Among the concerns is that GMO crops are doing the opposite of their supposed purpose — leading to more damage from rootworms, not less, as they become mutated to resist the defense of the crops.

http://www.earthlink.net/~capp/contact.html#contact | BREATHING LIFE INTO SCIENTISTS' WARNING: EPA - ADDITIONAL INFORMATION: GENETICALLY MODIFIED CROPS: http://www.earthlink.net/~capp/contact.html#contact

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7 states fight California rule over ethanol carbon scores

By Adam Belz, USA TODAY, Monday, March 19, 2012

A California rule assigning higher carbon scores to fuel produced outside the state has drawn the ire of the ethanol industry and the Midwestern states that produce most of the ethanol in the U.S.

At least seven states — Nebraska, Iowa, Kansas, Michigan, Missouri, North Dakota and South Dakota— are opposing California's effort to enforce the mandate, which critics say threatens the renewable fuels business in the nation's grain belt.

In Iowa alone, ethanol plants consume 60% of the corn crop and churn out \$15 billion in annual revenue.

And since other states and regions often follow California's lead on environmental questions, advocates for corn-based ethanol say the battle is crucial.

"What happens in California tends to be the model for what happens in the rest of the country," said Chris Thorne, a spokesman for Growth Energy, an ethanol and biofuels trade group.

U.S. ethanol plants produce about 13.8 billion gallons of fuel per year, according to the state of Nebraska, and 85% of it comes from the top 10 producers — Iowa, Nebraska, Illinois, Minnesota, Indiana, South Dakota, Ohio, Wisconsin, Kansas and North Dakota.

In December, a federal judge blocked California's Air Resources Board from enforcing the regulation, which encourages refiners to blend gasoline with ethanol produced in Brazil or California. The California rule considers Midwestern ethanol to have a larger carbon footprint. The judge said the rule unconstitutionally interferes with interstate commerce. California officials are appealing the decision.

The rule hinges on the concept of indirect land use change, Thorne said. The idea is that if farmers in the U.S. sell their grain for ethanol, farmers in other parts of the world must grow more corn for the food supply, pumping more carbon into the atmosphere, he said.

Nebraska Attorney General Jon Bruning, who said the regulation threatens \$1.3 billion in annual ethanol sales from his state alone, called the indirect land use change a "highly controversial and undeveloped theory," in a brief signed by attorneys general from five other states.

Bruning also rejected California's attempt to give Midwestern ethanol a higher carbon score based on the way farmers grow their grain.

"It is none of California's business how farmers in Nebraska choose to grow their corn," Bruning wrote.

Belz also reports for The Des Moines Register. Contributing: The Associated Press

<http://www.usatoday.com/money/industries/energy/story/2012-03-18/California-ethanol-rule-under-fire/53645856/1>

Improved California performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & a GMO corn ethanol fuel waiver might improve the air and business in one year.

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GMO Protesters Shut Down California Monsanto Office

By Anthony Gucciardi, Nation of Change, 19 March 2012

"Braving the rain, the dozens of protesters — not thousands — were successful in shutting down the entire office for the day."

While proposed government regulation, previous legal action, and the threat of agricultural collapse does not seem to affect Monsanto's daily operations, it appears protesters can and do. Dozens of protesters disrupted Monsanto's California office in Davis, an area close to Sacramento, through vocal activism and calls to shut down the biotech giant with deep known ties into the United States government. Braving the rain, the dozens of protesters — not thousands — were successful in shutting down the entire office for the day.

The response to the activism presented by the protesters highlights just how powerful of a voice even just a few individuals have. If even a small group of anti-Monsanto grassroots activists can pause the entire business operations of a Monsanto corporation hub for the day, imagine what thousands or millions of concerned citizens could do. Monsanto is afraid of public outrage, which is why they are continually trying to squash labeling initiatives that would visually demonstrate to consumers just how ubiquitous their genetically modified ingredients are throughout the food supply. Many consumers now know and understand the negative effects of Monsanto's creations, and oftentimes are consuming them unknowingly

thanks to a lack of proper labeling guidelines. "We were successful today in shutting down Monsanto," said Steve Payan, the event organizer.

These developments have hit the news following two vital stories revealing the true nature of both Monsanto's GMO crops and best-selling herbicide Roundup. Monsanto's Roundup and a modified 'bio pesticide' known as But were found to be killing human kidney cells by scientists, actually exhibiting direct toxicity to human biology. In the same vein, a group of 22 expert agricultural scientists warned the EPA that Monsanto's GMO corn was extremely ineffective despite being touted as a method of increasing crop yields and reducing pesticide usage. Beyond the ineffective nature of the crops, the scientists warned that the GMO crops are developing mutated rootworms. The 'super' worms actually threaten the future of corn production as a whole, and could be a wrench in the agricultural wheel of progress.

It's time for more than just a few dozen to stand up to Monsanto. If a small group can take down their office for a day from some mild protests, a few hundred thousand can take down the entire company — permanently.

ABOUT ANTHONY GUCCIARDI

Anthony is an accomplished investigative journalist whose articles have appeared on top news sites and have been read by millions worldwide. A health activist and researcher, Anthony's goal is centered around informing the public as to how they can use natural methods to revolutionize their health, as well as exploring the behind the scenes activity of the pharmaceutical industry and the FDA.

<http://www.nationofchange.org/gmo-protesters-shut-down-california-monsanto-office-1332173270>

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With Gas Prices Rising, Smog Rules May Stall

By Tennille Tracy, Wall Street Journal, Sunday, March 18, 2012

The Obama administration, facing political heat over high gasoline prices, may delay new rules that would cut pollution from cars but also could bring higher prices at the pump, environmental and industry leaders said.

The rules would require refiners to make cleaner-burning gasoline and auto makers to build cars that emit fewer smog-forming pollutants. The Environmental Protection Agency was scheduled to roll out the rules before April, but it hasn't yet submitted them for White House review.

"We expect that timing will begin to slip, perhaps for political considerations" said American Petroleum Institute President Jack Gerard.

Washington Wire: Romney Seizes on Gas Price Spike

The new standards are known as Tier 3, following the Clinton administration's adoption of Tier 2 standards in 1999.

An EPA spokeswoman declined to confirm whether there would be a delay, saying only that the agency "continues to develop the Tier 3 vehicle and fuel

standards" and is "engaging diverse stakeholders as part of that process."

President Barack Obama has come under attack from Republicans as the average nationwide price of gas approaches \$4 a gallon. Republicans have criticized the president's rejection of the Keystone XL pipeline from Canada and his decision to keep Atlantic and Pacific sites off-limits for oil drilling.

Mr. Obama says there is no quick fix for gas prices and that his administration is promoting domestic fuel exploration.

Refiners say the new EPA standards would force them to strip more sulfur from gasoline, raising prices. The American Petroleum Institute had said an earlier version of the proposed rules could raise gas prices by as much as 25 cents a gallon. The institute said it is recalculating its estimates.

EPA Administrator Lisa Jackson said in a recent letter to lawmakers that the standards would raise the cost of gas by only one penny a gallon if implemented in 2017. And by making cars more efficient, the

standards would save consumers \$3,000 to \$4,000 per vehicle over time, she said.

"We understand that even minimal increases in the cost of gasoline are of importance to the American public," Ms. Jackson said.

A delay could present a problem for automakers, which said they need cleaner-burning fuel to meet their own environmental goals. High sulfur content in gasoline limits the usefulness of auto technology aimed at reducing smog-forming emissions.

Automakers said it will be even more problematic if the EPA decides to move forward with auto-technology standards without also imposing tighter fuel standards. "If now is not the right time for fuels, then it may well not be the right time for autos," said Gloria Bergquist, spokeswoman for the Alliance of Automobile Manufacturers.

The EPA shouldn't delay, said Frank O'Donnell of the Clean Air Trust. "We have grave concerns that the EPA has been given signals from the White House to slow down," he said.

Write to Tennille Tracy at tennille.tracy@dowjones.com

http://online.wsj.com/article/SF10001424052703303812914577289492012447990.html?mod=googlenews_wsj

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YOU'LL
HAVE TO
REDUCE YOUR
CONSUMPTION

CHAPATTE
PATRICK CHAPATTELE TEMPS. SWITZERLAND

For California's disgraced politicians, the fall hurts -- but just ...

Alameda Times-Star - 9 hours ago

Congressman *Gary Condit* moved from pushing legislation to scooping ice cream, only to get sued. However, one disgraced former statewide official now carries ...

(snip)

Gary Condit

The politician: Rep. Gary Condit, a six-term Blue Dog conservative Democrat from Ceres, was publicly castigated as he dodged questions about an affair with constituent and federal intern Chandra Levy, of Modesto, who vanished in May 2001.

The fall: Another man eventually would be convicted of her murder, but many thought Condit -- who has said he felt police were railroading him -- handled the scrutiny badly. Some called him a hypocrite for urging President Bill Clinton to "come clean" about sexual shenanigans, then refusing to do likewise; even allies panned his awkward, evasive interview on a national newscast. The Sept. 11, 2001, attacks pushed him off the front pages, but the scandal and state lawmakers' unfriendly redistricting let former aide Dennis Cardoza drub him in the March 2002 primary.

The landing: It's been a rocky road since. Condit, his wife and son opened two Baskin-Robbins ice cream shops in Arizona but were sued in 2006 for breach of contract and were ordered to pay about \$98,000. Also, he lost his 2006 defamation suit against an Arizona weekly newspaper, and ended up with a tab of \$42,680 in legal fees and court costs.

Now 63, Condit has moved back to Ceres and is writing a book about his experiences; he declined to comment for this article. His son, Chad Condit, is an independent candidate in California's newly drawn 10th Congressional District, which includes much of the area his father once served.

http://www.insidebavarea.com/timesstar/localnews/ci_20201168/californias-disgraced-politicians-fall-hurts-but-just-look

NO on California AB 523 Valadao unless amended, support a waiver of the fed GMO fuel ethanol mandate allowed by the 2007 Renewable Fuels Standard.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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'Ethanol Wrong' Residents Shout at Public Hearing

By Seth Daniel, Revere Journal, March 16, 2012

Activists from Revere, East Boston and Chelsea were out in full force at a hearing last Thursday to protest Global Oil's plan to bring large quantities of the hazardous material Ethanol to its fuel terminal on the East Boston/Revere line.

At the state Department of Environmental Protection (DEP) hearing at Revere City Hall, concerned citizens and activists showed up an hour early to the 6 p.m. meeting and held anti-Ethanol signs and chanted slogans that expressed their opposition to the plan.

Activists from Eastie – who protested outside City Hall – were joined by opposition groups from Revere and Chelsea as well as elected officials from those cities opposed to Global Oil Company's plan to transport millions of gallons of Ethanol per year over the commuter rail tracks through the western suburbs and into Boston, then going to Chelsea and ending up at the company's storage facility on the Revere/Eastie line.

Inside the DEP hearing most people that testified were against the plan citing Global Oil's proximity to many densely populated cities in towns and the fact the trains would also have to travel through these areas carrying the highly volatile fuel.

However, Global Oil Attorney Ed Faneuil was present at the meeting and testified that the plan was safe and that Global has been working with local Fire Departments to plan for the worst and to provide equipment to help fight such potential disasters.

On the flip side, Revere Mayor Dan Rizzo joined Chelsea City Manager Jay Ash in taking a hard stand against the

transportation of Ethanol through and into Revere.

"I want to go on record in opposition to transporting Ethanol through Revere," he told the DEP staff. "It is my job to keep the community and residents safe, so I do not support any Ethanol by rail or by truck."

He also said that if the project does have to come to Revere, he wants to make sure all contingencies are planned for so that an accidental discharge would be contained.

Revere's Ward 5 Councillor John Powers – whose ward would see a portion of the idling trains – said he would not support the plan and would vote 'no' if he had a vote on the matter.

"If I had the deciding vote to stop Ethanol from coming into my City it would be a 'no' vote," he said. "I urge all of my citizens to once again send e-mails, letters and telephone messages to the DEP to make sure they know that we are saying loud and clear that we don't want Ethanol. I represent an area of Revere with a train line that comes through a residential neighborhood. I hate to think of someday 50, 60 or 100 trains backed up on that line near homes and something devastating happening there. We don't want Ethanol here...I don't want it and the people don't want it."

The most vocal opponent from Revere, Ed O'Hara, gave a history on the issue and his involvement in it.

"Issue of these Ethanol trains came up for the first time at the Revere City Council in 2011 and we knew nothing about Ethanol,"

he said. "Once I started looking at it I said that there will be no Ethanol trains in Revere while I'm alive. We have to talk about the people and people's safety, their kids, their homes, the valuation of homes. We've never had a real public hearing on this issue except for a meeting at the Revere Police Station with 20 people. This can be stopped and people have to stand up and support a ballot question that will let the people decide."

One Eastie youth said it would be the people of Chelsea, Revere and East Boston that would pay if there were an accident.

"The only people that would benefit from this plan would be Global Oil," said the Eastie youth activist at the hearing. "If something were to happen, we in the communities of East Boston, Chelsea and Revere would have a lot to lose."

The Eastie teen pointed to an incident in Rockford, Illinois in 2009 when an Ethanol train derailed and exploded, killing one and hurting nine others in the industrial Midwestern city. It took 24-hours for the fire to be contained, forcing the evacuation of hundreds of people from their homes.

The Eastie teen questioned what would happen if an accident like the one in Illinois happened in a more densely populated city like Eastie, Chelsea or Revere.

While most Ethanol trains do operate without incident every day around the U.S., on some occasions trains have had accidents in which the Ethanol product has exploded in a chain reaction, causing great fires.

Most of those explosions have happened in remote, rural areas because typically

Ethanol isn't transported through dense, residential urban neighborhoods.

Global's plan, however, would call for Ethanol trains traversing through residential areas on the commuter rail tracks in 25 cities and towns, including Chelsea and Revere.

The trains would come down the commuter rail line from Ayer/Ft. Devins during the night hours when the commuter trains are not running. It would pass through the western suburbs and into Boston, where it would then transfer onto the Chelsea line and end up on the Revere/Eastie line, backing into the Global Oil terminal.

No one is exactly sure what the plan is for bringing in such large quantities of the product. Many companies do ship Ethanol into the area by truck and by sea barge, but Global's plan, by far, exceeds any quantities now coming in.

Each train would carry around 1.8 million gallons of Ethanol and there are expected to be at least two trains per week. Each tank car on the train holds 30,000 gallons.

Some believe Global will be using the Ethanol to blend much larger quantities of gasoline in order to supply a recent acquisition of hundreds of Exxon Mobile gas stations throughout New England.

"Global Oil has shown me that the villains that you see only in the movies actually do exist," said another Eastie activist. "Is it worth it to sacrifice our safety for money? I think Global Oil is downplaying how volatile Ethanol is and ignoring serious incidents that happened in other parts of the country like Rockford, Illinois and Oklahoma."

<http://www.reverejournal.com/2012/03/16/ethanol-wrong-residents-shout-at-public-hearing/>

"Bob Dudley, who runs BP, told me that people don't realize how many resources his company has. The oil and gas industry is global and powerful and it's not something beholden to any particular president, Congress or well-meaning regulation." -----

Gassing about gas prices: the era of cheap oil may be over, but the era of oil isn't

By Joel Achenbach, Washington Post, Friday, March 16, 2012

We're no longer in the era of cheap oil. But we're still in the era of oil. It's just the era of expensive oil.

This is a difficult transition to be sure, but chemistry dictates that it's going to be a long journey to a new world in which we use solar energy rather than the ancient solar energy crammed into those hydrocarbon molecules. And the players in this game have more money than anyone realizes.

Bob Dudley, who runs BP, told me that people don't realize how many resources his company has. The oil and gas industry is global and powerful and it's not something beholden to any particular president, Congress or well-meaning regulation.

Still, Charles Krauthammer is all over President Obama today for not drilling more, and for being anti-oil. It would seem to me that leaving the stuff where it's been for 20 million years is actually a conservative position. It ain't going anywhere.

I wrote a story today about the rising cost of gas:

<http://www.washingtonpost.com/archive/local/localnews/2012/03/16/gas-prices-are-back-to-back-up-again-but-why-its-not-just-about-oil/2012-03-16/>

Every time gas prices soar, Americans get a reminder of how dependent we are on oil, how vulnerable to soaring prices and how hard it has been to change our ways. Motorists are angry and a little mystified. Gas prices seem to go up when no one's looking, and for no obvious reason. A gallon of regular unleaded cost \$3.82 on average nationwide Thursday, up 31 cents in the past month, according to AAA's price survey. A gallon of diesel was going for \$4.12.

At the filling stations, drivers feel powerless.

"You don't have a choice. Someone's got a gun to your head," said Jack Zdziera, 65, a West Virginian who drove into Virginia to get the lower-priced gas at the Flying J truck stop north of Winchester.

I thought the guy from SAFE group had an interesting point about the electrification of the passenger fleet: We can make electricity a lot of ways. Electricity isn't beholden to a single fuel source (though obviously coal is the major source

of electrical generation).

For all the talk of alternative transportation fuels, they're still a small fraction of the sector. We still run our fleets on oil. We're just not very flexible there. Ethanol is bigger than it used to be, but it has limitations (you can't pipe it — it absorbs water from condensation etc. — and you can drive up food prices and cause food scarcity).

The Valero flak told me his company has to meet a federal mandate to use a certain amount of cellulosic ethanol in its gasoline, but there is no cellulosic ethanol in existence at an industrial scale, so they have to pay a fine, or, more precisely, buy some credits of some kind to meet the federal regulation. A reminder, there, that simply passing a law does not necessarily change the way companies do business in the real economy.

Make sure to check out Michael Williamson's pictures in the gallery above. He's a master of the evocative, reflective, indirect, spooky, quirky image.

NO on California AB 523 Valadao unless amended to support a waiver of the fed GMO fuel ethanol mandate allowed by the 2005 Renewable Fuels Standard.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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Ethanol in petrol can attack older fuel systems, leading to expensive repairs.

By Rod Ker, Telegraph.co.uk, Friday, March 9, 2012

The sun is shining and the air is balmy. A perfect day to get your old motorcycle out of hibernation. Anticipating a carefree, flies-on-the-teeth experience, you throw open the shed door, and... instead of a shapely fuel tank your classic Tribsa now has a mis-shapen blob, which has disgorged its entire contents onto the floor.

Thanks to the government's Renewable Transport Fuels Obligation announced in 2005, which has given us petrol containing up to five per cent ethyl alcohol (aka ethanol), this scenario is becoming increasingly common. And things can only get worse, because the permitted level is likely to be increased to 10 per cent – all EU countries were supposed to have introduced E10 before the end of 2010.

There's nothing new about running internal combustion engines on alcohol. The Model T Ford was powered by ethanol until superior gasoline became more freely available.

The main, or perhaps only, benefit of ethanol (or methanol, its close cousin) was its resistance to "knock", which means that an engine can have a higher compression ratio and produce more power.

In the US at least, things changed in the wake of the

1970s fuel crises, when the economic risk of relying on imported fossil fuel became clear. Hence a sudden interest in "renewable resources", which involved swathes of land being used to grow crops that would ultimately be eaten by engines, rather than people. Gasohol, a blend of petrol and "bio-ethanol" produced by fermentation, was touted as the fuel of the future. However, once relative stability returned to crude oil prices the notion became less attractive.

Apart from shortcomings ethanol has as a fuel, the problem is that its production uses lots of energy (and water). Corn-based fuel, as in the US, is energy-negative by the time it comes out of a pump. Given the right climate, other crops, particularly sugar cane, are much better, which explains why Brazil leads the world in ethanol use. Since the 1970s, vehicles have been available that will run on 20 per cent alcohol and above.

Yet ethanol is also a powerful solvent that, without a suitable additive, attacks many fuel system components including zinc and galvanised materials, brass, copper, aluminium, seals and hoses, cork, polyurethane and epoxy resins. In other words, almost everything used in a vehicle made more than about 20

years ago. It's also hydrophilic, and water causes all sorts of additional problems.

Which brings us back to the sagging fuel tank incident. Old GRP mouldings, like the curvaceous receptacle fitted to my 1967 BSA, are particularly under threat. The internal sealants applied to steel tanks are also affected, as are the plastics used in modern bikes. In the US, where E10 gasohol is universal, lawsuits are flying. Ducatis have been affected, as have boats and agricultural machinery. Expect more of the same, because E15 (15 per cent ethyl alcohol) received government blessing last year and there's evidence that even relatively recent cars might find it hard to digest.

In the UK, oil companies are coy about saying which petrol contains ethanol, so owners of classic vehicles have to find out the hard way. Many old and not so old vehicles will be unusable without modification (the DfT puts the figure at 8.6 million if E10 is introduced).

No doubt this will be welcomed by those who believe that throwing things away every few years will somehow save the planet, but it's a worrying development for the rest of us and another nail in the coffin for classics.

<http://www.telegraph.co.uk/motoring/classicars/9103430/The-ethanol-threat-to-classic-cars-and-bikes.html>

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Ethanol waiver available.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

"New Hampshire's House has voted to ban corn-based ethanol as a gasoline additive."

NH House: Ban ethanol in gasoline

By SalemNews, Associated Press, March 8, 2012

CONCORD, N.H. — New Hampshire's House has voted to ban corn-based ethanol as a gasoline additive.

The ban would not take effect unless at least two other New England states do the same. A similar proposal has not been approved in the rest of the region.

The House voted Wednesday to send the bill to the Senate after supporters successfully argued the use of ethanol has not benefited the environment as much as hoped. They also pointed out that use of corn to make ethanol has driven up food prices.

Opponents said the bill's aim was unachievable because New Hampshire is too small to warrant a boutique gasoline mix without ethanol. They said it would be better to express disapproval of the corn-based ethanol policy by sending a message to Washington.

<http://www.salemnews.com/region/x579807975/NH-House-Ban-ethanol-in-gasoline>

Improved performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & an ethanol fuel waiver (AB 523 Valadao) might improve the air & the fuel price this year.

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Ethanol waiver available.

<http://www.ocreger.com/opinion/california-42628-mandate-ethanol.html>

"The Stabenow amendment was one of several amendments to the highway transportation bill that is expected to be voted on today or early next week, Growth Energy said. The Stabenow legislation will extend a series of expiring energy tax provisions. Included in the amendment are extensions for the \$1.01 per gallon production tax credit for cellulosic biofuel through 2014, and an extension through the end of the year for the tax incentive to encourage gas station owners that use alternative fuel dispensers, like ethanol Flex Fuel pumps and E85 pumps." -----

Industry supports extension of cellulosic, advanced tax credits *By AEC, Growth Energy, RFA, EthanolProducer March 08, 2012*

Washington – The Renewable Fuels Association, Advanced Ethanol Council and Growth Energy March 8 expressed support for an amendment to the Senate transportation bill offered by Sen. Debbie Stabenow, D-Mich. RFA and AEC each also sent a letter to Senate leadership about the amendment.

"We support Sen. Stabenow's amendment because it will help consumers have access to the most affordable vehicle fuel on earth – ethanol. We believe that as long as oil maintains its near monopoly over the market, this country needs to encourage the development of alternatives, like ethanol from cellulosic biomass. Otherwise we will always be victim to the saber-rattling of rogue states like Iran, which can drive up fuel prices for everyday Americans with just a threat," said Tom Buis, CEO of Growth Energy. "Ethanol from grain is already the most commercially-viable alternative to gasoline derived from foreign oil. We are very close to making cellulosic ethanol viable as well – and this policy will help a great

deal with that."

Writing to Majority Leader Harry Reid and Minority Leader Mitch McConnell, RFA President and CEO Bob Dinneen wrote, "On behalf of America's ethanol industry, the Renewable Fuels Association (RFA) is writing to voice our support for the Stabenow amendment (No. 1812) to the pending transportation bill. The Stabenow amendment includes three very important tax incentive extensions that will encourage investment in new biofuel technologies and infrastructure that will lower gasoline price and provide consumers choice at the pump."

"With gas prices soaring, it is increasingly important to diversify U.S. motor fuel markets with viable and competitive alternatives to gasoline, such as advanced ethanol, that will offer American consumers a choice at the gas pump," said Brooke Coleman, executive director of AEC.

Specifically, the Stabenow amendment would provide for the extension of two critical tax incentives for the advanced

and cellulosic ethanol industry -- the Cellulosic Biofuels Producer Tax Credit (PTC) and the Accelerated Depreciation Allowance for Cellulosic Biofuel Plant Property – as well as extending the Alternative Fuel Infrastructure Tax Credit that helps gasoline retailers install blender pumps and other ethanol fueling infrastructure, the RFA said. These policies are vital to the ongoing development of the domestic ethanol industry and commercialization of the advanced and cellulosic ethanol industry.

The Stabenow amendment was one of several amendments to the highway transportation bill that is expected to be voted on today or early next week, Growth Energy said. The Stabenow legislation will extend a series of expiring energy tax provisions. Included in the amendment are extensions for the \$1.01 per gallon production tax credit for cellulosic biofuel through 2014, and an extension through the end of the year for the tax incentive to encourage gas station owners that use alternative fuel dispensers, like ethanol Flex Fuel pumps and E85 pumps.

<http://www.ethanolproducer.com/articles/8640/industry-supports-extension-of-cellulosic-advanced-tax-credits>

California Improved performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & an ethanol fuel waiver (AB 523 Valadao) might improve the air & the fuel price this year.

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Redfield ethanol plant to convert to butanol plant

By: DIRK LAMMERS, A.P., Daily Republic, February 24, 2012

SIOUX FALLS (AP) — A South Dakota corn ethanol plant will soon begin producing a fuel additive with a wider variety of uses.

Tom Hitchcock, chief executive of Redfield Energy, said the 50 million gallon-per-year plant is teaming with Englewood, Colo.-based Gevo to convert the facility in Redfield to a 40 million gallon-per-year butanol plant using the same 18 million bushels of corn a year.

Hitchcock said each gallon of butanol contains more energy than a gallon of ethanol.

"You use the same amount of corn to get a more valuable product," he said.

South Dakota legislators this week approved extending a 20-cents-per-gallon tax incentive for ethanol plants to facilities that produce butanol, and the bill is expected to be signed by the governor. But because the statewide program is capped at \$4 million, Hitchcock said, the benefit to the Redfield plant actually amounts to about a penny a gallon.

Gevo is also retrofitting a plant it owns in Luverne, Minn.

Butanol has traditionally been used as paint thinner, cleaner and adhesive, but as a fuel additive it contains more energy than ethanol and could be blended into existing cars at higher percentages. Hitchcock said he expects the plant

to be more profitable selling fewer gallons of the new product.

The Redfield plant is a co-op owned by 650 members, and Hitchcock said Gevo is paying for the \$30 million retrofit in exchange for an equity interest in the partnership.

He said the motivation for members to make the switch was that the demand for butanol goes well beyond its role as a fuel additive.

Biobutanol is used widely in paints and other chemical products and can be converted into plastics and solvents. And with some additional processing steps, it can even be converted to jet fuel, diesel or gasoline, Hitchcock said.

"There's a much bigger, wider market for the product than ethanol," he said.

Hitchcock said Gevo expects to have to have the Luverne plant making butanol by June, and the goal is to have the Redfield plant producing the new product by the second quarter of 2013.

Another benefit of butanol is that it does not eat away at pipes, so a butanol pipeline is feasible, though Hitchcock said that possibility would be far down the line as more plants are brought into the system.

"I think you'll see all of our production and the Luverne production shipped out by rail," he said.

<http://www.mitchellrepublic.com/event/article/id/62660/group/homepage/>

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BP, Aiming For Ethanol, To Quadruple Brazil Sugarcane Capacity

By Dow Jones Newswires, Fox Business, February 14, 2012

SAO PAULO – Global oil giant BP PLC's (BP, BP.LN) Brazilian biofuels division plans to quadruple its sugarcane-crushing capacity in the next five years as it seeks to capitalize on the growing market for ethanol, the company confirmed Tuesday.

BP Biocombustiveis, which operates three sugarcane mills in Brazil, aims for crushing capacity of 30 million metric tons of sugarcane per year by 2017, up from 7.5 million tons currently, local newswire Agencia Estado reported Tuesday, citing an interview with company President Mario Lindenhayn.

A BP Biocombustiveis press official confirmed the information.

According to the report, BP Biocombustiveis expects to reach the goal by expanding its existing mills and building three new ones. Possible acquisitions aren't figured into the 30-million-ton estimate but haven't been ruled out.

Lindenhayn said that in 2011, BP invested around \$750 million to expand to 100% its stake in Tropical Bioenergia, which has one sugarcane mill in central Goias state, and CNAA, which owns two functioning

mills and one greenfield project in Minas Gerais and Goias.

In addition to expanding industrial capacity, BP Biocombustiveis and other Brazilian sugar and ethanol producers face an ongoing challenge to obtain enough feedstock. A number of factors related to weather and irregular investments in the sector caused Brazil's main center-south sugarcane crop to fall 11% last year from the previous year.

"In the crop that's ending now, our crushing only amounted to 5 million tons," Lindenhayn said, according to Agencia Estado. BP Biocombustiveis is currently investing to expand by 35% its sugarcane acreage for the upcoming 2012-13 harvest, which will begin in April.

BP Biocombustiveis owns 80% of the sugarcane it crushes to produce sugar and ethanol, while the remaining 20% is purchased from suppliers.

Sugarcane-based alcohol is a major fuel source in Brazil, where around half of the domestic auto fleet have flex-fuel engines capable of running on pure hydrous ethanol. Regular gasoline in Brazil contains a 20% mixture of anhydrous ethanol.

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<http://www.foxbusiness.com/news/2012/02/14/bp-aiming-for-ethanol-to-quadruple-brazil-sugarcane-capacity/>

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Ethanol transforms U.S. farms and our economy

By Roger Pleggenkuhle, DesMoines Register, January 2, 2012

America is bankrupt. The booming corn ethanol industry has produced a record amount of food stamps and poverty across America.

In 2010, 48.8 million Americans lived in food insecure households, 32.6 million adults and 16.2 million children. Food costs are on track to inflate 6 percent in 2011. Farm subsidies are intended to alleviate farm poverty. Ethanol is a subsidized commodity crop price support program and has enabled growers to pay cash for farmland.

The taxpayers are forced to

hand out money to other people. The mega-growers are 100 percent dependant on the taxpayer. Consumers are turning toward more efficient cars. The ethanol mandate has displaced America's fuel with food. American refineries are shipping gasoline, diesel and other petroleum products abroad in record amounts, turning the country into a net exporter of fuel.

The taxpayers are now subsidizing big oil. The taxpayers expect and deserve a free market and a freedom to farm program will stop the handouts. Ron Paul declares America is bankrupt and the swamp needs to be drained.

— Roger Pleggenkuhle, Fredericksburg

<http://www.desmoinesregister.com/article/2012/01/02/OPINION04/301020035/Ethanol-transforms-U.S.-farms-and-our-economy>

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Dance of the ethanol giants: US and Brazil in shuffle game

Renewable Fuels Association, Dec. 19, 2011 2:07pm

Flawed carbon accounting schemes at both the federal and state level are creating a dynamic where the U.S. is importing ethanol from Brazil while simultaneously exporting greater volumes back to Brazil. This "ethanol shuffle" is occurring exclusively as the result of state and federal fuel regulations that "treat Brazilian sugarcane ethanol as if it were the Holy Grail of biofuels," according to Geoff Cooper, the Renewable Fuels Association's Vice President of Research and Analysis.

In his recent blog post, "The Ethanol Shuffle," Cooper explores this convoluted trade relationship and how U.S. policy is turning world ethanol markets upside down.

The heart of the issue is how both the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) are calculating carbon emissions for corn-based ethanol and Brazilian sugar ethanol. Under both the federal Renewable Fuel Standard (RFS) and the California Low Carbon Fuels Standard (LCFS), the carbon footprint of Brazilian based sugar ethanol is deemed far superior to corn-based ethanol. This results in a growing incentive for imports of ethanol from Brazil to meet increasingly aggressive carbon standards. At the same time, a struggling Brazilian ethanol industry cannot meet its own domestic demand. As such, Brazilian ethanol producers are finding it more valuable to export their product to America (and the carbon emissions that go with ocean transport) and import growing volumes of U.S. ethanol (and the same carbon emissions).

As Cooper writes in his blog, "So, that's how the "Ethanol Shuffle" works. California imports sugarcane ethanol from Brazil rather than corn ethanol from Nebraska or Kansas; and in turn, corn ethanol from the Midwest travels to Houston or Galveston via rail, then is shipped to Brazil via tanker to "backfill" the volumes they sent to the U.S. Picture the irony of a tanker full of U.S. corn ethanol bound for Brazil passing a tanker full of cane ethanol bound for Los Angeles or Miami along a Caribbean shipping route. Remember, this is all being done in the name of reducing GHG emissions."

Cooper explores just how environmentally destructive this practice can be. Cooper found that transportation-related GHG emissions more than double in the scenario where California imports Brazilian cane ethanol and Brazil "backfills" those volumes with U.S. corn ethanol imports. And the miles traveled in in this scenario are more than eight times the miles traveled in a scenario where California ethanol demand is met with corn ethanol from the Midwest.

There are economic ramifications to the shuffle effect as well. In concept, California gasoline blended with imported Brazilian ethanol has been 16 cents per gallon more expensive than gasoline blended with U.S. ethanol.

All of this is compounded by trade distorting practices that the Brazilians discretely engage in to disadvantage U.S. ethanol. The RFA recently raised this point in a letter to the U.S./Brazil Council.

<http://westernfarmpress.com/government/dance-ethanol-giants-us-and-brazil-shuffle-game#comment-76041>

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November 8th, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 Capitol Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
S-230 Capitol Building
Washington, DC 20510

The Honorable John Boehner
Speaker
United States House of Representatives
H-232 Capitol Building
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
H-204 Capitol Building
Washington, DC 20515

Dear Congressional Leaders:

The undersigned diverse group of business associations, hunger and development organizations, agricultural groups, environmental groups, budget hawks, grassroots groups and free marketers urge you to reject efforts to continue or expand federal support for corn ethanol in any appropriations, tax, or debt reduction package. In particular, we oppose:

- Altering the requirements of the Renewable Fuels Standard in a way that would open the definition of advanced biofuels to include corn-based fuels.
- Any expansion of the Alternative Fuels Tax Credit that would allow 85 percent ethanol blends (E85) to qualify for the credit.
- Funding for ethanol “blender pumps” or any other ethanol infrastructure projects.
- Any extension of the Volumetric Ethanol Excise Tax Credit.

Any combination of these policies would only serve to expand the market for fuels derived from corn, especially corn ethanol, and exacerbate the many challenges associated with those fuels. Again, we urge you to reject efforts to expand federal support for corn ethanol in any appropriations, tax, or debt reduction package.

Sincerely,

ActionAid USA
American Bakers Association
American Frozen Food Institute
Americans for Limited Government
American Meat Institute
Americans for Prosperity
Americans for Tax Reform
California Dairy Campaign
Clean Air Task Force
Clean Water Action
Competitive Enterprise Institute
Environmental Working Group
Freedom Action
Friends of the Earth
Greenpeace USA
Grocery Manufacturers Association
Milk Producers Council
National Black Chamber of Commerce
National Chicken Council
National Council of Chain Restaurants
National Meat Association
National Wildlife Federation
National Restaurant Association
National Taxpayers Union
National Turkey Federation
Natural Resources Defense Council
Oxfam America
Snack Food Association
Southeast Milk Inc.
Taxpayers for Common Sense
Taxpayers Protection Alliance

Sugar Cane Ethanol a \$2 Billion Bet for Shell

By Leon Kaye, Triple Pundit, August 27th, 2010

Brazil has built a respectable renewable energy policy over the past 35 years. Spooked by the oil crises of the early 1970s, Brazil's government promoted ethanol from sugarcane as fuel. Flex-fuel vehicles that run on gasoline or ethanol caught on, and now account for over 90% of Brazil's automobile sales. Since 1976, pure gasoline has no longer been sold in Brazil; a mix of anywhere from 10% to 25% of cane-based ethanol must be blended with gasoline before going from the pump to the gas tank. And a huge deal announced yesterday will further extend the reach of Brazilian ethanol.

Yesterday energy giant Shell and Cosan SA of Brazil signed binding agreements to form a US\$12 billion joint venture for the production and sale of ethanol and electricity from sugar cane. Shell will contribute almost US\$2 billion to the effort and over 2700 service stations to the transaction; Cosan will line up 23 sugar mills, power plants that turn sugarcane waste into energy, and 1700 of its service stations behind the JV. The companies are betting that strong cooperation in Brazil will lead to increased ethanol sales abroad.

Brazil's energy policy is one cog in the machine that has turned Brazil into an economic darling over the past decade. The country of over 190 million has been relatively energy independent, it became a creditor nation for the first time last year; and has tamed inflation while maintaining a respectable growth rate. Poverty is still a problem, but programs like President Luiz Lula

da Silva's Bolsa Familia has improved more families' quality of life. Visit maddening Sao Paulo, playful Rio de Janeiro, or drum-thumping Salvador, and Brazil's ethanol program is a source of pride for its people.

Sugarcane ethanol is far more efficient than ethanol from corn and other biofuels, but has its own issues. It has a favorable energy balance: for every one of unit put into ethanol production 8 to 10 units of energy are produced as a result. Many global organizations including the UN and Oxfam have compared sugarcane-sourced fuels favorably over others, and stated that sugarcane ethanol is the best alternative when it comes to food security. Some experts have their doubts: while cane is not grown in the rain forest, it is grown in the cerrado, a savannah-like region that is buffer between the Amazon and the coast. Many native plants, some of which are rare and even valuable for pharmaceutical purposes, are threatened—they are often razed and replaced with lucrative crops like cane, grains, and cotton.

So Brazil's energy mix is not perfect, but when considering the Canadian tar sands, Gulf oil spills, and the biofuel-versus-food debate, it is one of the more enviable energy policies. It certainly is lucrative as well. Should the Shell-Cosan venture succeed, watch for similar deals on the horizon, especially when we hit the next spike in petroleum prices. Is there a chance that we may see supertankers pull into American ports . . . with Brazilian cane ethanol?

<http://www.triplepundit.com/2010/08/sugar-cane-ethanol-a-2-billion-bet-for-shell-cosan/>

NO on California AB 523 Valadao unless amended, support a waiver of the fed GMO fuel ethanol mandate allowed by the 2005 Renewable Fuels Standard.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

Valero: 'Ethanol has been successful for us'

Company leaders visit Webster County plant

By BILL SHEA, staff writer, Messenger News, August 25, 2011

Trucks loaded with corn line up every day at the front gate of the Valero Renewables ethanol plant west of Fort Dodge, while at the opposite end of the facility gallon after gallon of the fuel pours into railroad tank cars.

That's a process local farmers and plant workers can expect to see for a long time into the future, according to Bill Day, the executive director of media relations for Valero.

"This has become an important part of Valero's business," he said Wednesday morning. "The ethanol has been successful for us."

Day said the San Antonio, Texas, based company can "bolt on technologies" to expand the plant's capabilities and ensure it operates in a highly efficient way.

Valero, he added, will be able to remain competitive in the ethanol business thanks to its size and a favorable "crush spread" that means the company is collecting more money for the ethanol than it is paying for the corn.

"Valero is well-positioned to

compete in the marketplace because of our size," Day said. "We compete with everybody. You have to be able to compete on a global basis in a business like this."

Day traveled to the plant with a group of other company leaders who came to launch the annual United Way fund-raising campaign for the 65 local employees.

Those employees operate a plant that churns out more ethanol than its designers envisioned. The plant's capacity is officially listed at 110 million gallons a year. But according to Day, it's now producing about 120 million gallons a year. That's possible, he said, because equipment has been added to make the plant more efficient. New technology also enables the plant to run longer between the times it must be shut down for planned maintenance, he added.

Another fermenter, which will be the eighth one at the plant, is being planned, according to Day.

The price of corn has surged to more than \$7 per bushel this month, but Day said Valero

managers aren't necessarily concerned about the base price for that commodity. Instead, they keep a close eye on the crush spread, he said. As long as the company pays less for corn than it takes in from ethanol sales, it will remain profitable, he said.

The demand for ethanol, Day added, remains good because it is cheaper than gasoline.

Presidential candidates and members of Congress have talked about ending tax credits for ethanol blenders. That's a possibility that doesn't really concern Valero because it doesn't blend the fuel, according to Day.

"The tax credit is good for the industry overall, but we don't get a lot of benefit from it," he said. "It doesn't really factor into our economics."

Valero, which has 10 ethanol plants and is building a renewable diesel facility in Louisiana, is eyeing cellulosic ethanol production using wood pulp, according to Day. Company officials are also discussing the potential for making renewable jet fuel for the Navy.

Contact Bill Shea at (515) 573-2141 or bshea@messengernews.net

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<http://www.messengernews.net/page/content/detail/id/541849/Valero---Ethanol-has-been-successful-for-us.html?nav=5010>

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13TH DISTRICT, CALIFORNIA

COMMITTEE ON
WAYS AND MEANS
JOINT COMMITTEE
ON TAXATION

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HOUSE OF REPRESENTATIVES
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July 29, 2011

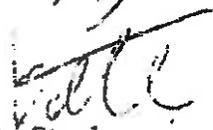
Mr. Charlie Peters
21860 Main Street
Hayward, CA 94541-2614

Dear Mr. Peters:

Thank for your letter regarding H.R. 459 and corn ethanol in gasoline. I'm happy to inform you that I am a cosponsor of Rep. Paul's bill for Federal Reserve Transparency. This bill would require a full audit of the Fed before the end of 2012.

I am not a supporter of corn in gasoline. Ethanol derived from corn has zero environmental benefits and drives up food prices. I am strongly opposed to all government subsidies for the ethanol industry and I am working to repeal them.

Sincerely,



Pete Stark

Member of Congress

FHS/eh

Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541
Sunday, July 17, 2011

Mr. President
Barack Obama
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500
(202) 456-1414
fax: (202) 456-2461

RE: Jobs and food.

Good afternoon Mr. President,

Thank you for raising the issue of change.

The **genetically modified organism (GMO)** corn fuel ethanol, welfare for Big oil refiners and Government Motors, seems to add more cars on the road.

I also was born in Hawaii and left soon after December 7 1941.

Will GMO corn from ethanol production affect the beef?

(CAPP is a coalition of motorists)

Clean Air Performance Professionals



Charlie Peters

(510) 537-1796

cc to interested parties.

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

Ethanol waiver available.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

"This is not over, Corn ethanol is bad public policy, I look forward to continuing my effort to eliminate state funding for it," said Valadao, "Ultimately, this bill being defeated is bad news for those that consume food, work in agriculture, or care about the environment and good news for a small group of wealthy Corn ethanol producers." -----

Unions and a Handful of Ethanol Producers Unite to Defeat Valadao Bill Eliminating Corn Ethanol Funding

By Tal Eslick, Raysrope's Blog, May 12, 2011

In a true display of backroom dealing and the power of Unions in the State Capitol, AB 523 a bill eliminating state funding for Corn ethanol was defeated after several Unions pressured Democratic members of the Transportation committee.

AB 523 was supported by several environmental, labor, and agriculture groups, including the Sierra Club and the California Poultry Association. Many at the hearing were confused as several Unions and ethanol producers cited jobs as the reason for opposing AB 523, even as the bill would have protected agriculture and food service jobs.

"I had been warned about how business gets done in Sacramento, but even I was surprised to find such opposition for a bill addressing rising food costs," said Valadao, "The opposition claimed that this bill would have cost jobs, but they failed to

acknowledge the thousands of good-paying agriculture jobs that Corn ethanol has cost the State of California."

AB 523 would have eliminated state funding for ethanol derived from corn. Currently, several million dollars is available for ethanol producers, coming from a \$100 million dollar pot funded by vehicle license and registration fees. The Corn ethanol portion of the program was part of a late night budget deal between Governor Schwarzenegger and a small group of Corn ethanol producers. AB 523 would have simply made Corn ethanol ineligible for state support, therefore redirecting that funding for other forms of renewable energy, including ethanol not derived from corn.

"The environmental and scientific community agrees that Corn ethanol is bad for the environment, but

apparently not bad enough to overcome the influence of a handful of Ethanol producers in Sacramento," said Valadao, "Furthermore, this bill would have encouraged development and investment in better, cleaner forms of Ethanol in California, namely those that do not raise the cost of food."

Producing Corn ethanol for use in motor fuels unnecessarily increases the demand for corn, which raises the prices that consumers pay for a wide variety of foods at the grocery store, ranging from corn syrup sweeteners found in many foods, including meat, dairy and poultry products. Ethanol derived from corn has had a crippling effect on many in Agriculture as it significantly raises the cost of feed.

Valadao was quick to reiterate his opposition to Corn ethanol and his commitment to continue the fight.

"This is not over, Corn ethanol is bad public policy, I look forward to continuing my effort to eliminate state funding for it," said Valadao, "Ultimately, this bill being defeated is bad news for those that consume food, work in agriculture, or care about the environment and good news for a

small group of wealthy Corn ethanol producers."

The bill had the support of an Agricultural Coalition (including Agricultural Council of California, Alliance of Western Milk Producers, Association of California Egg Farmers, California Cattlemen's Association, California Dairy Campaign, California Dairies, California Poultry Federation, Central Coast Fryers/Fulton Valley Farms, Dairy Farmers of America-Western Area Council, Diesel Turkey Ranch, Foster Farms, Hilmar Cheese Company, Land O' Lakes, Milk Producers Council, Pacific Egg & Poultry Association, Pittman Farms, Squab Producers of California, Western United Dairymen, Zacky Farms) California Dairy Campaign; California Farmers Union; Dairy Farmers of America; Pacific Egg & Poultry Association; Grocery Manufacturers Association; Sierra Club California; Union of Concerned Scientists; United Food and Commercial Workers Union 8-Golden State.

Assemblyman Valadao represents Central California's 30th Assembly District. The 30th Assembly District includes all of Kings County and parts of Fresno, Kern and Tulare counties.

<http://commons.wikimedia.org/wiki/File:Combine-harvesting-corn.jpg>

Improved performance of Partial Zero Emissions Vehicles (PZEV), Smog Check & an ethanol fuel waiver (AB 523 Valadao) might improve the air & the fuel price this year.

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

Drivers fuming over biofuel push

By Michael Vaughn, *Globe and Mail*, Wed., March 09, 2011

The corn-based ethanol industry has suddenly run into serious problems on both sides of the Atlantic from an assortment of governments, interest groups and angry drivers. Let's start with the angry drivers in the nation that first produced the motor car - Germany.

Nowhere else is a car culture so deeply ingrained as in Deutschland. Germans obsess over their cars - they clean, polish and tune them, they trade in and trade up regularly, they join automobile clubs and read automobile press in huge numbers and they drive their prized possessions at insane, yet legal, speeds on the autobahns. At the moment they have thrown the both the government and the gasoline refiners into a crisis by simply refusing to put ethanol into the tanks of their gleaming cars. The row is over the new 95 octane product called Super E10. The German government wants to reduce oil imports and stimulate farming of energy crops by getting motorists to buy E10, which is a blend of 10 per cent ethanol and 90 per cent gasoline. That's the stuff you're getting in Canada whether you want it or not. Well, the Germans don't want it, won't buy it and won't believe anyone who tells them it's good for them.

German gas stations are required as of this year to begin offering the new Super E10 or face penalties. About half the gas stations have so far switched their premium pumps from the more-expensive 98-octane Super Plus (zero ethanol content) to Super E10 and German motorists are staying away in droves to seek out and buy the old stuff. The government argues that nine out of 10 cars on the road can use Super E10 with no

harmful effects on their engines, but it hasn't persuaded car-worshipping Germans that it's worth the risk and the boycott is on.

As a result, supplies of 98-octane Super Plus are running low while refiners and gas stations are sitting on huge tanks of unsold Super E10. In unusual agreement, both ADAC (Germany's powerful auto club) and Greenpeace said the new gasoline may ruin cars and the environment. The German Petroleum Industry Association says that deliveries of Super E10 must be stopped, otherwise "the system will collapse." Chancellor Angela Merkel's government has summoned the chiefs of the oil industry to Berlin for a "gasoline summit" where there will be much hand wringing and calls for further study.

Meanwhile in the United States, the Government Accountability Office, the investigative arm of Congress, suggests that the 45-cent-per-gallon ethanol tax credit is a wasteful program that should be eliminated to help Washington deal with its debt problems. The tax credit, due to expire at the end of 2011 anyway, costs the government nearly \$6-billion a year. "The ethanol tax credit was important in helping to create a profitable corn starch ethanol industry when the industry had to fund investment in new facilities, but it is less important now," the GAO said.

The current legislated mandate in the U.S. is E10 while Environmental Protection Agency wants to allow gasoline with up to 15 per cent ethanol for newer vehicles. Environmentalists never fail to

criticize E10 and E15, saying energy crops waste scarce farmland and cause higher food prices. In fact, a coalition of food industry lobbyists and environmentalists sent a letter last week to congressional leaders urging them to end the ethanol subsidy. "At a time of spiralling deficits, we do not believe Congress should continue subsidizing gasoline refiners for something that they are already required to do."

These debates will have an impact on Canada. Automobiles and the fuel they burn are global issues with "harmonized" legislative standards. In other words, if the Europeans and especially the Americans, back off ethanol we will undoubtedly do the same. However, renewable fuels have to become more and more important for environmental as well as economic reasons. The United States spends more than \$300-billion a year for foreign oil; that's about 60 per cent of the total U.S. trade deficit and equal to half of its defence budget.

The ethanol industry has done a lousy job of explaining its case and justifying its government support; and of course relying almost totally on corn is a big mistake. The game changer will be the commercialization of cellulosic ethanol if it ever comes. I believe it will. Waste for fuel is a far more compelling case than food for fuel. Once municipal waste, farm waste, forestry waste can be converted economically to ethanol I think the opposition will fade away. Even the German car-crazies, with sufficient encouragement from their auto-makers, would have to see the ethanol advantage over the ever-increasing price of crude.

Clean Air Performance Professionals

21860 Main Street Ste A
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From: **Nichols, Mary D. @ARB** <mnichols@arb.ca.gov>
Subject: **RE: Cheney could be Condit witness**
Date: February 15, 2011 9:54:39 AM PST
To: Clean Air Performance Professionals <cappcharlie@earthlink.net>

"This stuff is now a decade old. Normally I wouldn't bother to respond, but there is enough dirt in the ethanol lobby that you really don't need to drag in Chandra Levy. Alex Farrell is dead. Gary Condit and Dick Cheney are both alive, but not very relevant. Gray Davis is or was working for ADM to advance the cause of Midwest corn ethanol in California. No big surprises there." -----

###

Are all ethanol sales taxed the same?

Will BP - DuPont bio - butanol welfare lower the gas price?

GMO corn fuel ethanol gets \$6billion per year in welfare for Big oil refiners and Government motors.

Ethanol for 100 proof sales is taxed \$17.00 per gal.

So what is the tax rate for single serve per gal of ethanol?

Could a standard tax rate help the California budget issues?

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

(Sunoco) Pew Business Environmental Leadership Council (BELC) may all share in the public/private partnership of corporate and NGO welfare

“Sunoco Green E15 will be the new fuel of NASCAR, using a 15 percent blend of corn ethanol from American producers.”

NASCAR announces switch to ethanol-blended fuel

By Doug Demmons, The Birmingham News, October 16, 2010

NASCAR Chairman Brian France announced Saturday that the sport would switch to an ethanol blend of fuel starting in 2011.

Sunoco Green E15 will be the new fuel of NASCAR, using a 15 percent blend of corn ethanol from American producers.

"It's going to be cleaner burning," France said, although he added that NASCAR does not have any numbers on how much cleaner or by how much it will reduce the sport's carbon footprint.

It was just a few years ago that NASCAR switched from leaded to unleaded fuel but NASCAR recently has accelerated its efforts to be greener by switching to ethanol, by promoting recycling and by tree planting at tracks.

The new ethanol-blend will also provide a small boost in horsepower for NASCAR engines.

"We're liking the performance aspects we're finding," France said of tests that have been made with the fuel.

Switching to ethanol does raise some issues, however. An ethanol blend can have more problems with moisture getting into the fuel, said Bob Owens, senior vice president of Sunoco.

"We have to be a lot more careful about rainy days and moisture," Owens said.

He also added that fuel cans will look differently next year as they must be updated to do a better job of eliminating moisture.

Related topics: [Brian France](#), [motorsports](#), [NASCAR](#)

http://www.al.com/sports/index.ssf/2010/10/nascar_announces_switch_to_eth.html

California CalEPA Secretary Linda Adams, signed a MOU with the UN in China on earth day. China gets about 50% of the world carbon tax and the China government gets a 50% tax of the credits.

** China goods and services may increase

** We pay the carbon tax and Pew Business Environmental Leadership Council (BELC) Member Companies: ABB, Air Products, Alcoa Inc., American Electric Power, Bank of America, BASF, Baxter International Inc., The Boeing Company, BP, California Portland Cement, CH2M HILL, Citi, Cummins Inc., Deere & Company, Deutsche Telekom, The Dow Chemical Company, DTE Energy, Duke Energy, DuPont, Entergy, Exelon, GE, Hewlett-Packard Company, Holcim (US) Inc., IBM, Intel, Interface Inc., Johnson Controls, Inc., Lockheed Martin, Marsh, Inc., Novartis, Ontario Power Generation, PG&E Corporation, PNM Resources, Rio Tinto, Rohm and Haas, Royal Dutch/Shell, SC Johnson, Toyota, TransAlta, United Technologies, Weyerhaeuser, Whirlpool Corporation, Wisconsin Energy Corporation and friends may all share in the public/private partnership of corporate and NGO welfare

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

California energy panel promises millions to ethanol firm founded by Schwarzenegger ally

The money from a tax on car owners goes to a fund for clean-energy technologies. But backers say it was not to be used for corn ethanol, which they say harms the environment as much as oil.

By Jack Dolan, Los Angeles Times, August 27, 2010

Reporting from Sacramento — California's energy commission has promised millions of dollars to a struggling corn ethanol business founded by a political ally — and generous campaign contributor — to Gov. Arnold Schwarzenegger despite public assurances that the commission's environmental funds would not be used to subsidize that technology.

FOR THE RECORD:

Ethanol subsidies: An article in Saturday's LATEXtra section about subsidies promised to a corn ethanol business founded by former California Secretary of State Bill Jones said Gov. Arnold Schwarzenegger's chief environmental advisor, Dan Pellissier, had never met Jones. After publication, Pellissier said he had met Jones on a number of occasions but had never spoken to him about the subsidies. —

The money comes from a tax on car owners passed three years ago that goes to a fund for clean-energy technologies. When the fund was set up, its backers said it would not be used for corn ethanol, a decades-old gas additive that many environmental scientists argue is at least as bad for the planet as oil.

The decision to use the fund for an ethanol subsidy has the program's creator crying foul.

"It's appalling. We gave them a very clear direction where these funds should be going," said former Assembly Speaker Fabian Nuñez, who wrote the bill that created the Alternative Fuel and Vehicle Technology Program. "Ethanol is yesterday's news. It seems like there's some inside deal going on."

Pacific Ethanol, the largest of four companies eligible for up to \$15 million in new subsidies offered under the program, was founded by former California Secretary of State Bill Jones, a fixture in the state Republican Party who has given nearly \$70,000 to Schwarzenegger's campaigns, state records show.

The firm filed for bankruptcy protection last year. Its plants in Stockton and Madera are now idle but would restart in a matter of months if the promised subsidies come through, which is contingent on passage of the long-overdue state budget.

"What I smell here is a bailout," said Nuñez, who left the Legislature when his term limits expired in 2008.

Jones did not respond to requests for comment. Tom Koehler, Pacific Ethanol's director of public policy, said nobody from his company ever spoke to the governor about the subsidy.

"This whole kind of undue influence thing just is not there," Koehler said.

Schwarzenegger's chief environmental advisor, Dan Pellissier, said Koehler's brother Neil, Pacific Ethanol's chief executive, came to his office last summer with representatives from other California ethanol producers to press their case for the subsidy. Pellissier said he then asked Energy Commission Chairwoman Karen Douglas to "have your people look at it."

Pellissier said he has never met Bill Jones and had no idea that Jones had given money to the governor's campaigns.

"That would have had no bearing on this at all; that is just not the way we make decisions," Pellissier said, adding that his support for the subsidy is based solely on its merits: Ethanol produced with the methods used in California is a bit cleaner than oil and much cleaner than that shipped in from the Midwest, and the money will help restart idle

plants and put people back to work.

Each of Pacific Ethanol's plants would employ about 40 people if they reopen, Koehler said.

News of the state's planned investment surprised many environmentalists because a growing body of scientific opinion holds that clearing fields to grow corn, harvest it, distill it into ethanol and ship it to oil refineries consumes as much energy and causes as much environmental damage as burning oil.

"I don't think anybody in the environmental community believes that corn ethanol has sufficient value itself to warrant spending this money on it," said Roland Hwang of the Natural Resources Defense Council.

Hwang, who sits on the advisory committee that helps decide how to spend California's alternative fuels fund, said that converting one farmer's corn into fuel means that another farmer would have to fire up a tractor to grow more food.

Other environmental experts say that even if ethanol manufacturing is cleaner in California than in other states — much of the electricity used in the state comes from wind and solar power, as opposed to burning coal — it is not a long-term solution to the state's greenhouse gas problems.

"What we want to see is investment in the next generation of bio fuels," like those made from

garbage or non-edible farm waste, said advisory committee member Patricia Monahan, of the Union of Concerned Scientists. "I don't think corn ethanol is going to solve our climate and environmental problems."

The biggest investments from the fund are going to electric and natural gas-powered vehicles. Ethanol is listed as an eligible alternative fuel in the law creating the fund, but Nufiez said he was referring to ethanol made from more sustainable crops, like switch grass.

The aversion to corn ethanol is nothing new. In July 2008, when state officials met with their advisory committee of environmentalists and entrepreneurs to decide where to invest the new fund, Peter Ward, the lead author of the energy commission's investment plan, repeatedly stressed his expectation that the money would go elsewhere, according to a transcript of the meeting.

"I don't know how I can more clearly state it," Ward finally said, responding to fears that the politically powerful corn lobby would get its hands on the money. "I doubt, personally, that we will see corn-to-ethanol projects funded."

Since then, the corn ethanol industry has been on a losing streak. The California Air Resources Board released its nationally watched ranking of fuels based on their relative environmental friendliness last

year, and corn ethanol fared poorly. The industry is suing the state to get the ranking formula changed.

On top of that, the price of corn rose and the price of ethanol fell, squeezing profit margins for producers. Pacific Ethanol sought bankruptcy protection in May 2009.

In February of this year, with encouragement from the governor's office, the Energy Commission started to discuss offering price supports to ethanol producers. By June, the plan was in place. Four companies qualified; Pacific Ethanol is the largest.

The subsidy would take the form of price supports, compensating the ethanol producers when profit margins are low. Should profits climb, the producers would pay the state back. The money also comes with a requirement that the firms produce a plan, within a year, to start lowering their carbon footprint. They have five years to put those plans into action.

"It's 100% performance-based," Koehler said. "It's not a handout."

Environmentalists say those benchmarks are generous, and there's little penalty if the companies don't live up to them.

"I wouldn't say we have zero confidence that we'll get what we want out of this program," Hwang said, "but it's much less than 50%."

<http://articles.latimes.com/2010/aug/27/local/ca-me-ethanol-20100828>

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie@earthlink.net

Sugar Cane Ethanol a \$2 Billion Bet for Shell

By Leon Kaye, Triple Pundit, August 27th, 2010

Brazil has built a respectable renewable energy policy over the past 35 years. Spooked by the oil crises of the early 1970s, Brazil's government promoted ethanol from sugarcane as fuel. Flex-fuel vehicles that run on gasoline or ethanol caught on, and now account for over 90% of Brazil's automobile sales. Since 1976, pure gasoline has no longer been sold in Brazil; a mix of anywhere from 10% to 25% of cane-based ethanol must be blended with gasoline before going from the pump to the gas tank. And a huge deal announced yesterday will further extend the reach of Brazilian ethanol.

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Sugarcane ethanol is far more efficient than ethanol from corn and other biofuels, but has its own issues. It has a favorable energy balance: for every one of unit put into ethanol production 8 to 10 units of energy are produced as a result. Many global organizations including the UN and Oxfam have compared sugarcane-sourced fuels favorably over others, and stated that sugarcane ethanol is the best alternative when it comes to food security. Some experts have their doubts: while cane is not grown in the rain forest, it is grown in the cerrado, a savannah-like region that is buffer between the Amazon and the coast. Many native plants, some of which are rare and even valuable for pharmaceutical purposes, are threatened—they are often razed and replaced with lucrative crops like cane, grains, and cotton.

So Brazil's energy mix is not perfect, but when considering the Canadian tar sands, Gulf oil spills, and the biofuel-versus-food debate, it is one of the more enviable energy policies. It certainly is lucrative as well. Should the Shell-Cosan venture succeed, watch for similar deals on the horizon, especially when we hit the next spike in petroleum prices. Is there a chance that we may see supertankers pull into American ports . . . with Brazilian cane ethanol?

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Jack Daniel's Maker Switches to GM Corn for Whiskey Distilling, Blames Shortage of Ingredients

eNews from Monday, March 9, 2009

Sustainable Food News -- March 2, 2009 -- One of the largest American-owned companies in the wine and spirits business said Friday that a shortage non-genetically modified corn in the marketplace will force it to use genetically modified corn for some of its whiskey distilling.

Louisville, Ky.-based Brown-Forman Corporation makes and markets alcohol beverage brands, including Fetzler wines, Jack Daniel's, Southern Comfort, Finlandia Vodka, Tequila Herradura, Bolla wines, and Korbel California Champagnes.

In an update to its 2008 Corporate Responsibility report, the company said it has never been concerned by the use of GM grains in making bourbon and whiskey because none of the GM materials make it through the distilling process to the final product.

In 2000, the company opted for non-genetically modified corn, the predominant grain for making of whiskey at its Jack

Daniel, Woodford Reserve, Canadian Mist, and Brown-Forman distilleries, after several consumers, particularly in Europe, expressed a preference for non-GM ingredients.

But the company said a "rapidly shrinking supply" of non-GM corn in North America is making it increasingly more difficult to source the quantity of non-GM corn required for its bourbons and whiskeys.

For example, in 2000, about 25 percent of all corn grown in the United States and 46 percent of all corn grown in Canada was genetically modified, while in 2007, 80 percent of all U.S. corn and 84 percent of all corn grown in Canada was genetically modified.

"This trend is projected to continue and, in addition to reduced plantings of non-GM corn, we estimate that cross contamination will further reduce the amount of certified non-GM corn available," the company said.

"Our growing inability to source enough high quality non-GM corn that meets our rigorous standards has led us to the decision to use GM corn in the fall of 2009 for some of our distilling," the company said. "While we will continue to use non-GM corn at most of our distilleries, the diminishing supply of high quality non-GMO corn available in North America will cause us to reevaluate this position as we determine our sourcing each year."

To read the update to the sustainability report, which includes a third-party verified greenhouse gas inventory showing a 10 percent reduction in emissions for the company's U.S. and Canadian operations between 2005 and 2007, [click here](#).

Brown-Forman has also begun developing its next full Corporate Responsibility Report, to be published this summer.

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http://www.soyatech.com/news_story.php?id=12815

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Bill Jones as subsidized ethanol magnate

* From Alan Bock, Orange County Register (blog),
December 4th, 2007

* Here's an interesting piece from the Mercury-News on the "post-politics" of Bill Jones, former Republican Assemblyman and Secretary of State Bill Jones, who has now become one of California's biggest Welfare Queens as an entrepreneur in the subsidized world of ethanol. His family had some farmland near Madera, and for years he's been eyeing corn likker — ethanol — as a way to maximize profits. Since retiring from politics, but using his political influence, he's becoming a magnate, having formed Pacific Ethanol. Having pocketed \$15 million from selling stock after the company went public, he's looking for a controversial \$14 million tax break from the state to build two more ethanol plants.

* I remember when Bill Jones used to come in for editorial boards and talk about how he was a limited-government conservative eager to get rid of boondoggles and use taxpayers' money responsibly. Now he's profiting from one of the biggest boondoggles in California history. Sad case — but then he's pocketed \$15 million and I haven't.

<http://itsgettinghotinhere.org/2007/03/21/the-next-british-invasion-public-acceptance-of-climate-change/>

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Ethanol waiver available

Orange County Register, Sept. 20, 2005 3:00 a.m.

Tucked in among the pork and subsidies Congress passed in the energy bill this summer was a provision that could work to California's advantage - if California officials take advantage of it.

According to Congressional Quarterly magazine, the Environmental Protection Agency "would have the authority to reduce or waive the requirement for a state in which a percentage of fuel sold in that state contains renewable fuel additives. The requirement could be waived if it is determined that the mandate would have a significant adverse economic or environmental impact on the state or region." The waiver would be for one year, but it can be renewed.

As we have noted previously, California has had problems with the federal mandates under the Clean Air Act amendments of 1990, which mandated that "reformulated gasoline contain 2 percent oxygen." Most California refiners chose to meet that requirement by adding methyl tertiary butyl ether (MTBE), but it created both environmental and economic problems. It escaped easily from storage tanks and in some cases led to water supplies and

bodies of water having an unpalatable taste and odor. There are also allegations that MTBE can lead to diseases.

California governors Gray Davis and Arnold Schwarzenegger, supported by elected officials from both parties, have in the past applied for a waiver from the federal oxygenate mandate without success. The energy bill, according to the Congressional Research Service, eliminates the oxygenate mandate but replaces it with a mandate to use increasing amounts of ethanol, made from corn. And it allows states to apply for a waiver.

California has led the nation in regulating fuel to reduce air pollution, and California regulators believe the oxygenate mandate and ethanol are not necessary to reduce smog; indeed, some environmentalists believe ethanol makes certain aspects of smog worse.

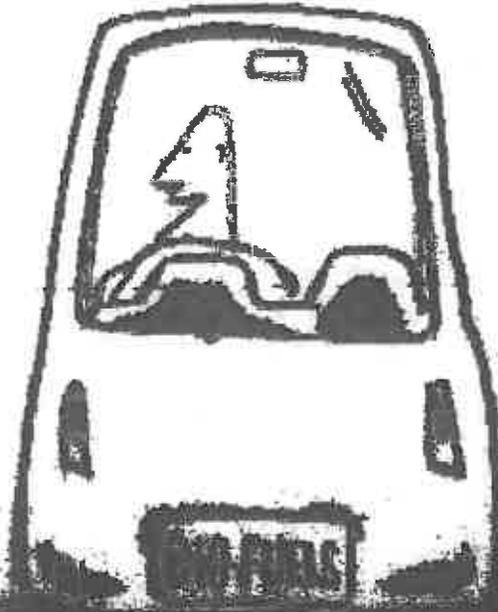
Gasoline with ethanol is also more expensive, so mandated ethanol use is a factor - though not the only one - in gasoline being more expensive in California. Gov. Schwarzenegger should move aggressively to apply for a waiver from this unnecessary mandate to subsidize agribusiness in the Midwest.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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WAIT!
IT TURNS OUT BIODIESELS
MAY BE WORSE FOR
GLOBAL WARMING!

**TOO
LATE!**



DO YOU KNOW ABOUT THE PUMPS? A. D. GOSSEL

Davis Pursues EPA Waiver on Ethanol

By Elizabeth Douglass, Los Angeles Times, August 07, 2003

Gov. Gray Davis again urged the Environmental Protection Agency to end a federal mandate that gasoline sold in California include ethanol, a fuel additive that air quality officials say does not help the state reduce air pollution.

Davis has requested an EPA waiver for the state's fuel, which he said could meet federal air emission standards without using oxygen-boosting additives such as ethanol and MTBE.

MTBE, or methyl tertiary butyl ether, will be banned from California gasoline Jan. 1 because of environmental concerns.

Davis' move comes three weeks after the U.S. 9th Circuit Court of Appeals sided with California, ruling that the EPA "abused its discretion" when it refused to consider the state's waiver request.

<http://articles.latimes.com/2003/aug/07/business/fi-cup2.3>

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Ag marketers hear a pitch for ethanol

Bill Jones touts Valley as source for fuel additive

By Luis Hernandez, Visalia Times-Delta July 28, 2003

TULARE -- Government, farmers and environmental groups should come together to support the growing ethanol industry in California, former California Secretary of State Bill Jones says.

Ethanol, a gasoline additive produced from corn, can create a market for local farmers and can help reduce carbon dioxide pollutants.

"We are just giving away an opportunity," Jones said. "It's a product that can be produced here." Jones was the keynote speaker at the National Agri-Marketing Association's conference last week at the Heritage Complex.

Jones and a group of investors recently formed Pacific Ethanol Inc., and they are looking for financing to build two ethanol plants -- one in Visalia, near highways 99 and 198, and another in Madera. Jones said plans call for the Madera plant, a \$50 million project, to be in operation by the fall of 2004.

An ethanol plant could have a huge effect on the local economy. Jones said it would expand the economy by \$110 million, bring in a \$140 million one-time economic boost and create \$1.2 million in tax revenue.

Because ethanol can't be transported by pipes, jobs in the transportation industry would also be created.

Ethanol is mostly produced in the Midwest. California only has two facilities that produce an estimated 8 million gallons a year.

"The state needs 613 million gallons of ethanol this year and 1 billion gallons next year," said Rob Schlichting, a California Energy Commission spokesman.

With low local production and high current and projected demand, California consumers can be vulnerable to high prices when supplies run low. Jones likened the ethanol supply-and-demand scenario to the energy crisis that hit California a few years ago.

"It would be irresponsible not to take this problem head on," he said.

The high demand for ethanol stems from a bill recently passed in the California Legislature that calls for the maximum reduction of carbon dioxide emission from light-duty engines.

One way to reduce the pollutants is to replace methyl tertiary butyl ether with ethanol in gasoline. MTBE is being phased out because it pollutes water supplies.

"In fact, we know it's feasible to blend over 1.5 million gallons of ethanol a year into California's gasoline stream and reduce close to 5 million tons of [carbon dioxide] per year," Jones said.

Producing the ethanol could also prove beneficial for dairy farmers. Ethanol is produced by heating up corn and getting alcohol that is then turned into ethanol.

The byproduct, because of its high vitamin and fat content, can be fed to dairy cows.

"It's a win-win situation," Jones said.

Matt Schmitt, a Cowgreen representative, agreed with Jones.

"[Ethanol production] benefits both the fuel and dairy industry," Schmitt said.

Cowgreen, a company based in Southern California, is also looking to build an ethanol plant, or biorefinery, in Pixley.

Schmitt said Cowgreen's plant would need 85,000 acres of corn grown and the byproduct produced at the plant would feed 130,000 cows every day.

Cowgreen's plant is scheduled to be in operation early next year, Schmitt said.

Tulare County Agricultural Commissioner Gary Kunkle said local growers could supply what Cowgreen's plant would need.

At the moment, local farmers grow \$70 million worth of silage corn and \$1.5 million of grain corn, Kunkel said.

Silage corn, the seventh largest crop in the county last year, is grown specifically to feed dairy cows.

<http://www.visalistimesdelta.com/news/index.html>

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Greenhouse redux

Orange County Register, May 27, 2002

A.B. 1058, the controversial bill to limit carbon dioxide emissions in California, is scheduled for a possible vote in the Assembly on Tuesday. A final vote was delayed several times due to grassroots opposition and lobbying by the auto industry.

Clearly the pressure is on. Why the urgency?

Part of the reason is the desire of some environmental groups and state legislators for California to be the first state to limit the emission of "greenhouse gases."

But the reasons may go deeper. So far the debate has centered on the harsh measures that might be taken to meet the goals of A.B. 1058. In a report, the California Air Resources Board said it might have to impose gas taxes and sport utility vehicle fees.

Another scenario, however, is being raised: If those remedies prove too controversial, the board could propose ethanol credits to meet the requirements. The costs would be largely hidden in higher gasoline prices and ethanol producers would cash in. Ah, the ethanol industry.

Midwest-based ethanol industry influence

is the chief reason the Bush administration refused to give California a waiver from a mandate to put oxygenates in gasoline. Californians have been using MTBE, but it has proven to be a water pollutant.

The only other practical alternative is ethanol, although some believe it could actually increase smog. So most environmentalists, including the Sierra Club, along with Sens. Boxer and Feinstein, support a lawsuit by Gov. Davis to get the federal oxygenate mandate waived.

Is the ethanol industry also in the 1058 debate? It's not readily apparent, but questions have been raised about a group called the Bluewater Network, a self-described coalition of about 60 businesses and environmentalists. Bluewater stands out as one of the few environmental groups to support federal ethanol mandates. And, Bluewater has aligned itself with ethanol interests by signing an ad promoting ethanol benefits. In a recent Earth Island Journal, Bluewater Network founder Russell Long brags that Bluewater Network wrote A.B. 1058.

Californians should pay close attention to those who could benefit most from A.B. 1058 and how they might be shaping debate.

<http://ocregister.com/commentary/editorial5.shtml>

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Industry Outlook - 4/17/2002

Water groups oppose ethanol as MTBE replacement

WASHINGTON — Replacing methyl tertiary butyl ether (MTBE) with the fuel additive ethanol could result in further water contamination and higher gas prices, three water organizations told Senate Majority Leader Tom Daschle this week.

The Association of California Water Agencies (ACWA), Sacramento; American Water Works Association (AWWA), Denver; and the Association of Metropolitan Water Agencies (AMWA), Washington, said in a letter to Daschle, D-SD, that they support ending the use of MTBE.

MTBE is a fuel oxygenator that purportedly helps clean emissions from vehicles, but is found to be a groundwater pollutant and health risk. Ethanol is often talked about as its replacement.

But "replacing MTBE with ethanol runs the serious risk of repeating costly environmental mistakes," the letter said, without evidence that it benefits clean air and without evidence there are no health risks associated with it.

"Putting ethanol on gasoline, at any levels, would almost certainly result in higher prices at the pump and new instances of possible water contamination," the letter stated.

ACWA, AWWA and AMWA also oppose language in the Energy Policy Act of 2002's ethanol provision that features the creation of a "renewable fuels safe harbor," that the groups claim gives liability protection to ethanol marketers.

The groups cited a 1999 study by the University of California that concluded the state could meet its clean air goals without oxygenated fuel.

Copies of the groups' letter were sent to US senators Dianne Feinstein, D-CA, and Barbara Boxer, D-CA, who also oppose the use of MTBE.

In October 2000, Feinstein introduced five bills to deal with MTBE, and on 11 April, Boxer said in a statement on her [website](#) that she would offer an amendment to hold ethanol producers responsible for any future damage to the environment or any threat to public health.

Boxer said she would also introduce a second amendment to encourage the use of ethanol produced from agricultural biomass, such as rice straw and sugarcane residue, as an alternative to corn-based ethanol. That approach, she said, would help prevent supply disruptions that can translate into unfair gas prices for consumers.

California once intended to stop using MTBE next year, but last month, concerned about possible increased gas prices at the pump caused by ethanol, Gov. Gray Davis postponed the MTBE ban, giving refineries up to an additional 12 months for the transition from MTBE to ethanol.

National Trade Publications Inc. http://waternet.com/news.asp?mode=4&N_ID=30919

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San Francisco Chronicle (10-31) 08:59 PST (AP)

....."Orange County Register" Oct. 29, 01

San Francisco dumps MTBE; will others follow?

(AP) In terms of the overall market, gasoline for San Francisco's city vehicles isn't likely to have a huge impact. But the city-county supervisors' decision not to buy any gasoline containing the oxygenating additive MTBE (methyl tertiary butyl ether) for its own vehicles could have a significant political and legal impact.

MTBE, you may remember, is the additive favored to meet Environmental Protection Agency standards that call for oxygenates in the gasoline in parts of California that don't meet EPA clean-air standards. The trouble is that it leaks easily into water supplies and stays a long time.

While the health effects are subject to controversy -- some authorities claim a link to cancer and other diseases while others disagree -- MTBE has a noxious odor that makes water virtually undrinkable.

California has moved to ban MTBE in gasoline beginning January 2003. Gov. Davis petitioned the feds to grant California a waiver from the EPA decree demanding that oxygenates be added to California gasoline since the most viable alternative is ethanol, made from corn by agribusiness giant Archer Daniels Midland with heavy subsidies. Earlier this year the Bush administration refused to grant the waiver.

But some authorities believe the EPA oxygenate requirement is not an enforceable mandate at all. If California defied it on the credible grounds that requiring oxygenates would make pollution worse rather than better, the EPA might well back off.

Those forces carried the day in San Francisco.

San Francisco Supervisor Chris Daly, spurred by lobbyists for ethanol, began the move to ban MTBE a few weeks ago. But a coalition of environmental and community groups mobilized and convinced him that the EPA "mandate" for oxygenates was not enforceable.

So the resolution the San Francisco supervisors passed (Oct. 22) did not include language giving preference to ethanol. In a letter to the group Communities for a Better Environment, Daly praised the group's "tireless efforts" and said the final ordinance "will move San Francisco closer to protecting our water quality by phasing out MTBE quickly, without creating a massive giveaway to special interests who produce ethanol." ...

There's irony in the controversy. Most of the MTBE that got into California water supplies came through leaky tanks, most of which have been replaced. So the problem may not be as widespread as some fear.

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July 12, 2001

California Faces Higher Prices At the Pump After Bush Ruling
Ruling That Ethanol Replace MTBE May Pinch Supplies
By ALEXEI BARRIONUEVO
Staff Reporter of THE WALL STREET JOURNAL

President Bush's recent decision requiring California to use ethanol as its gasoline additive will add to the state's already steep gasoline prices and could leave fuel supplies tight.

The ethanol industry says it can meet California's needs for about 600 million gallons a year of the corn-based additive, four times more than the state currently uses. But at a California Air Resources Board meeting Thursday, state energy officials are expected to release preliminary results of a survey predicting that ethanol supplies will be tight, at best.

No new plants are under construction in California, and construction would have to start by the fall to meet the state's December 2002 deadline for phasing out MTBE, the current additive for cutting emissions. At the same time, some Northeast states will be competing for the same supplies: Connecticut is phasing out MTBE in 2003 and New York in 2004.

Getting enough of the new additive "will be a major challenge, a huge challenge," says Pat Perez, manager for the fuels office at the California Energy Commission.

In fact, in recent days, members of the California Air Resources Board have met with refiners in the state to express their increasing concerns. State officials have told refiners that they are leaning toward asking the governor to postpone the phase-out of MTBE, refining executives say.

"People are definitely hearing various things, and different scenarios are being discussed, but no decision has been made," says William L. Rukeyser, assistant secretary at Cal/EPA, the state's environmental regulatory agency. He adds that "we continue to say there is no possibility of abandoning the MTBE phase-out." He expects a decision by mid-September.

Previously, California had applied for a waiver from using special pollution-reducing additives in gasoline, saying it could meet air standards without them, but Mr. Bush rejected the request last month.

Meanwhile, the California Energy Commission estimates that higher transportation costs and other expenses related to the switch will add at least 10 to 20 cents a gallon for consumers who already pay the nation's highest gasoline prices.

Unwilling to bet entirely on the U.S. ethanol industry, California officials, along with oil giant BP PLC, held discussions in May with ethanol producers from Brazil, the world's largest ethanol producer. Brazilian producers say they have idle capacity they could bring on line, and "we think we could do it for a competitive price," says Eduardo de Carvalho, president and chief executive officer of the Association of

Sugar and Alcohol Producers of Sao Paulo, which represents about 60% of Brazilian ethanol production.

California Gets No Exemption From U.S. on Gas (June 12)

White House Won't Exempt California From Rule Requiring Clean-Burning Gas (June 9)

Mr. Carvalho declined to discuss prices. But California Energy Commission officials say they believe they could get Brazilian ethanol for \$1.20 a gallon, below the recent Gulf Coast spot prices for ethanol of just under \$1.40 a gallon. But a current import tariff of 54 cents a gallon would boost the Brazilian price to \$1.74 a gallon.

Still, London-based BP, one of California's biggest refiners, says the Brazilian supply has to be considered, because it is worried about an ethanol shortfall that could cause prices to spike. "Our analysis shows that in the short term, there will probably not be enough ethanol," says Tom Mueller, a BP spokesman.

Importing from Brazil could be a political headache for Mr. Bush and others who supported ethanol in large part to give a boost to U.S. farmers. "What an irony it would be if our domestic effort would result in dependence on yet another foreign supplier," says Jason Grumot, executive director of the Northeast States for Coordinated Air Use Management, a consortium of air-quality-control agencies.

Still, even Brazilian supplies probably won't stave off higher prices. Because of the unique properties of ethanol, refiners have to use huge quantities of additional gasoline components to make the same amount of gasoline. California's energy commission estimates that switching to ethanol will reduce gasoline output in the state by 6% to 10% even after planned capacity expansions, a huge drop in a state where the balance between supply and demand is always tenuous.

Ethanol is also tougher to transport, and there aren't any dedicated ethanol pipelines to California, nor are there plans to build any. While most of California's MTBE comes from the Gulf Coast, ethanol will first have to travel to the Gulf by rail or barge from the Midwest, adding five to seven cents a gallon to gasoline prices.

Refiners, including BP and Valero Energy Corp., say they expect to encounter railroad congestion and a tough time finding more U.S.-flagged tankers for sea-borne shipments.

Ethanol lobbyists argue that the fears are overblown. Projects are in the works to expand the country's ethanol production by 40% to 2.5 billion gallons by early 2003 and to 3.5 billion gallons by 2004, says Monte Shaw, a spokesman for the Renewable Fuels Association in Washington. He said ethanol producers don't anticipate transport problems.

Write to Alexei Barrionuevo at alexei.barrionuevo@wsj.com
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http://www.capitolalert.com/news/capalert08_20010905.html

.....The Sacramento Bee

Judge upholds state's ban on MTBE in gas: The ruling says the Clean Air Act does not pre-empt California's edict.

By Denny Walsh Bee Staff Writer (Published Sept. 5, 2001)

A federal judge in Sacramento tossed out a lawsuit challenging California's ban of the fuel additive MTBE, ruling Tuesday that there is nothing in federal air quality regulations precluding the ban.

Contrary to a claim by the major producers of MTBE, the federal Clean Air Act does not pre-empt the Davis administration's edict against the additive, U.S. District Judge David F. Levi said in a 13-page order.

While the act does block every other state from imposing its own rules regarding motor vehicle fuel and additives, it exempts California from the prohibition as the "state that regulated automotive emissions before Congress entered the field," Levi noted.

The judge also rejected the argument made by attorneys for the manufacturers that the ban violates the commerce clause of the U.S. Constitution, which reserves matters affecting interstate commerce to Congress.

Again citing the Clean Air Act's unique exemption of California, Levi quoted from a 1983 U.S. Supreme Court finding that when state action is specifically authorized by Congress, that action "is not subject to the commerce clause even if it interferes with interstate commerce."

Gene Livingston, an attorney for the producers, said the ruling will be appealed to the 9th U.S. Circuit Court of Appeals. He said Levi's conclusions run counter to orders from a federal District Court in New Jersey and a Superior Court in Los Angeles.

"We've known from the beginning that this issue will ultimately be decided at the appellate level," Livingston said.

MTBE, a synthetic chemical made from isobutylene and methanol, is used as an oxygenate in at least 15 states to reduce ozone-causing emissions.

In December 1999, the California Air Resources Board approved amendments to its reformulated-gasoline regulations banning MTBE because of evidence that it is polluting groundwater. The ban takes effect Dec. 31, 2002. For gasoline already delivered to the pump, the ban will be phased in over the first quarter of 2003.

William L. Rukeyser, spokesman for the California Environmental Protection Agency, hailed Levi's ruling.

"It's important for people to know that we don't have to pollute our water to clean up our air," he said.

Davis spokesman Roger Salazar said, "We've made the case all along that MTBE is causing contamination. The stuff is turning up in groundwater even in areas of the state where its use is not required."

Salazar reiterated the Davis administration's insistence that California's air would improve measurably if the state were not bound by the federal rule requiring an oxygenate in gasoline sold in those areas that have failed to meet air quality standards -- Sacramento, Los Angeles and San Diego.

But the Bush administration in June rejected the state's long-standing request to waive the requirement. That action creates a grand opportunity for manufacturers of corn-derived ethanol, the state's only practical alternative to MTBE.

The MTBE manufacturers sued in January in the name of their Virginia-base trade coalition, Oxygenated Fuels Association Inc., naming Gov. Gray Davis and Air Resources Board Chairman Alan Lloyd as defendants.

As an alternative theory, attorneys for the association argued that Congress' grant of autonomy to California does not apply to the MTBE ban because it was enacted to protect water, not air.

But Levi rejected such a restrictive construction of the Clean Air Act as "inconsistent with the broad authority granted to California."

In addition, the judge found that, even if the state's exemption did not apply to the ban, the legal challenge would still fail under a 1985 U.S. Supreme Court decision granting states "great latitude under their police powers to legislate as to the protection of the lives, limbs, health, comfort, and quiet of all persons."

The Bee's Denny Walsh can be reached at (916) 321-1189 or dwalsh@sacbee.com.

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http://www.capitolalert.com/news/capalert08_20010905.html

"Leaks from the Condit camp now suggest that Mr Condit had a private meeting with Mr Cheney on May 1, just 30 minutes before Ms Levy logged off from her computer for the last time."

<http://www.guardian.co.uk/world/2001/jul/23/usa.dickcheney/print>

"Gary A. Condit (D-Calif.) has introduced legislation, in the opening days of the 107th Congress, to help drive gasoline prices down while protecting the environment. HR 52 seeks to relieve California from federally mandated year-round gasoline oxygenate requirements while preserving the full benefits of California's reformulated gasoline program."

What They Didn't Say

Stella, Hemmings Motor News, MARCH 2001

(Gary Condit, Dick Cheney, Chandra Levy, ENRON, Arnold, Gray Davis, MTBE, ethanol & Alex Farrell)

(snip)

"Rep. Gary A. Condit (D-Calif.) has introduced legislation, in the opening days of the 107th Congress, to help drive gasoline prices down while protecting the environment. HR 52 seeks to relieve California from federally mandated year-round gasoline oxygenate requirements while preserving the full benefits of California's reformulated gasoline program. Condit introduced the bipartisan legislation with another member of the California delegation, Rep. Chris Cox. 'California already meets Environmental Protection Agency requirements for reducing emissions of toxic air pollutants and ozone-forming compounds,' Condit said. 'When a state meets these requirements, under this legislation, they would not be required to add oxygenates to gasoline'."

<http://clubs.hemmings.com/clubsites/capp/mar01.html>

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This Pork Barrel Is Stuffed With Corn

Debra J. Saunders, San Francisco Chronicle, November 8, 1995

BACK IN the bad old days when the Democrats were in power, the Republicans did a pretty good job of describing the Democratic attitude about your money. That is: The Dems had no regard for taxpayers' hard-earned dollars. They took with an unbridled sense of entitlement, then spent with unbridled abandon. They didn't care if a program was good for you or not.

Now the Republicans are doing a pretty good job at emulating that same old Demo approach.

As the House and Senate budget bills are voted on, here's one welfare reform you won't see: an end to the federal government's subsidy of the corn-based fuel ethanol, estimated by Cato Institute consultant James Bovard to cost taxpayers \$770 million annually. A spokesman for the Senate Agriculture Committee disagreed, citing a Treasury Department study that concluded that the tax break is "revenue neutral" because its removal -- pay attention, lest you lose the thread of his convoluted logic -- would lower the demand for corn, thereby causing an increase in federal corn subsidies.

Forget that the GOP Congress could eliminate that subsidy if it wanted to. Forget that if demand decreased, your corn and meat prices would be lower. Take it on faith that agribusiness is

more deserving than you are.

Really? Politicians in the Clinton administration and GOP Congress cite the alleged environmental pluses of ethanol. Hard to imagine what those advantages are when studies show that gasohol (a mixture of gasoline and ethanol) reduces miles per gallon and its production can consume more energy than it creates.

For all its anti-big-government rhetoric, the new Congress has no intention of ending this pricey bit of corporate welfare. You won't even see a reduction in the subsidy -- which comes in the form of a 5.4-cents-per-gallon fuel tax break for gasohol or 54 cents per gallon of ethanol. House Ways and Means Committee Chairman Bill Archer, R-Texas, has introduced a measure to reduce the ethanol tax bonanza by a mere 3 cents per gallon and cap the subsidy at current production levels. Those modest changes would have reduced the ethanol welfare tab by \$1.8 billion over seven years.

To the thinking taxpayer, Archer's proposal would seem too little, too late. Not so in this House under Speaker Newt Gingrich. Gingrich quashed Archer's too-modest measure, reportedly because he feared that if the cut remained, farm-state Republicans wouldn't support the budget bill. Typical Newt-speak: He

really wants to dump the bonanza, but gosh darn, members won't let him.

Thank Archer Daniels Midland Co. The company that advertises itself as the "supermarket to the world" more accurately might be called Pickpocket to America. ADM, which manufactures 70 percent of America's ethanol, is a major donor to both the Democratic and Republican parties. According to Common Cause, ADM and the family of chairman Dwayne O. Andreas gave \$1.2 million to the two parties between 1991 and 1994. Andreas and company ranked third among Democratic donors.

I figure it's no accident Senate majority leader Bob Dole stood by the ethanol subsidy. For years he has received money from ADM and Andreas. Newsweek reported that Dole has flown on the ADM private plane 29 times since 1992. Andreas contributed \$70,000 to Gingrich's GOPAC. As Bovard wrote, "Ethanol has become a magic obeisance button for politicians. Simply mention the word and politicians grovel like trained dogs, competing to heap the most praise on ethanol and its well-connected producers."

When the Democrats controlled Congress, they were happy to hand your money to ADM. Republicans say they're better than that. They sure haven't proved it.

This article appeared on page A - 23 of the San Francisco Chronicle

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/1995/11/08/ED14752.DTL>

NO on California AB 523 Valadao unless amended, support a waiver of the fed GMO fuel ethanol mandate allowed by the 2007 Renewable Fuels Standard.

<http://www.ocregister.com/opinion/california-42628-mandate-ethanol.html>

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EPA Told It Can't Order Ethanol Use in Gasoline Court says agency exceeded authority

By San Francisco Chronicle, A.P., April 29, 1995, page A - 5

(04-29) 04:00 PST Washington -- In a blow to farmers, a federal appeals court ruled yesterday that the government cannot require corn-based ethanol as an additive in a cleaner-burning gasoline now sold in 17 states.

The cleaner, reformulated gasoline has been on the market since January under an Environmental Protection Agency directive to help reduce smog-causing pollution from motor vehicles.

The gasoline burns cleaner and emits 20 percent less pollution because of higher levels of oxygen. But there has been a bitter dispute over what kind of oxygen additive should be used -- ethanol from corn or the petroleum-based methanol derivative MTBE.

At stake are hundreds of billions of dollars.

Agriculture groups estimate that a 30 percent market share of the oxygen additive -- as the EPA had sought to impose -- would require 650 million gallons of ethanol a year with revenue to farmers and related industries of as much as \$1.5 billion annually.

REFINERS PREFER MTBE

The EPA had wanted to assure that ethanol, an environmentally friendly and renewable product, be allowed a substantial market share even though refiners generally favor the petroleum-based MTBE. The EPA rule issued last year would require ethanol to be at least 30 percent of the oxygenate.

But the U.S. Court of Appeals, which last September put a temporary stay on the EPA's ethanol mandate, ruled

yesterday that the agency had gone beyond its authority in setting a minimum market share for ethanol.

The three-judge panel concluded that although the EPA had "the authority to set a standard" for cleaner gasoline under the 1990 Clean Air Act, it could not "mandate the manner of compliance or the precise formula" for the fuel.

The ruling was in response to a lawsuit filed by the petroleum industry, which had argued that the Clinton administration had bowed to political pressures from farm states to promote the ethanol industry while providing no additional environmental benefits.

Ethanol, the suit argued, also is more expensive because of higher transportation costs.

EPA Administrator Carol Browner said in a statement that she was disappointed by the court decision.

"Renewable energy sources like ethanol offer important environmental benefits," said Browner. She said no decision had been made on whether to appeal to the Supreme Court, but legal experts said an appeal is unlikely.

Farm and ethanol industry groups said the decision would not mean an end to ethanol as a gasoline additive. Agriculture Secretary Dan Glickman said the administration planned to examine whether the farm bill in Congress might be used to help the ethanol industry.

Even without the EPA's mandate, "ethanol market share has significantly increased . . . and has created a choice for consumers unhappy with MTBE,"

said Eric Vaughn, president of the Renewable Fuels Association, an ethanol trade group. He said ethanol is used in about 11 percent of the nation's fuel, both reformulated gasoline and as motor fuel used in farm regions.

'THIS WILL SHARPEN OUR FOCUS'

"This will sharpen our focus and force us to redouble our efforts," said Rod Gangwish, president of the National Corn Growers Association. He said there are 43 ethanol plants, five more than just two years ago, producing 1.4 billion gallons annually. Six plants are under construction.

Although MTBE is the predominant oxygenate for reformulated gasoline, the petroleum industry does use ethanol in some parts of the country, primarily in the Midwest, where it is readily available.

But the MTBE itself has been the focus of controversy. People have complained because reformulated gasoline -- no matter what oxygenate is used -- is more expensive than conventional gasoline.

Reformulated gasoline has been sold since December. It has been required by the EPA as of January 1 in nine metropolitan areas with the worst smog problem: New York, Los Angeles, Chicago, San Diego, Baltimore, Milwaukee, Houston, Philadelphia and Hartford, Conn.

In 12 states, local or state officials have decided voluntarily to become part of the program to help reduce air pollution.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/1995/04/29/MN33486.DTL>

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